

# Summary of the evaluation of national systems for guarantees of origin for electricity from renewable sources (GO) and for electricity labelling for the purpose of a decision on the recognition of imported guarantees of origin on behalf of the Federal Environment Agency (UBA)

## Lithuania

### Introduction

The German Federal Environment Agency (UBA) currently examines whether guarantees of origin for electricity from renewable sources (GO) from other Member States of the European Union and other states can in principle be recognised under Article 19 Directive (EU) 2018/2001 (RES Directive). The evaluation of the legal and practical implementation of the national systems for guarantees of origin and for electricity disclosure is supported by a consortium of external contractors (Öko-Institut e. V. and Becker Büttner Held PartGmbH (BBH)).

### General

As of 17 August 2022, the assessment of the available information on system-related issues leads to reasonable doubts as to the reliability or veracity of GOs issued in and imported from Lithuania. However, given the lack of practical relevance of the critical regulatory aspects, Lithuanian GOs could still be recognized in accordance with Article 19 of Directive (EU) 2018/2001 (RES Directive), though certain agreements should be concluded with the Lithuanian transmission system operator LITGRID, which operates the register of guarantees of origin (for more details, see below).

### Specifics

To a large extent, Lithuanian GOs fulfil (partly with restrictions) **all criteria according to Article 19 of Directive (EU) 2018/2001** (RES Directive).

GOs are issued for the **standard size of 1 MWh** of net electricity generation and are **used exclusively for the purpose of electricity disclosure**. In electricity disclosure, renewable sources are clearly distinguished from other electricity sources. For electricity from renewable sources for which public support is claimed, either no GOs are issued or the **market value is taken into account through market or administrative mechanisms in determining the level of support**.

Energy from renewable sources can be labeled in the fuel mix **solely on the basis of the national residual mix or by cancellation of GOs** (in the case of non-EECS GO also by ex-domain cancellation).

LITGRID calculates the **residual mix according to the RE-DISS methodology**, which avoids double counting.

GOs are **not used to meet the mandatory targets of Article 3** of Directive 2009/28/EC for renewable energy, **nor do they affect the calculation of gross energy consumption**.

GOs expire 18 months after the end of the generation period (which is not longer than one month) and can be cancelled until that time. GOs can only be transferred and exported within 12 months after the end of the generation period, if they have not been cancelled before.

The regulations in force in Lithuania, and in particular the EECS Rules, which are applied, ensure **accurate, reliable and fraud-proof issuance, transfer and cancellation of GOs**. It is ensured that GOs are used only once and that the registry technically avoids further use of the GO after cancellation, expiry or export of the GO.

LITGRID is the **only body in Lithuania responsible for issuing GOs**. It is independent of production, trade and supply.

GOs are **issued for the net production of electricity** (excluding own consumption) used by final consumers. The amount of net production is verified on the basis of meter readings obtained by the grid operators. The Lithuanian regulations contain provisions both for the correction of incorrect GOs and for incorrect or outdated registered data of generation units.

Lithuanian GOs contain **all the information required by Article 19(7) Directive (EU) 2018/2001** (RES Directive).

### **Critical aspects**

LITGRID is entitled to issue GOs for electricity from renewable energy sources (RES). In addition, LITGRID is further entitled to issue GOs for electricity from high-efficiency cogeneration (CHP), which are not part of the RE-DISS-system.

It is not clear from the documents available to us how the RE-DISS GOs for electricity from renewable energies are related to the non- RE-DISS GOs for CHP electricity. When asked, LITGRID stated that the system rules do allow to GOs to be issued for renewable electricity generated in high-efficiency cogeneration - one for the RES-characteristic in the RE-DISS-system and one for CHP-characteristic outside the RE-DISS-system. Contrary to the requirements of Art. 19(8) (EU) 2018/2001 (RES Directive), in these cases a single joint GO is not issued for both the RES and the CHP characteristic, rather, two separate GOs can be issued for the same unit of electricity. However, as the double issuance of GOs is theoretically possible, the requirements of Art. 19(8) (EU) 2018/2001 (RES Directive) might not be fully met, which could prevent the recognition of Lithuanian GOs. These concerns are limited to GOs from combustion or fuel plants, as the problem does not arise for solar, wind, hydropower and geothermal energy.

It should be considered however, that according to LITGRID currently no CHP plants receive GOs for electricity generated from renewable sources. Thus, the above problem appears currently only theoretic.

Since a double issuance of GOs does not occur in practice currently, the recognition of Lithuanian GOs could appear still be possible. **However, we advise the UBA to have this information officially confirmed in writing.** In addition, we advise to oblige LITGRID **to provide immediate information about any changes** in this situation. Finally, Lithuania ought to work towards adapting the legal parameters to the requirements of Art. 19(8) (EU) 2018/2001 (RES Directive), which we advise the UBA to **monitor and verify**.

### **Reasons for non-recognition**

None.

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Umweltbundesamt  
Wörlitzer Platz 1  
06844 Dessau-Roßlau  
Tel: +49 340-2103-0  
Fax: +49 340-2103-2285  
[buergerservice@uba.de](mailto:buergerservice@uba.de)  
Internet:  
[www.umweltbundesamt.de](http://www.umweltbundesamt.de)  
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### **Authors, Institutions**

Dominik Seebach, Dr. Marion  
Wingenbach  
Öko-Institut e.V.  
Merzhauser Straße 173  
79100 Freiburg

Dr. Wieland Lehnert, Johanna  
Wilhelmina Mamerow  
Becker Büttner Held PartGmbH  
Magazinstraße 15-16  
10179 Berlin

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