CHAPTER ONE
GENERAL PROVISIONS

Article 1. Purpose of the Law
1. This Law shall establish the main aims of energy activities in the Republic of Lithuania, also the legal basis of state management, regulation, supervision and control of the energy sector, general criteria, conditions of and requirements for public relations, the main areas of state energy policy.

2. Legal grounds for activities in specific energy sectors and specific features of public relations shall be established by other laws. Provisions of other laws regulating energy activities shall apply to the extent that they do not contradict this Law, with the exception of the case indicated in paragraph 3 of this Article.

3. The project of a new nuclear power plant referred to in the Law on the Nuclear Power Plant and related issues shall be regulated by the Law on the Nuclear Power Plant. Provisions of this Law shall apply to the relations related to the project of the new nuclear power plant and related issues to the extent that they are not regulated by the Law on the Nuclear Power Plant.

4. The provisions of this Law have been harmonised with the legal acts of the European Union listed in the Annex to this Law.

Article 2. Definitions
1. Person shall mean a citizen of a Member State or another natural person who benefits from the rights of movement within the Member States conferred upon him by European Union legal acts, or a legal person established in the Member State or another organisation or their branch.
2. **Household energy customer** (hereinafter: ‘household customer’) shall mean any natural person purchasing energy for personal, family or household consumption, excluding economic and commercial or professional activities.

3. **Energy emergency** shall mean a situation occurred in the energy sector due to an emergency event, when normal supply of energy sources or energy to energy undertakings and/or customers is disrupted, and the supply is disrupted to the extent that energy undertakings prove unable to timely forecast and manage the disruptions by economic methods and the Government, an institution authorised by it and/or the director of the municipal administration must, within their remit, regulate the supply of energy sources or energy to the energy undertakings and/or the customers.

4. **Energy industry** shall mean a branch of the national economy covering energy activities.

5. **Energy undertaking** shall mean a person engaged in energy activities.

6. **Energy-related equipment** shall mean technical structures, including mechanisms, machinery, apparatus, lines, accessories thereof and appurtenance intended for surveillance, extraction, processing, production, storage, transportation, transmit and/or distribution of energy sources and/or energy.

7. **Operation of energy-related equipment** shall mean technological management, maintenance, repairs, measuring, testing, starting-up and adjustment of energy-related equipment.

8. **Energy facilities** shall mean power plants and boiler houses, electricity grids and appurtenances thereof; main gas pipelines, natural gas systems, natural gas storage facilities, liquefied natural gas terminals and storage facilities; main oil pipelines (petroleum products pipelines); oil processing installations, oil and oil product terminals and storage facilities, liquefied oil gas installations; heat supply networks and appurtenances thereof.

9. **Energy sector** shall mean an area of the energy industry, including one type of energy or energy sources: electricity, nuclear energy, heat, cooling, energy from renewable sources or natural gas, solid fuels, oil, petroleum products.

10. **State control and supervision of the energy industry** shall mean control and/or supervision of technical safety of energy facilities, operation of energy-related equipment, reliability and/or efficiency of transportation of energy sources or energy as exercised by authorised state institutions.

11. **Energy activities** shall mean economic activities including surveillance, extraction, processing, production, storage, transportation, transmission, distribution, supply, trading, and marketing of energy sources or energy and/or operation of energy facilities and installations.
12. **Energy** shall mean electricity and/or heat. Energy shall be considered a commodity. For the purposes of this Law, natural gas shall also be considered as energy.

13. **Energy sources** shall mean natural resources and/or products of processing thereof used to produce energy or in transport.

14. **Transmission of energy** shall be the transport of energy by transmission networks or transmission systems (main gas pipelines).

15. **Distribution of energy** shall be the transport of energy by distribution networks or distribution systems (distribution gas pipelines).

16. **Energy supply** shall mean sale and/or resale of energy to customers.

17. **Energy transit** shall mean transport of energy and/or energy sources whereby energy or energy sources from one state are transported to the recipient of energy or energy sources located in another state using transmission networks or transmission systems (main gas pipelines) of an intermediary third country (or third countries).

18. **Energy audit** shall mean a procedure aimed at identifying and quantifying consumption of energy sources and/or energy in buildings, installations and industrial operations or total consumption of energy sources and/or energy necessary to provide public or private services, selecting and economically justifying energy sources and/or energy saving solutions and reporting to the client of energy audit.

19. **Energy customer** (hereinafter: ‘**customer**’) shall mean any person whose installations are connected to energy facilities managed by energy undertakings and who purchases energy for consumption.

20. **Main gas pipeline** shall mean a high-pressure pipeline, related installations, including gas distribution stations, for the transmission of gas from gas fields and liquefied natural gas systems to natural gas storage facilities, distribution pipeline or gas-consuming facilities, also structures and means ensuring the functioning of these pipelines.

21. **Main oil pipeline** (petroleum products pipeline) shall mean a high-pressure pipeline, related structures and installations for the transmission of oil to oil terminals and storage facilities or to oil refining installations and for the transmission of petroleum products to petroleum products terminals and storage facilities.

22. **Regulated energy activities** (hereinafter: ‘**regulated activities**’) shall mean energy activities which require licences, authorisations, certificates and/or which is subject to state-regulated prices.

23. **Voluntary agreement** shall mean a publicly available agreement between the Ministry of Energy of the Republic of Lithuania and energy undertakings, the parties to which voluntarily set the objectives of increasing efficiency of consumption of energy sources and
energy and/or environment protection, draw up schedules of implementation of these objectives, determine requirements for monitoring the implementation of the agreement and reporting.

24. **Technical safety** shall mean the entirety of measures and requirements specified by this Law and other legal acts and ensuring the reliability and security of energy facilities and installations.

25. **Security of supply** shall mean the reliability and technical safety of supply of energy sources and/or energy.

26. **Third country** shall mean a state other than a Member State of the European Union or a state of the European Economic Area.

27. **Third parties** shall mean energy producers, suppliers and customers entitled, in accordance with the procedure and under the terms and conditions specified by this Law, to have access to transmission or distribution networks for transport of energy in accordance with the procedure laid down by legal acts.

28. **Member State** means a Member State of the European Union or a state of the European Economic Area.

29. **Energy facilities of national importance** shall mean power plants and boiler houses of the capacity of at least 50 MW; transmission networks for electricity with a voltage of at least 110 kV and appurtenances thereof; main gas pipelines; natural gas import terminals and storage facilities with a capacity of at least 25 000 000 cubic metres; liquefied natural gas import terminals and storage facilities with a liquefied gas re-gasification capacity of at least 0.5 billion cubic metres per annum; main oil pipelines (petroleum products pipelines); oil refineries processing at least 50 000 tonnes of crude oil per annum; crude oil and/or petroleum products terminals and storage facilities with a capacity of at least 10 000 cubic metres; nuclear energy facilities; energy facilities whose importance to the State is recognised in accordance with the procedure laid down by the Government of the Republic of Lithuania.

30. **Rated thermal input** shall mean the maximum capacity of a combustion installation, as specified by the producer, which the installation is capable of attaining and maintaining in the course of long-term uninterrupted operation of the installation.

31. **Customers’ energy-related equipment** (hereinafter: ‘customers’ energy-related equipment’) shall mean electricity, heat, gas, and petroleum products energy-related equipment designed for customer needs.

32. **Services meeting public interest** shall mean the services meeting public interest provided by energy undertakings in the cases specified by law under delegation of the Government of the Republic of Lithuania with a view to implementing the strategic goals of state
energy, economic and/or environmental protection policy in the energy sector and defending legitimate public interests.

33. **Indigenous energy sources** shall mean the energy sources found in the Republic of Lithuania, with the exception of imported energy sources or energy sources produced therefrom.

**CHAPTER TWO
MANAGEMENT OF ENERGY ACTIVITIES**

**Article 3. General Goals of Energy Activities**

1. General goals of energy activities shall be as follows:
   1) security and reliability of energy supply;
   2) availability and adequacy of energy sources and energy;
   3) energy source and energy efficiency;
   4) balanced and sustainable development of the energy sector;
   5) reduction of the negative impact of energy activities on the environment;
   6) protection of the rights and legitimate interests of customers;
   7) creation and development of conditions for effective competition in the energy sector;
   8) promotion of the use of indigenous and renewable energy sources.

2. Laws regulating legal grounds for activities in specific energy sectors shall stipulate special goals and principles of regulation of activities in specific energy sectors having regard to the general goals referred to in paragraph 1 of this Article.

**Article 4. Shaping of Energy Policy and Management, Regulation, Supervision and Control of Energy Activities**


2. The following bodies shall, within their respective remit, be in charge of management, regulation, supervision and control of energy activities in the Republic of Lithuania:
   1) the Government of the Republic of Lithuania (hereinafter: the ‘Government’) or an institution authorised by it;
   2) the Ministry of Energy of the Republic of Lithuania (hereinafter: the ‘Ministry of Energy’);
   3) the Ministry of Environment of the Republic of Lithuania (hereinafter: the ‘Ministry of Environment’);
4) the Ministry of Transport and Communications of the Republic of Lithuania (hereinafter: the ‘Ministry of Transport and Communications’);

5) the National Control Commission for Prices and Energy (hereinafter: the ‘Commission’);

6) the State Energy Inspectorate under the Ministry of Energy (hereinafter: the ‘State Energy Inspectorate’);

7) the State Nuclear Power Safety Inspectorate;

8) the Competition Council of the Republic of Lithuania (hereinafter: the ‘Competition Council’);

9) the State Consumer Rights Protection Authority (hereinafter: the ‘Authority’);

10) municipal institutions.

3. In the process of decision-making, state and municipal institutions performing the functions of management, regulation, supervision and control of energy activities shall, within their remit:

1) ensure the optimum structure of the national energy sector;

2) create legal preconditions for effective energy activities;

3) instruct energy undertakings on ensuring uninterrupted supply of energy sources and energy and determining compliance with quality requirements;

4) set forth requirements for the efficient consumption of energy and energy sources;

5) promote production and consumption of indigenous and renewable energy sources;

6) set forth requirements for energy efficiency;

7) ensure implementation of state policy in the field of protection of consumer rights in the energy sector;

8) ensure that the decisions adopted by them do not create preconditions for unjustified worsening of competition conditions in the energy sector;

9) perform other functions established by this Law and other laws.

Article 5. Remit of the Government or an Institution Authorised by It

1. The Government shall:

1) submit to the Seimas for approval the National Energy Independence Strategy;

2) approve the plan for implementation of the National Energy Independence Strategy and programmes;

3) announce national-level energy emergencies;

4) adopt a decision on the construction of energy facilities crossing the state border of the Republic of Lithuania;
5) approve rules for licensing energy activities;
6) establish a procedure for and terms and conditions of promotion of production and consumption of renewable energy sources;
7) have the right to regulate the principles of setting of state-regulated prices.

2. The Government or an institution authorised by the Government shall:
1) co-operate with foreign state energy institutions and represent, within its remit, the Republic of Lithuania at international organisations;
2) establish a procedure for supplying customers with energy and/or energy sources in the event of an energy emergency;
3) establish a procedure for supplying, importing and exporting energy and energy sources;
4) establish a procedure for issuing authorisations for pursuit of energy activities;
5) establish a procedure for installing and operating energy metering and measuring instruments;
6) have the right, in the cases specified by law, to obligate an energy undertaking to provide services meeting public interest;
7) establish a procedure for and the terms and conditions of promotion of production and/or consumption of electricity generated by combined heat and power generation plants;
8) approve, upon coordination with the Authority, the standard terms and conditions of energy purchase and sale contracts, energy transport service contracts and contracts on connection of new household customers concluded with household customers;
9) establish a procedure for and terms and conditions of verification of conformity to efficiency requirements;
10) establish a procedure for monitoring of efficient consumption of energy sources and energy;
11) ensure the implementation of the measures ensuring the security of supply of energy sources;
12) perform other functions laid down by this Law and other legal acts.

**Article 6. Remit of the Ministry of Energy**

The Ministry of Energy shall:
1) shape state policy in the energy sector and organise, coordinate and control implementation thereof;
2) approve, within its remit, the legal acts regulating the issues of security of energy supply, the installation, operation, use, technical safety and efficient use of energy facilities and installations and of customers' energy-related equipment and other technical issues;

3) prepare a draft of the National Energy Independence Strategy and submit it to the Government;

4) draft a plan and programmes for implementation of the National Energy Independence Strategy and coordinate implementation thereof;

5) approve rules for transmission, distribution, supply and consumption of energy and energy sources;

6) establish a procedure for building and managing stocks of energy sources, stockpiling and using energy sources;

7) approve rules for trading in petroleum products;

8) approve rules for the issuance of authorisations to trade in petroleum products;

9) set forth quality requirements for energy and energy sources;

10) set forth, in cooperation with the Ministry of Environment and the Ministry of Transport and Communications, requirements for the composition and quality of fuel and fuel for transport as used in the Republic of Lithuania;

11) approve development plans of energy facilities of national importance;

12) establish a procedure for and terms and conditions of connection of energy facilities of customers and producers (networks, installations, systems) to operating facilities of energy undertakings (networks, installations, systems);

13) establish, in cooperation with the Ministry of Environment, a procedure for and terms and conditions of planning the construction of energy facilities of national importance;

14) establish a procedure for exercising state control of the energy industry and control of customers' energy-related equipment;

15) approve a list of positions and occupations of the workers referred to in Article 28(1) of this Law, determine the qualification requirements for these workers, approve a list of the workers constructing and operating energy facilities and installations who are subject to certification and establish a procedure for certifying them and improving their qualifications;

16) establish a procedure for and terms and conditions of certification of the persons authorised to operate energy-related equipment;

17) set forth, in cooperation with the Ministry of Economy of the Republic of Lithuania, efficiency requirements for the installations referred to in Article 27 of this Law and a procedure for controlling efficiency;
18) establish a procedure for and terms and conditions of performing audit of energy consumption in buildings, by installations and in the course of technological processes, approve methodologies of such audit, also rules for preparation and certification of the professionals performing energy audits, organise certification of the professionals performing energy audits and referred to in Article 28 of this Law or designate an institution in charge thereof;

19) establish a procedure for concluding voluntary agreements and conclude voluntary agreements with energy undertakings;

20) organise exchange of practical experience in the area of efficient consumption of energy sources and energy among state institutions, agencies, undertakings and organisations at national and international levels;

21) perform other functions laid down by this Law and other legal acts.

**Article 7. Remit of the Ministry of Transport and Communications**

The Ministry of Transport and Communications shall:

1) develop programmes for increase of energy source and energy efficiency at transport facilities and coordinate implementation thereof;

2) provide recommendations and implement measures increasing energy source and energy efficiency at transport facilities;

3) carry out, in cooperation with the Ministry of Energy, information and educational activities promoting the efficient use of energy sources and energy at transport facilities;

4) perform other functions laid down by this Law and other legal acts.

**Article 8. National Control Commission for Prices and Energy**

1. The activities of entities in the energy sector shall be regulated and state supervision thereof shall be exercised by the Commission. The Commission shall be the national regulatory authority provided for in the legal acts of the EU regulating public relations in the energy sector.

2. The Commission shall be a budgetary body – a state institution having a bank account and a seal with the Lithuanian state emblem and the name of the institution inscribed therein. The rights and duties of the owner of the Commission as a budgetary body shall be exercised by the Government. The Commission shall act according to laws and rules of procedure approved by the Commission. The chair of the Commission shall be the head of the Commission. The Commission may be reorganised or liquidated upon adoption of a relevant law.

3. The Commission shall consist of five members. The chair and four members of the Commission shall be appointed and dismissed by the Seimas on the recommendation of the
President of the Republic for the term of five years. The chair of the Commission shall appoint a
deputy chair from among the appointed members of the Commission. The chair and/or members
of the Commission whose term of office has expired shall remain in office until appointment of
the new chair and/or members of the Commission. The chair or a member of the Commission
who ceases to hold office shall be paid a severance pay in the amount of two average monthly
salaries. The severance pay shall not be paid where the chair of the Commission or a member
thereof ceases to hold office on the grounds specified in points 2, 3, 4, 5, 6, 8 and 9 of paragraph
5 of this Article.

4. Only citizens of the Republic of Lithuania of good repute and with a university degree
(at least a Master's degree or a degree equivalent to it) may be members of the Commission. A
member of the Commission shall be prohibited from performing the activities incompatible with
the civil service. A member of the Commission may not be considered to be of good repute if he
does not meet the criteria of good repute as established for civil servants by the Law of the
Republic of Lithuania on Civil Service.

5. The chair and members of the Commission shall be dismissed from office only:
1) upon the expiry of the term of office;
2) at the person's own request;
3) upon being elected or appointed to another office;
4) upon the entry into force of a judgment of conviction;
5) in the event of transpiration of the fact of gross breach of the requirements set forth for
the position;
6) in the event of violation of official ethics;
7) when the person is unable to hold office for health reasons;
8) in the event of loss of citizenship of the Republic of Lithuania;
9) in the event of transpiration of the circumstances that preclude the person from being
considered as of good repute.

6. Dismissal of a member of the Commission before the expiry of the term of office shall
be proposed to the Seimas by the President of the Republic. The Seimas shall appoint other
persons to the office of the members of the Commission dismissed before the expiry of the term
of office on the recommendation of the President of the Republic for a period of five years.

7. The chair and members of the Commission shall be paid the salary set out in the Law
of the Republic of Lithuania on the Remuneration of State Politicians and State Officials. The
Labour Code of the Republic of Lithuania shall apply to the chair and members of the
Commission to the extent that their status is not regulated by this Law and other laws. The chair
and members of the Commission may be provided with incentives by the payment of lump sums
not exceeding the amount of funds allocated for remuneration for the performance of one-time
tasks of particular importance.

8. A decision on the provision of incentives to the chair and members of the Commission
shall be taken by the President of the Republic.

9. The Commission shall perform the following functions:
   1) approve requirements for keeping records of regulated activities;
   2) approve methodologies of setting state regulated prices, set state-regulated prices and
      price caps;
   3) where necessary, draft and submit to the Government the principles of setting state-
      regulated prices;
   4) control the application of state-regulated prices and rates;
   5) approve the rates of connection of energy facilities (networks, systems, installations)
      acting in compliance with the general criteria of setting rates as specified by the laws regulating
      legal grounds of specific energy sectors;
   6) unilaterally set state-regulated prices where energy undertakings fail to comply with
      the requirements for setting such prices;
   7) estimate the costs of rendered services when setting state-regulated prices, subject to
      reasonable returns on investments;
   8) issue licences for energy activities, replace the licences, suspend validity thereof,
      cancel suspension of validity, revoke the licences, supervise and control the licensed activity of
      energy undertakings;
   9) set requirements for reliable transport of energy and quality of services and control
      compliance therewith;
  10) set depreciation/amortisation rates for the fixed assets used by the energy
      undertakings engaged in the activities whose prices are regulated by the state in such activities;
  11) submit proposals regarding the licensed activities of energy undertakings to the
      Government, the Ministry of Energy and municipalities;
  12) place energy undertakings under the obligation to enter into contracts on
      transmission, distribution or supply of energy where the energy undertakings refuse, without due
      grounds, to provide services to third parties or to supply energy to customers;
  13) control effective unbundling in the energy sector, ensuring independence of energy
      transmission and distribution activities from the commercial interests of energy activities in
      order to avoid cross-subsidization;
  14) supervise the extent and effectiveness of market opening and competition in
      wholesale and retail trade (including electricity and/or gas exchanges), the prices applicable to
household customers (including advance payment systems), customer switching rates, rates of customer disconnection from electricity networks and gas systems, payments for supervisory services and provision of such services, also, within its remit, the cases of distortion or restriction of competition in the energy sector;

15) monitor the occurrence of restrictive contractual practices, including exclusivity clauses which, if applied to large non-household customers, may prevent them from contracting simultaneously with more than one supplier or restrict their choice to do so and inform thereof the Competition Council;

16) publish, at least annually, the recommendations in relation to compliance of prices of services in the energy sector to transparency, non-discrimination and other requirements specified by legal acts and provide those to the Competition Council;

17) have the right, in accordance with the procedure laid down by legal acts and within its remit, to verify the information provided by energy undertakings to state institutions and/or customers, assess reliability thereof without prejudice to the requirements set forth for protection of information considered to be a commercial/industrial or professional secret;

18) ensure for each customer access to energy consumption data, also the provision of generalised energy consumption data of an easily understandable format specified by the Commission at national level without indicating personal data of the customer and access for all customers to such generalised data;

19) conduct market research aiming at ensuring effective competition in the energy sector and preventing entities with significant power in the respective market from abusing this power;

20) impose fines provided for in Article 36 of this Law;

21) impose, within its remit, the sanctions provided for by the Code of Administrative Offences of the Republic of Lithuania for administrative offences;

22) perform other functions laid down by this Law and other legal acts.

10. In performing its functions, the Commission shall be independent and act impartially and transparently in the exercise of its powers. To that end:

1) the Commission shall be a legally separate and functionally independent of any other public or private person;

2) the chair of the Commission, members thereof, civil servants and employees of the administration of the Commission shall act independently of all market interests and, in performing their duties, shall not seek, nor execute, any direct instructions of the Government or any other public or private person. This requirement shall not affect implementation of the national strategy and national policy specified by the Seimas and the Government, also close cooperation with other state institutions;
3) the Commission shall adopt decisions at its own discretion, independently of any state or municipal institution, undertaking, agency or organisation, have separate annual budget appropriations and use them to independently implement the specified budget and dispose of the human and financial resources corresponding to its duties.

11. The Commission shall be responsible for the validity and legitimacy of its resolutions. Resolutions of the Commission shall be adopted in a roll call vote. A meeting of the Commission shall be valid if attended by at least four members of the Commission, including the chair thereof. Decisions shall be taken by a majority vote of the members of the Commission participating in the meeting. In the event of a tie vote, the chair of the Commission shall have the casting vote.

12. After the close of a calendar year, the Commission shall, within four months, prepare a report on its activities for the previous year, publish it on its website and submit to the President of the Republic, the Seimas and the Government. The financial and performance audit of the Commission shall be carried out by the National Audit Office of the Republic of Lithuania.

13. The activities of the Commission shall be ensured by the administration of the Commission. The structure of the administration of the Commission, regulations, lists of positions and job descriptions of structural units shall be approved by the chair of the Commission. The maximum permissible number of civil servants and employees working under employment contracts for the administration of the Commission shall be set by the Board of the Seimas.

14. The sources of funding of the Commission shall be state budget appropriations, including the revenue of the Commission provided for in paragraph 15 of this Article. The Commission's programmes implemented to achieve the goals stipulated in Article 3 of this Law and to exercise the regulation and state supervision of the energy industry shall be funded from the revenue of the Commission received in accordance with the procedure laid down by paragraph 15 of this Article. In performing other functions stipulated by laws and subordinate legislation or in the cases when the funds specified in paragraph 15 of this Article prove insufficient to ensure the regulation and state supervision of the energy industry, the Commission may be additionally allocated other funds of the state budget.

15. The revenue of the Commission and the procedure for using it shall be as follows:

1) the revenue of the Commission for the coming year shall be calculated according to the annual revenue from energy transmission and/or distribution activities received over the past year in specific energy sectors: 1.1 % of revenue from heat transmission activities, 0.25 % of
Revenue from electricity transmission and distribution activities and 0.7% of revenue from natural gas transmission and distribution activities;

2) the revenue of the Commission calculated in accordance with the procedure laid down in point 1 of this paragraph shall be recognised as reasonable costs incurred by energy undertakings when setting regulated prices of energy transmission and/or distribution or a part thereof;

3) the energy undertakings engaged in energy transmission and/or distribution activities must transfer one fourth of the amount calculated in accordance with the procedure laid down in point 1 of this paragraph to the Commission's account each quarter of the calendar year not later than by the last day of the first month of the next quarter;

4) the persons failing to timely pay the amount calculated in accordance with the procedure laid down in point 1 of this paragraph shall be imposed late payment interest in the amount of 0.05% for each day past the payment deadline. Late payment interest shall not be recognised as reasonable costs of the persons. Payment of late payment interest shall not release from the obligation to pay the total amount due;

5) the Commission must pay the revenue received under this paragraph to the state budget and manage it in accordance with the procedure laid down by the Law of the Republic of Lithuania on the Budget Structure;

6) the revenue of the Commission received under this paragraph and paid to the state budget may be used exclusively to fund the programmes provided for in the strategic action plan of the Commission and being implemented.

Article 9. State Energy Inspectorate

1. The State Energy Inspectorate shall exercise state control of the energy industry in accordance with the procedure laid down by legal acts. State control of energy facilities and installations shall be exercised on the entire territory of the Republic of Lithuania, regardless of the form of management of ownership thereof.

2. The State Energy Inspectorate shall be a ministerial body. The founder thereof shall be the Ministry of Energy. The regulations of the State Energy Inspectorate shall be approved by the Ministry of Energy.

3. The State Energy Inspectorate shall:

1) issue, in accordance with the established procedure and within its remit, certificates for the operation of energy-related equipment, replace them, suspend the validity of the certificates, lift the suspension of validity, revoke the certificates and control compliance with the requirements set forth by legal acts;
2) control, in accordance with the established procedure, technical safety of energy facilities and energy-related equipment, operation thereof, reliability of production, transmission, distribution, and supply of energy and energy sources and energy efficiency;

3) organise verification of conformity to the efficiency requirements stipulated in Article 27(5) and (6) of this Law. The service of conformity verification for household customers shall be provided free of charge;

4) investigate breakdowns and malfunctions of energy facilities and installations, participate in the investigation of accidents at work, investigate accidents at households related to the use of energy;

5) control compliance with special requirements for the equipment and reconstruction of energy-related equipment, also compliance of energy-related equipment with the specified requirements and suitability for use;

6) organise certification of the energy personnel referred to in Article 28 of this Law;

7) control compliance with the specified requirements set forth for the quality of energy and energy sources;

8) control national and reserve stock of energy sources;

9) have the right, in accordance with the procedure laid down by legal acts and within its remit, to verify the information provided by energy undertakings to state institutions and/or customers, assess reliability thereof without prejudice to the requirements set forth for protection of information considered to be a commercial/industrial or professional secret;

10) perform other functions laid down by this Law and other legal acts.

4. The State Energy Inspectorate shall be held liable for its decisions. The decisions of the State Energy Inspectorate may be appealed against in accordance with the procedure established by law.

**Article 10. State Nuclear Power Safety Inspectorate**


**Article 11. Remit of the Competition Council**
The Competition Council shall, within its remit, control compliance by economic entities with requirements specified by law in ensuring fair competition in the energy sector. In performing the functions assigned thereto, the Competition Council shall enjoy the powers specified by the Law of the Republic of Lithuania on Competition (hereinafter: the ‘Law on Competition’) and this Law.

Article 12. Remit of the State Consumer Rights Protection Authority

The Authority shall ensure protection of the rights of consumers of energy and/or energy sources, deal with complaints of the consumers and perform other functions assigned to the protection of consumer rights under the Law of the Republic of Lithuania on Consumer Protection and in accordance with the procedure laid down by this Law.

Article 13. Remit of the Director of a Municipal Administration

The director of a municipal administration shall, on the territory of a municipality:

1) organise provision of customers with heat within the remit specified by law;

2) issue authorisations to engage in the wholesale and retail trade in bulk petroleum products and liquefied petroleum gas, suspend the validity of such authorisations, lift the suspension of the authorisations, revoke the authorisations and replace the authorisations in accordance with the procedure established by the Government or an institution authorised by it;

3) declare and lift a municipal level energy emergency;

4) in the event of a national level energy emergency, implement a plan for provision of customers with energy and/or energy sources as approved by the Government or an institution authorised by it, ensure the implementation of other decisions of the Government;

5) participate in carrying out applied research, preparing public information and education campaigns promoting efficient use of energy and energy sources;

6) implement, within his remit, measures increasing energy efficiency.

CHAPTER THREE
DEVELOPMENT OF THE ENERGY SECTOR


2. The Strategy shall be approved by the Seimas on the recommendation of the Government.
3. The Strategy shall cover all energy sectors and shall be subject to review on a five-year basis. The Strategy shall be prepared, reviewed and implemented from funds of the state budget and other funds.

4. The Strategy must provide for:
   1) national energy independence and energy security measures;
   2) forecasts of the need for, import and export of energy or energy sources;
   3) the need for energy production capacities;
   4) directions and measures for the improvement of the structure of the energy sector;
   5) the pattern of consumption of energy sources and forecasts related thereto;
   6) forecasts of and measures for the reduction of the harmful impact of energy on the environment;
   7) development of the consumption of renewable and indigenous energy sources;
   8) energy efficiency measures;
   9) required investment in the energy sector;
   10) assessment and stockpiling of energy sources;
   11) energy market development measures;
   12) directions of improvement of energy management;
   13) directions of improvement of energy pricing;
   14) other issues related to energy development.

5. Acting in compliance with the Strategy approved by the Seimas, the Government shall approve the National Programme for the Development of the Use of Renewable Energy Sources as indicated by the Law of the Republic of Lithuania on Energy from Renewable Sources. The Government shall ensure compatibility of the Strategy and the National Programme for the Development of the Use of Renewable Energy Sources.

6. The Government or an institution authorised by it shall approve a five-year Strategy implementation plan and programmes.

7. The Strategy, the Strategy implementation plan and programmes shall be implemented by state and municipal institutions, agencies, undertakings, organisations and other persons referred to in the Strategy implementation plan and/or programmes within their remit.

**Article 15. Construction, Development and Reconstruction of Energy Facilities and Installations**

1. Energy facilities shall be constructed in accordance with the procedure laid down by the Law of the Republic of Lithuania on Construction, the Law of the Republic of Lithuania on Territorial Planning, the Law of the Republic of Lithuania on Environmental Protection and
other legal acts. Energy facilities of national importance shall be developed in compliance with provisions of the Strategy. The Ministry of Energy, in cooperation with the Ministry of Environment, shall establish a procedure for and terms and conditions of planning the construction of energy facilities of national importance. General and special plans for the provision of customers with energy and energy sources shall be prepared in compliance with the Strategy. Customers’ energy facilities shall be installed in accordance with the procedure established by the Ministry of Energy.

2. Energy undertakings shall participate in preparing and developing plans for balanced and efficient energy supply, distribution and transmission, also plan the development of energy facilities of national importance. Energy undertakings transmitting and distributing energy shall develop energy transmission and distribution installations within the activity area thereof.

3. Energy undertakings engaged in the activity with regulated prices must coordinate planned investments with the Commission. Where such investments of the energy undertakings are not coordinated with the Commission, they may not be recognised as justifiable for the review of prices regulated by the State.

4. The energy facilities user owned by an energy undertaking which a customer, producer or any other person wishes to reconstruct or to transfer, where they hamper the construction of buildings or for any other reason, shall be reconstructed or transferred under an agreement between the customer, the producer any other person and the energy undertaking according to the procedure and under the terms and conditions specified by legal acts. In this case, the customer, the producer or any other person at the request whereof an energy facility is reconstructed or transferred shall pay the energy undertaking for the costs of reconstruction or transfer of the energy facility. The ownership of transferred or reconstructed energy facilities shall not be altered.

Article 16. Energy Activities

1. Energy undertakings shall operate in a way that ensures a safe, efficient and environmentally friendly energy production, energy supply, transmission, and distribution to a transmission or distribution system's connection point with the customer's system not exceeding state-regulated prices. The energy undertakings supplying heat to multi-dwelling buildings shall supply heat to houses and/or flats, unless customers request otherwise.

2. Energy undertakings shall transmit, distribute and supply energy to customers according to energy transmission, distribution, supply and consumption rules. The energy undertakings shall have the right, in accordance with the procedure laid down by legal acts, to suspend the provision of customers with energy solely in the cases specified by law.
3. Energy undertakings shall, within their activity area and in accordance with the specified procedure, connect energy producers' or customers' installations producing and/or using energy to operating energy transmission or distribution networks or systems. Connection costs shall, in compliance with the set rates and subject to evaluation of necessary connection costs in accordance with the procedure laid down by the Commission, be borne by producers and/or customers, unless the law stipulates cost allocation between a network/system operator and a producer or a customer. Connection works shall be carried out under a services contract on connection of installations concluded in a mandatory manner between an energy undertaking and the energy producer or the customer.

4. Energy undertakings managing, by the right of ownership or on other lawful grounds, energy transmission or distribution networks or systems must, in accordance with the procedure laid down by legal acts, provide to a third party energy transmission or distribution services under objective and non-discriminatory conditions having regard to the technical capacity of the transmission and distribution networks and/or systems.

5. Energy undertakings managing by the right of ownership or on other lawful grounds the energy facilities operating in the common energy system must cooperate and work in a common synchronised mode and carry out instructions of a network/system operator. The operator shall be designated when issuing a licence in accordance with the procedure and under the terms and conditions laid down by legal acts.

6. Relations among energy undertakings, also relations with energy customers shall be built on a contractual basis. Services contracts on energy transmission and distribution, also contracts on the purchase and sale of energy concluded with household customers shall be public contracts. The services of energy transmission and distribution, also energy supply to household customers shall be provided subject to conclusion of a relevant contract under the standard terms approved by the Government or an institution authorised by it. Requirements for the conclusion of specific types of energy supply contracts shall be stipulated by the laws laying down legal grounds for activity in specific energy sectors.

7. Energy undertakings transmitting and/or distributing energy shall, in accordance with the established procedure, have the right to verify compliance of customers’ energy facilities with specified installation, operation, use and technical safety requirements.

8. The energy undertakings operating in electricity, heat and/or natural gas sectors shall ensure conducting of a review of costs of an energy undertaking's licensed activity and audit of the undertaking's financial statements and submission of the auditor's opinion to the Commission within four months after the close of each financial year.
9. Energy undertakings shall participate in the drafting of regulated pricing methodologies, procedures for and conditions and terms of connection of energy facilities, rules for determination of rates, energy transmission, distribution and supply, other legal acts governing the installation, operation, use, safety of and other technical issues related to the energy facilities.

10. The energy undertakings engaged in the activity for which prices are regulated by the state shall calculate depreciation/amortisation of the fixed assets used in such activities in compliance with the rules specified by the Commission.

Article 17. Specific Features of Energy Activities, Quality and Composition of Energy and Energy Sources

1. The activity area of the energy undertakings engaged in energy transmission, distribution or supply activities, with the exception of the activities of independent supply of electricity or natural gas, shall be indicated in the licence or authorisation issued to an energy undertaking.

2. The energy and energy sources consumed must comply with the requirements set forth for the quality and composition of energy and energy sources by legal acts.

Article 18. Granting of Immovable Items for Use

1. Land shall be leased or otherwise granted for use for the purpose of constructing energy facilities in accordance with the procedure laid down by law. Land belonging to the State by the right of ownership shall be sold or leased for the purpose of constructing energy production, transmission and distribution facilities intended for the implementation of the goals and measures of the Strategy and ensuring of the energy system development in accordance with the procedure laid down by the Government and in compliance with the requirements specified by law for land sale or lease by auction, and in the cases prescribed by law – without auction.

2. Private land may be used for the construction of energy facilities under an agreement between an energy undertaking and the owner of land. In the absence of agreement, private land may, in accordance with the procedure laid down by law, be taken for public needs, or a servitude may be established by a law or an administrative act.

3. Protection zones shall be set up for the protection and operation of energy facilities. Construction, greenery planting and earthworks in such areas shall be limited. Servitudes of land and other immovable items within a protection zone shall be established in accordance with the procedure and under the terms and conditions specified by legal acts. Owners of the immovable items located within the protection zone and users thereof must allow energy undertakings to
access to the energy facilities belonging to them or operated by them and to perform modernisation or operation works. The losses resulting from the operation of energy undertakings in protection zones shall be compensated by an energy undertaking which holds by the right of ownership the energy facility located in the immovable item within the protection zone.

CHAPTER FOUR
REGULATION OF THE ENERGY SECTOR

Article 19. Energy Prices

1. In the energy sector, prices shall be contract-based and state-regulated. Prices shall be regulated when approving the prices of services or energy or setting price caps or establishing a procedure for regulating prices. Principles of regulation of state-regulated prices shall be established by the laws regulating individual energy sectors.

2. When setting state-regulated prices, the necessary costs of extraction of energy sources, energy production, purchase, transmission, distribution, supply and the costs referred to in Article 8(15) of this Law must be provided for, the reasonable return on investment and/or return on equity must be evaluated, account may also be taken of the development of the energy sector and energy efficiency, provision of services meeting public interest.

3. State-regulated prices must be published not later than one month prior to application thereof, unless other laws stipulate otherwise, and apply from the first day of the month.

Article 20. Licences, Authorisations and Certificates of Energy Activities

1. In respect of licensed activities and activities requiring authorisations or certificates, the issuance, suspension of validity, cancellation of suspension of validity and revocation of licences, authorisations or certificates shall be specified by this Law, other laws regulating individual energy sectors and/or subordinate legislation.

2. The persons wishing to obtain a licence, authorisation or certificate established by this Law and/or other laws regulating individual energy sectors may be subject to requirements for a legal form and/or other requirements restricting the freedom of establishment, provided that such requirements are based on overriding public interest and conform to the principles of necessity and proportionality.
3. Pursuit of energy activities without a licence, authorisation or certificate, where such have been prescribed, shall be prohibited. Pursuit of energy activities in the event of suspension of the licence, authorisation or certificate shall be prohibited.

Article 21. Issuance, Suspension of Validity, Cancellation of Suspension of Validity, Revocation and Replacement of Licences, Authorisations and Certificates of Energy Activities

1. A person seeking to obtain a licence, authorisation or certificate for the pursuit of energy activities shall, according to the procedure laid down by legal acts, submit an application for the issuance of the licence, authorisation or certificate and the documents referred to in the legal acts to an institution issuing the licence, authorisation or certificate. Requirements for the persons seeking to obtain the licence, authorisation or certificate shall be set forth by this Law and/or laws regulating individual energy sectors. The licence, authorisation or certificate shall be issued to a person or a reasoned written refusal to issue the licence, authorisation or certificate shall be submitted to the applicant no later than within 30 calendar days from the registration of an application for the issuance of the licence, authorisation or certificate and all properly executed documents with the institution issuing licences, authorisations or certificates in accordance with the procedure laid down by legal acts.

2. If no response is given to a properly filed application for the issuance of a licence, authorisation or certificate within the time limit laid down in paragraph 1 of this Article, it shall be deemed that a positive decision has been adopted regarding the issuance of the licence, authorisation or certificate.

3. The provision specified in paragraph 2 of this Article shall not apply in the course of hearing of legal disputes with third parties regarding the conditions of licensed activities (areas) or on other grounds based on overriding public interest, and the applicant is notified thereof in accordance with the procedure laid down by legal acts. In this case, a licence, authorisation or certificate shall be issued or a reasoned written refusal to issue the licence, authorisation or certificate shall be provided to the applicant no later than 30 calendar days after the completion of the relevant legal proceedings or upon disappearance of other grounds based on overriding public interest which delayed the taking of the decision on the issuance of the licence, authorisation or certificate.

4. For violations of the terms of and requirements for a regulated activity, an energy undertaking holding a licence, authorisation or certificate for pursuit of energy activities shall be notified, according to the procedure laid down by legal acts, of a potential suspension of validity of the licence, authorisation or certificate on the grounds specified in paragraph 5 of this Article.
or of the revocation of the licence, authorisation or certificate on the grounds specified in paragraph 7 of this Article, and a time limit for elimination of the violations of the regulated activity shall be established. This period may not exceed 30 calendar days, with the exception of the cases when for objective reasons the elimination of the violation requires a longer period.

5. Having regard to the requirements set forth by this Law and other laws for the issuance of a licence, authorisation or certificate, the validity of the licence, authorisation or certificate shall be suspended by a decision of the issuing authority in accordance with the procedure laid down by legal acts where:

1) upon issuing the licence, authorisation or certificate it transpires that the application for the issuance of the licence, authorisation or certificate contains false data, and following a warning an energy undertaking fails to provide revised data within a time limit laid down by the issuing authority;

2) during a calendar year, an energy undertaking violates the specified conditions of operation, and the energy undertaking has been warned of a possible suspension of validity of the licence, authorisation or certificate in accordance with the procedure laid down in paragraph 4 of this Article, but fails to eliminate the violations within the time limit specified by the issuing institution;

3) the technological, financial and/or managerial capacities of an energy undertaking prevent from pursuing a regulated activity, and the energy undertaking has been warned of a possible suspension of validity of the licence, authorisation or certificate in accordance with the procedure laid down in paragraph 4 of this Article, but fails to eliminate the violations within the time limit specified by the issuing institution. The requirements for the technological, financial and managerial capacities of the energy undertakings operating in specific energy sectors shall be set forth by the laws regulating the relevant energy sectors;

4) it transpires that a natural person who holds the authorisation or the head or owner of a legal person who holds the authorisation and/or a participant of the legal person who is a natural person holding at least 10 % of shares, member shares or stakeholders' contributions has an unspent or unexpunged conviction or a judgment of conviction has been passed and become effective over the past five years against the legal person holding the authorisation or a participant of the legal person which is a legal person holding at least 10 % of shares, member shares or shareholders' contributions for the following offences: participation in a criminal association, organisation of criminal associations or directing them, bribery, bribery of an intermediary, graft, fraud, credit fraud, money or asset laundering, unauthorised engagement in
economic, commercial, financial or professional activities, provided that such criminal acts have been committed while disposing of petroleum products;

5) an energy undertaking requests suspension of the validity of the licence, authorisation or certificate.

6. Where an energy undertaking submits, in accordance with the established procedure, the documents proving that violations have been eliminated, suspension of the validity of a licence, authorisation or certificate shall be cancelled by a decision of the issuing authority not later than within ten calendar days from registration of these documents with the issuing authority.

7. Having regard to the requirements set forth by this Law and other laws for the issuance of a licence, authorisation or certificate, the licence, authorisation or certificate shall be revoked by a decision of the issuing authority in accordance with the procedure laid down by legal acts where:

1) an energy undertaking whose licence, authorisation or certificate has already been suspended violates the conditions of activities covered by the licence, authorisation or certificate repeatedly within the period of twelve months from suspension of the validity of its licence, authorisation or certificate;

2) an energy undertaking whose licence, authorisation or certificate has been suspended fails to eliminate violations of conditions of regulated activities within the time limit specified by the issuing authority;

3) an energy undertaking whose licence, authorisation or certificate has been suspended continues to pursue the activities covered by the licence, authorisation or certificate;

4) a legal person holding the licence, authorisation or certificate ceases to exist as a result of liquidation or reorganisation;

5) an energy undertaking does not pursue the activities covered by the licence, authorisation or certificate for a period exceeding three years;

6) an energy undertaking authorised to engage in retail trade in bulk petroleum products transfers the title to a petrol station to other persons or a contract serving as a basis for the use of the petrol station expires or the undertaking ceases to pursue activities at the petrol station;

7) an energy undertaking requests revocation of the licence, authorisation or certificate;

8) a natural person holding the licence, authorisation or certificate dies.

8. Issued licences, authorisations or certificates may be replaced on the initiative of the issuing authority in case of a change in requirements set forth by law for regulated activities or on the initiative of a person holding a licence, authorisation or certificate in case of a change in
personal data contained in the licence, authorisation or certificate or the area in which regulated activities are carried out. In case of a change in personal data contained in the licence, authorisation or certificate or the area in which regulated activities are carried out, the person must give a written notice thereof to the issuing authority not later than within ten working days from the emergence of such changes.

9. Licences, authorisation and certificates shall be issued in the electronic format specified by the issuing authority and may be issued at the request of the applicant also in writing in a format specified by legal acts.

10. State fees in the amount specified by the Government shall be levied for the issuance or replacement of a licence, authorisation or certificate.

11. State supervision and/or control institutions shall, in accordance with the procedure laid down by law and within their remit, exercise control of activities of energy undertakings holding licences, authorisations or certificates and supervise their compliance with the conditions of regulated activities. State supervision and/or control institutions must forthwith give a written notice to the issuing institution of established violations in the regulated activities of energy undertakings.

Article 22. Certificates of Operation of Energy-Related Equipment and Requirements for Holders Thereof

1. Certificates of operation of energy-related equipment shall be of the following types:
   1) operation of electrical equipment;
   2) operation of heat installations and turbines;
   3) operation of natural gas installations;
   4) operation of liquefied petroleum gas installations;
   5) operation of oil and petroleum product installations.

2. Certificates of operation of energy-related equipment shall be issued to natural persons holding a residence permit in the Republic of Lithuania or to legal persons established in the Republic of Lithuania, divisions of legal persons of other Member States or of other organisations, where the divisions are established in the Republic of Lithuania. The certificates shall be issued for a period of time not exceeding five years. Specific periods of validity of the certificates and criteria for determination thereof, also cases of and procedure for changing the data contained in the certificates shall be established by this Law and by the Rules for Certification of Persons Authorised to Operate Energy-Related Equipment approved the Ministry of Energy.

3. Certificates of operation of energy-related equipment shall be issued to persons
referred to in paragraph 2 of this Article, provided that they meet the following requirements:

1) possess technological equipment, devices and other instruments necessary to carry out actions needed for operation of energy-related equipment;

2) hold technological and technical documents indicating specifications of energy-related equipment in operation and recommending operating procedures;

3) energy personnel to operate energy-related equipment and heads of operations to be in charge of operation of energy-related equipment have required qualifications and are certified in accordance with the procedure laid down by Article 28 of this Law.

4. A person holding a certificate of operation of energy-related equipment must comply with the following conditions:

1) meet the requirements set forth by legal acts when providing the services of operation of energy-related equipment indicated in the certificate;

2) may not authorise other persons to pursue regulated activities indicated in the certificate or transfer the right to authorise under a contract;

3) provide to the issuing authority information required for the performance of duties specified by laws and other legal acts;

4) ensure compliance with other duties and requirements specified by this Law and other legal acts.

5. The State Energy Inspectorate shall issue certificates of operation of energy-related equipment as referred to in paragraph 1 of this Article, suspend the validity thereof, cancel suspension of the validity thereof, revoke the certificates, replace the certificates and control regulated activities of operation of energy-related equipment.

Article 23. Authorisations for Trade in Liquefied Petroleum Gas

1. Authorisations for trade in liquefied gas shall be of the following types:

1) authorisations for wholesale trade in liquefied petroleum gas;

2) authorisations for retail trade in liquefied petroleum gas.

2. Authorisations for retail trade in liquefied petroleum gas shall be issued to natural persons holding a residence permit in the Republic of Lithuania or to legal persons established in the Republic of Lithuania, divisions of legal persons of other Member States or of other organisations, where the divisions are established in the Republic of Lithuania. The authorisations for retail trade in liquefied petroleum gas shall indicate a specific sales outlet/outlets.

3. Authorisations for wholesale trade in liquefied petroleum gas shall be issued to persons indicated in Article 2(1) of this Law.
4. The cases of and procedure for changing data contained in authorisations for trade in liquefied petroleum gas shall be specified by the Rules for Issuing Authorisations for Trade in Petroleum Products as approved by the Ministry of Energy.

5. Authorisations for trade in liquefied petroleum gas shall be issued to persons indicated in paragraphs 2 and 3 of this Article, provided that they meet the following requirements:

1) have at their disposal the technological, financial and managerial capacities allowing for fulfillment of conditions of this activity, as specified by the Rules for Issuing Authorisations for Trade in Petroleum Products;

2) have an emergency response unit or a contract with an energy undertaking authorised, in accordance with the procedure laid down by legal acts, to carry out accident/disruption localisation and response works;

3) a natural person who wishes to obtain the authorisation or the head or owner of a legal person who wishes to obtain the authorisation and/or a participant of the legal person who is a natural person holding at least 10 % of shares, member shares or stakeholders’ contributions does not have an unspent or unexpunged conviction or a judgment of conviction has not been passed and become effective over the past five years against the legal person holding the authorisation or a participant of the legal person which is a legal person holding at least 10 % of shares, member shares or shareholders’ contributions for the following offences: participation in a criminal association, organisation of criminal associations or directing them, bribery, bribery of an intermediary, graft, fraud, credit fraud, money or asset laundering, unauthorised engagement in economic, commercial, financial or professional activities, provided that such criminal acts have been committed while disposing of petroleum products.

6. An energy undertaking holding an authorisation for trade in liquefied petroleum gas must comply with the following conditions:

1) may not sell, store or transport liquefied petroleum gas unless acquisition thereof is supported by legally valid documents;

2) may not sell liquefied petroleum gas not meeting minimum and environmental quality indicators, also may not sell liquefied petroleum gas for sale in the internal market without documents confirming the quality of gas;

3) use for trade in liquefied petroleum gas cylinders and other compressed gas equipment meeting requirements specified by legal acts;

4) provide to the issuing authority the information required for the performance of duties specified by laws and other legal acts;
5) may not authorise other undertakings to pursue regulated activities indicated in the authorisation or transfer the right to authorise under a contract or otherwise delegate the pursuit of this activity;

6) provide accident/disruption localisation and response services to customers;

7) may not discriminate between customers or classes of customers, provide information to customers and consult them in accordance with the procedure laid down by legal acts;

8) ensure fulfilment of duties defined in this Law and other laws and requirements specified by legal acts.

7. The director of a municipal administration shall issue the authorisations for trade in liquefied petroleum gas as referred to in paragraph 1 of this Article, suspend the validity thereof, cancel suspension of the validity thereof, revoke the certificates, replace the certificates and control this regulated activities in accordance with the procedure and terms specified by the Rules for Issuing Authorisations for Trade in Petroleum Products.

8. The procedure for and conditions of trading in liquefied petroleum gas shall be specified by the Rules for Trading in Petroleum Products as approved by the Ministry of Energy in compliance with general requirements stipulated by this Law.

**Article 24. Authorisations for Trade in Bulk Petroleum Products**

1. Authorisations for trade in bulk petroleum products shall be of the following types:

1) authorisations for wholesale trade in bulk petroleum products;

2) authorisations for wholesale trade in bulk petroleum products supplied as vessel fuels;

3) authorisations for wholesale trade in bulk petroleum products supplied as aircraft fuels;

4) authorisations for retail trade in bulk petroleum products.

2. Authorisations for retail trade in bulk petroleum products shall be issued to natural persons holding a residence permit in the Republic of Lithuania or to legal persons established in the Republic of Lithuania, divisions of legal persons of other Member States or of other organisations, where the divisions are established in the Republic of Lithuania. An authorisation for retail sale in bulk petroleum products shall indicate each sales outlet (petrol station) whereat a person holding the authorisation pursues the relevant activity.

3. Authorisations for wholesale trade in bulk petroleum products shall be issued to persons indicated in Article 2(1) of this Article.

4. Authorisations for trade in bulk petroleum products shall be issued to persons indicated in paragraphs 2 and 3 of this Article, provided that they meet the following requirements:
1) have at their disposal the technological, financial and managerial capacities allowing for fulfilment of conditions of regulated activities, as specified by the Rules for Issuing Authorisations for Trade in Petroleum Products;

2) a natural person who wishes to obtain the authorisation or the head or owner of a legal person who wishes to obtain the authorisation and/or a participant of the legal person who is a natural person holding at least 10% of shares, member shares or stakeholders' contributions does not have an unspent or unexpunged conviction or a judgment of conviction has not been passed and become effective over the past five years against this legal person holding the authorisation or a participant of the legal person which is a legal person holding at least 10% of shares, member shares or shareholders' contributions for the following offences: participation in a criminal association, organisation of criminal associations or directing them, bribery, bribery of an intermediary, graft, fraud, credit fraud, money or asset laundering, unauthorised engagement in economic, commercial, financial or professional activities, provided that such criminal acts have been committed while disposing of petroleum products.

5. An energy undertaking holding an authorisation for trade in bulk petroleum products must comply with the following conditions:

1) engage, in compliance with the requirements specified by legal acts, in trade in bulk petroleum products indicated in the authorisation;

2) provide to the issuing authority the information required for the performance of duties specified by laws and other legal acts;

3) stockpile petroleum products at the national level in accordance with the established procedure, where this duty is stipulated by law;

4) may not authorise other undertakings to pursue regulated activities indicated in the authorisation or transfer the right to authorise under a contract or otherwise delegate the pursuit of this activity;

5) may not discriminate between customers or classes of customers, provide information to customers and consult them in accordance with the procedure laid down by legal acts;

6) may not sell, store or transport bulk petroleum products unless acquisition thereof is supported by legally valid documents;

7) may not sell counterfeit bulk petroleum products intended for sale in the internal market and not meeting minimum and environmental quality indicators without documents confirming the quality thereof;

8) ensure fulfilment of duties defined by this Law and other laws and requirements specified by legal acts.
6. The director of a municipal administration shall issue the authorisations for trade in bulk petroleum products as referred to in paragraph 1 of this Article, suspend the validity thereof, cancel suspension of the validity thereof, revoke the certificates, replace the certificates and control this regulated activities in accordance with the procedure and terms specified by the Rules for Issuing Authorisations for Trade in Petroleum Products.

7. The procedure for and conditions of trading in bulk petroleum products shall be specified by the Rules for Trading in Petroleum Products as approved by the Ministry of Energy in compliance with general requirements stipulated by this Law.

**Article 25. Provision of Information**

1. State and municipal institutions and agencies shall have the right to obtain from energy undertakings information required for the performance of their functions. Energy undertakings shall, in accordance with the procedure established by the Government or an institution authorised by it, provide information to state and municipal institutions, agencies and/or other persons entitled to receive such information in accordance with the procedure laid down by legal acts.

2. The Government, the Ministry of Energy or any other authorised institution shall, in accordance with the procedure laid down by laws and other legal acts and within its remit, provide information to the European Commission, other states and international organisations.

3. The energy undertakings managing, by the right of ownership or on other legal grounds, energy facilities of national importance must give a notice of commencement of construction and operation of such facilities to the Ministry of Energy.

4. Energy undertakings shall, within their activity area in accordance with the procedure established by the Government or an institution authorised by it, provide to energy customers and municipal institutions information on efficient consumption of energy sources and energy, safe and efficient use of energy facilities and equipment, energy facilities and equipment under construction and reconstruction, state-regulated energy prices and services provided to energy customers.

5. Information of energy undertakings on costs related to activities licensed in accordance with the procedure laid down by legal acts or to activities subject to state-regulated prices shall be public. Energy undertakings which carry out licensed activities or whose services are provided at state-regulated prices shall publish the remuneration specified for members of management bodies of the undertakings and other payments related to functions of the members of the management bodies.
Article 26. Consultations and Cooperation

1. The Commission shall, in performing the functions of regulation, supervision and control of energy activity as delegated to it, consult and closely cooperate with the Ministry of Energy, the Competition Council, other state and/or municipal institutions, enterprises, agencies and organisations. In preparing information on the issues of customer rights, the Commission shall cooperate with the Authority.


3. The Commission, acting in compliance with the powers granted to it by this Law and other legal acts, shall alone or in cooperation with the competent institutions, agencies and organisations of the Republic of Lithuania, other Member States or the European Union pursue the following general goals:

1) promote the creation of a competitive, secure and environmentally friendly internal market in electricity and natural gas in the European Union, effective market opening for all customers and suppliers of the European Union, also ensure proper conditions for the effective and reliable operation of electricity grids having regard to long-term goals;

2) develop competitive and properly functioning regional markets in electricity and natural gas in the European Union and, in particular, the Baltic Sea Region;

3) eliminate restrictions on trade in electricity and natural gas between the Member States, including development of appropriate cross-border electricity and gas transmission capacities to meet demand and enhance integration of national markets, which may facilitate transmission of electricity and natural gas in the European Union;

4) develop, as cost-effectively as possible, secure, reliable and efficient networks/systems to be used on a non-discriminatory basis and with a focus on customers, promote the suitability of the networks/systems and energy efficiency in line with the general energy policy goals, also integration of production and distributed production of energy from renewable sources on a large and small scale in both transmission and distribution networks or systems;

5) facilitate access of new production capacities to networks/systems, in particular by removing barriers to new market entrants and production of energy from renewable sources;

6) ensure, in order to increase the efficiency of the system and to promote market integration, that network/system operators and network/system users are provided with appropriate incentives in the short and long term;
7) ensure that customers benefit from the efficient functioning of national markets, promote effective competition and help to ensure consumer protection;

8) help to achieve high standards of universal and public services of supply of energy and energy sources, contribute to the protection of socially vulnerable customers and help to harmonise necessary data exchange procedures in cases of customer switching.

4. The Commission shall have the right to refer to the Agency for the Cooperation of Energy Regulators (ACER) with a request to deliver an opinion on compliance of decisions made by the Commission with requirements of legal acts of the European Union and/or guidelines approved by the European Commission.

Article 27. Efficient Consumption of Energy Sources and Energy

1. The key directions of efficient consumption of energy and energy sources shall be established by the Strategy, and implementation measures in these directions - under energy efficiency and other programmes.

2. Imported, manufactured and sold household appliances that use electricity and other forms of energy must be provided with energy efficiency labelling.

3. Imported, manufactured and sold energy-related products which have a significant direct or indirect impact on the consumption of energy and/or other resources must be provided with energy efficiency labelling and standard product fiches.

4. The undertakings operating boilers and equipment fired by other energy sources with an effective rated output of no less than 0.4 MW shall verify the energy efficiency of this equipment in accordance with the established procedure.

5. Compliance with specified energy efficiency requirements shall be verified:

1) boilers installed in buildings and fired by non-renewable solid or liquid fuels with a rated output of 20 kW to 100 kW – once every three years;

2) boilers installed in buildings and fired by non-renewable solid or liquid fuels with an effective rated output of no less than 100 kW – once every two years;

3) heating systems with equipped boilers fired by non-renewable solid or liquid fuels with an effective rated output of no less than 20 kW – once, provided that more than fifteen years have lapsed after manufacture of the boiler at the time of verification of the boiler equipped in the heating system in accordance with the requirements of points 1 and 2 of this paragraph;

4) air conditioning systems of buildings with an effective rated output of no less than 12 kW – once every three years.
Note. Article 27(5) shall be repealed on 9 July 2013. Since 9 January 2013, provisions of Article 27(5) shall apply to verification of conformity of all buildings, except for buildings used for public purposes, to established energy efficiency requirements.

6. Conformity to established energy efficiency requirements shall be verified in respect of buildings used for public purposes since 9 January 2013 and in respect of all other buildings – since 9 July 2013:

1) heating systems with boilers installed in buildings with an effective rated output of no less than 20 kW – once every five years;

2) heating systems with boilers installed in buildings with an effective rated output of no less than 100 kW – once every two years. Boilers fired by gas shall be verified at least once every four years;

3) air conditioning systems of buildings with an effective rated output of no less than 12 kW – once every three years.

Note. Article 27(6) of this Law shall enter into force on 9 January 2013.

7. The verifications referred to in points 1, 2 and 3 of paragraph 5 and points 1 and 2 of paragraph 6 of this Article shall assess the efficiency of a boiler and conformity of the size of the boiler to a building’s cooling needs. The assessment of the conformity of the size of the boiler to the building’s heating needs may not be repeated if no modifications have been made to the heating system changes or the building's heating needs have not changed over the period in question.

8. The verifications referred to in point 4 of paragraph 5 and point 3 of paragraph 6 of this Article shall assess the efficiency of the air conditioning equipment and conformity of the size of the equipment to a building’s cooling needs. The assessment of the conformity of the size of the air conditioning equipment to the building's cooling needs may not be repeated if no modifications have been made to the air-conditioning system changes or the building’s cooling needs have not changed over the period in question.

Article 28. Qualifications and Certification of the Personnel and Energy Auditors

1. The personnel constructing and operating energy facilities and equipment and energy auditors must be properly qualified and appropriately trained to perform the tasks assigned to
them. Requirements for the improvement of qualifications of the personnel constructing and operating energy facilities and equipment and energy auditors and the procedure for certifying them shall be laid down by the Ministry of Energy in accordance with the qualification requirements established in this Article and general certification requirements.

2. The personnel constructing and operating energy facilities and equipment and energy auditors must meet the requirements set forth for education, work experience, including work experience in the field of energy, and knowledge of energy technological processes, also qualification requirements. General and special qualification requirements for the personnel constructing and operating energy facilities and equipment and energy auditors shall be set forth by the Ministry of Energy.

3. Heads of energy undertakings operating energy facilities of national importance or the persons authorised by them and being directly in charge of the operation of energy equipment must have a university degree or an equivalent degree, at least three years of work experience in the field of energy, also must periodically improve their qualifications, have knowledge of regulatory enactments regulating requirements for the installation, operation, and technical safety of energy equipment and fire safety of energy facilities.

4. Heads of energy undertakings not operating energy facilities of national importance or the persons authorised by them and being directly in charge of the operation of energy equipment must have at least a non-university degree in the relevant field of energy, adequate work experience in the field of energy, provided that such a requirement is set by a job description or regulations, also must periodically improve their qualifications, have knowledge of regulatory enactments regulating requirements for the installation, operation, and technical safety of energy equipment and fire safety of energy facilities.

5. Training programmes for the personnel constructing and operating energy facilities and equipment and energy auditors must include also the issues of efficient consumption of energy and energy sources.

**Article 29. Reserves of Energy Sources**

1. Energy undertakings possessing heat or electricity production equipment with capacity exceeding 5 MW, where they producing heat or electricity for sale, must hold reserves of energy sources, except when heat or electricity is produced from renewable energy sources and due to technical features of production sources it is not possible to stockpile or maintain such energy sources.

2. Reserves of energy sources shall be stockpiled, stored and replenished with funds of energy undertakings and other funds.
3. The amount of reserves of energy sources must be not less than the amount consumed by an energy undertaking on average during a calendar month calculated according to the average monthly consumption over the preceding three calendar years during the cold season. The cold season shall be the period from 1 November until 31 March inclusive.

**Article 30. Accounting of Energy**

1. Accounts must be kept of produced, transmitted, distributed, sold, exported, imported energy or energy transmitted in transit.

2. Accounts of energy referred to in paragraph 1 of this Article must be kept using energy measuring instruments registered in the Register of Measuring Instruments of the Republic of Lithuania.

3. Energy measuring instruments shall be installed and operated at their own expense by the energy undertakings managing transmission, distribution or storage energy facilities by the right of ownership or on other legitimate basis.

4. Energy measuring instruments between energy facilities shall be installed and operated by the energy transmission undertakings managing the energy facilities by the right of ownership or on other legitimate basis at their own expense.

**Article 31. Data Storage**

1. Energy undertakings engaged in the activities of supply of energy or energy sources shall store for not less than five years and provide to competent state authorities, including the Commission and the Competition Council, at their request all data of transactions with customers (excluding household customers) and transmission system operators entered into under electricity or gas supply contracts and electricity or gas derivatives.

2. The data referred to in paragraph 1 shall consist of detailed data of transactions with customers, including the periods of validity of the transactions, the terms of delivery and payment conditions, obligations of the parties, the dates and terms of execution of a transaction, transaction prices, means of identification of the relevant wholesale customer, also detailed information on all unfulfilled contracts for electricity or gas supply and electricity or gas derivatives.

3. The Commission may decide to make some details of transactions received from energy undertakings available to market participants, provided that the information about individual market participants or individual transactions which is deemed a commercial/industrial or professional secret is not disclosed.
4. Data storage methods and instruments shall be specified for the purposes of this paragraph by the Commission in accordance with the guidelines published by the European Commission.

**Article 32. Energy Transit**

1. Energy or energy source transit shall be based on contracts concluded between the sender of energy or energy sources, the recipient thereof, and energy undertakings managing transmission energy facilities and shall be in compliance with the provisions of the Energy Charter Treaty and take into account the capacity of existing transmission facilities and the priorities of meeting of the country's needs.

2. The energy undertakings managing transmission facilities shall inform the Commission of any energy transit demand, concluded energy transit contracts and refusals to conclude contracts. A refusal to conclude an energy transit contract must be duly substantiated.

**CHAPTER FIVE**

**ENERGY EMERGENCY**

**Article 33. Energy Emergency**

1. An energy emergency shall be declared when the supply of electricity, natural gas or petroleum products is reduced to the extent that a threat is posed to security and health of the population or the functioning of the country's economy.

2. A national level energy emergency shall be declared and lifted by a resolution of the Government. In the event of declaration of a state of emergency or state of war in accordance with the procedure established by law, an energy emergency shall be declared without a separate resolution of the Government.

3. A municipal level energy emergency shall be declared and lifted by a decision of the director of a municipal administration.

4. In the event of the emergence of the circumstances specified in paragraph 1 of this Article, energy undertakings must, in accordance with the procedure established by the Government or an institution authorised by it, inform the Ministry of Energy and the director of a municipal administration of the reduction of energy supply and measures taken to restore energy supply.

5. Following declaration of an energy emergency, the supply of energy and/or energy sources to customers may be restricted or suspended in accordance with the procedure established by the Government or an institution authorised by it. During the energy emergency,
the energy undertakings carrying out the instructions of the Government, the state institutions authorised by it and/or the director of a municipal administration shall not be liable for the losses inflicted on customers due to the restriction or termination of the supply of energy or energy sources.

6. During an energy emergency, customers shall be provided with energy sources using the petroleum products stockpiled at the national level in accordance with the procedure laid down by law.

7. Following declaration of an energy emergency, the undertakings producing, transmitting, distributing, transporting, loading and unloading oil and petroleum products, natural gas, fuels, electricity and/or heat must first meet needs of domestic customers of the Republic of Lithuania, giving priority to needs of forces of the civil protection system, as well as to facilities of strategic importance to national security and to other facilities of importance to ensuring national security.

8. Following declaration of an energy emergency, persons must comply with the instructions of the Government, the institutions authorised by it and/or the director of a municipal administration. Where during an energy emergency energy undertakings fail to comply with the instructions, the Government or the municipal council shall have the right, throughout the duration of the energy emergency, to remove the management bodies of these undertakings and to temporarily appoint their own representatives to manage the undertakings. Representatives of the Government or the municipality shall, in performing the functions of the energy undertakings' management bodies, be guided by the laws of the Republic of Lithuania and other legal acts. The representatives of the Government or the municipality shall, in acting in accordance with their respective mandates, be granted the rights, duties and responsibilities established by laws of the Republic of Lithuania for management bodies of energy undertakings, unless this Law or other legal acts regulating energy emergencies provide otherwise.

9. Following declaration of an energy emergency, the Government or the state institutions authorised by it shall have the right to regulate the export, import of and trade in oil, petroleum products, energy, and energy sources and to control and, taking into account market conditions, to set caps on the prices of petroleum products, energy sold, energy sources and services provided, where the prices are unreasonably increased.

10. Following declaration of an energy emergency, energy sector regulation measures and other measures applied, including the measures causing market restrictions, must cause the least possible disturbance to the functioning of the internal market and may be no wider in scope than is strictly necessary to remedy the threats which have arisen.
11. The Government or an institution authorised by it shall, without delay, notify the measures taken following declaration of an energy emergency to other Member States and to the European Commission. The European Commission may decide that the such measures must be amended or abolished, insofar as they distort competition and adversely affect trade in a manner which is at variance with the common interest.

12. The principles of declaration and lifting of energy emergencies, also other legal and organisational principles related thereto, to the extent not defined by this Law, shall be governed by the Law of the Republic of Lithuania on Civil Protection.

CHAPTER SIX
EXAMINATION OF COMPLAINTS AND DISPUTES. LIABILITY

Article 34. Examination of Complaints and Disputes

1. The Authority shall examine complaints of household customers regarding application of unfair terms of energy purchase and sale contracts and contracts for connection of new household customers, as well as complaints of household customers regarding unfair commercial practices of energy suppliers. Upon identifying unfair commercial practices, an energy undertaking shall be held liable in accordance with the procedure laid down by the Law of the Republic of Lithuania on Prohibition of Unfair Business-to-Consumer Commercial Practices.

2. The State Energy Inspectorate shall, under the preliminary mandatory extrajudicial procedure for examining complaints and disputes, examine complaints and disputes between customers and energy undertakings regarding malfunctions and operation of energy facilities, equipment and metering instruments, energy quality requirements, violations of energy accounting and payment for consumed energy, accidents, termination, suspension or restriction of energy supply.

3. The Commission shall, under the preliminary mandatory extrajudicial procedure for examining complaints and disputes, examine complaints and disputes between customers and energy undertakings regarding acts or omission of the energy undertakings in supplying, distributing, transmitting, and storing energy; refusal of access of the energy undertakings to networks and systems; connection, balancing supply flows of energy sources, application of prices and tariffs.

4. Complaints and disputes of customers and energy undertakings shall be examined according to the rules for examining such complaints and disputes as established by the institution examining the complaints and disputes and in compliance with requirements specified by law. These rules shall, in accordance with the requirements provided for in paragraphs 5-18 of
5. The institution examining complaints and disputes of customers and energy undertakings shall reject an application for examination of a complaint or dispute where:

1) it is not competent to examine the complaint or the dispute;

2) a decision by the institution examining the complaints and disputes, the court or the arbitration court has come into effect regarding a dispute between the same parties on the same subject matter and on the same basis, or a decision by the institution examining complaints and disputes or a court ruling or an arbitral award on the acceptance of the applicant’s (claimant's) waiver of the application for dispute resolution or on the approval of an amicable settlement has come into effect;

3) a dispute between the same parties on the same subject matter and on the same basis is under consideration by the institution examining the complaints and disputes or pending in court or arbitration;

4) the parties have agreed to refer the dispute to arbitration and the respondent objects that the dispute be examined by the institution examining complaints and disputes, demanding that the agreement on arbitration be respected, except for disputes that under law may not be settled by arbitration;

5) the application for examination of the complaint or dispute has been submitted on a person's behalf by a person not authorised therefor.

6. The institution examining complaints and disputes of customers and energy undertakings shall terminate examination of a dispute or complaint if the circumstances referred to in points 1 or 2 of paragraph 5 of this Article transpire, also where:

1) the applicant/claimant waives the application for examination of the complaint or dispute, and the institution examining complaints and disputes accepts the waiver;

2) a dispute between the same parties on the same subject matter and on the same basis is pending in court;

3) the parties have concluded an amicable agreement.

7. The institution examining complaints and disputes of customers and energy undertakings shall leave a dispute or complaint unexamined if the circumstances referred to in points 4 or 5 of paragraph 5 of this Article transpire, also where:

1) the institution examining complaints and disputes examines a complaint or dispute between the same parties on the same subject matter and on the same basis;
2) the application for examination of the complaint or dispute contains shortcomings, and the applicant/claimant fails, within the time limit laid down by the institution examining complaints and disputes, to eliminate such shortcomings.

8. The institution examining complaints and disputes of customers and energy undertakings shall suspend examination of a complaint or dispute where:

1) one of the parties to the dispute ceases to exist (examination shall be suspended until the rights and liabilities of the party which has ceased to exist are succeeded to or until the circumstances due to which they have not been succeeded to become known). Where it is possible to identify claims unrelated to the party which has ceased to exist, the institution examining complaints and disputes shall continue the examination of the dispute in respect of such unrelated claims;

2) the institution examining complaints and disputes, the court or arbitral tribunal is dealing with another complaint or dispute, or other case, without the examination whereof the dispute whose examination is suspended cannot be examined.

9. When examining complaints and disputes of customers and energy undertakings, parties to a dispute and other persons concerned and the persons involved in the examination of the complaint or dispute shall have the right to gain access to the materials of the complaint or dispute, except for the materials which constitute a state, official or commercial secret of other persons or the disclosure of which would impinge the right to privacy of a natural person. A party to a dispute shall have the right to gain access to the text of the application for examination of the complaint or dispute and the text of the statement of defence. Parties to a complaint or dispute, other persons concerned and the persons involved in the examination of the complaint or dispute shall have the right to present evidence, explanations, arguments and opinions to the institution examining complaints and disputes, object to requests, arguments and opinions of the other party or of other persons concerned and the persons involved in the examination of the complaint or dispute, receive copies of decisions on the complaint and dispute made by the institution examining complaints and disputes, appeal against the decisions of the institution examining complaints and disputes and exercise other rights conferred by this Law. A party to the dispute shall, by submitting a relevant application, be entitled to waive the application for examination of the complaint or dispute and the other party - entitled to accept this application. The parties may complete the examination of the complaint or dispute by an amicable agreement approved by the institution examining complaints and disputes. The parties to the complaint or dispute and other persons concerned and the persons involved in the examination of the complaint or dispute must exercise their rights in good faith.
10. The institution examining complaints and disputes of customers and energy undertakings shall examine a complaint or dispute in written proceedings, unless it decides, at the request of any of the parties to the complaint or dispute or other persons concerned or on its own initiative, that the examination of the complaint or dispute at a sitting in oral proceedings is more suitable. The institution examining complaints and disputes shall notify associated persons of such a sitting, however their failure to appear shall not preclude the examination of the complaint or dispute. The examination of the complaint or dispute at the sitting shall be public, except for the cases where the institution examining complaints and disputes decides to consider the complaint or dispute at a closed sitting in order to protect state, official or commercial secrets or protect a natural person’s right to privacy.

11. The institution examining complaints and disputes of customers and energy undertakings shall have the right to reject evidence, applications and arguments if they ought to have been submitted earlier, when filing a complaint or submitting an application for examination of a dispute or when providing explanations on the substance and facts of the complaint or dispute on the instruction of the institution examining complaints and disputes.

12. The institution examining complaints and disputes of customers and energy undertakings shall examine a complaint no later than within 30 days from the receipt of the complaint or take a decision on a dispute no later than within four months from the acceptance of the application for the examination of the dispute, except for the cases when the examination of the complaint or dispute requires a longer time due to extraordinary circumstances (for example, extensive evidence, complexity of the circumstances of the dispute).

13. A decision of the institution examining complaints and disputes of customers and energy undertakings shall become effective and binding at the expiry of the time limit laid down in paragraph 16 of this Article. A procedural decision adopted by the institution examining complaints and disputes of customers and energy undertakings which has examined a complaint or dispute shall become effective and binding from the day of adoption thereof.

14. A decision of the institution examining complaints and disputes of customers and energy undertakings on a complaint or dispute shall be open to the extent that it does not violate the protection of state, official or commercial secrets or the privacy of a natural person. The rules for examining complaints and disputes as approved by the institution examining complaints and disputes shall lay down a procedure according to which parties to a complaint or dispute and other persons concerned, also the persons involved in the examination of the complaint or dispute indicate the information, as contained in the text of the decision, which should be kept confidential. The law interpretation rules set out in the text of the decision shall be public in all
cases. Parties to the dispute and the complainant shall be provided with a detailed and reasoned decision of the institution examining complaints and disputes on the dispute or complaint.

15. The procedural decisions of the institution examining complaints and disputes of customers and energy undertakings, taken in the course of examination of a complaint or dispute, including decisions to reject an application for examination of the complaint or dispute, to leave the application unconsidered, to terminate or suspend the examination of the complaint or dispute, where such decisions prevent any further complaint or dispute examination, may be appealed against to Vilnius Regional Court within seven days from the service of the decision to the person concerned.

16. Parties to a dispute shall, within 30 days from a decision of the institution examining disputes of customers and energy undertakings, which resolves the dispute as to the substance of the matter or by which dispute examination is terminated, have the right to apply directly to Vilnius Regional Court and request to examine the dispute as to the substance of the matter.

17. After becoming effective, a decision of the institution examining complaints and disputes of customers and energy undertakings shall be an enforceable document. If this decision is not complied with, it may be enforced in accordance with the procedure established by the Code of Civil Procedure of the Republic of Lithuania (hereinafter: the ‘Code of Civil Procedure’).

18. Persons operating in the energy sector shall, in accordance with the provisions of this Law and the Law of the Republic of Lithuania Conciliatory Mediation in Civil Disputes, have the right to apply to the institution examining complaints and disputes to act as a mediator for these persons and/or to reconcile them seeking amicable settlement of a dispute over the public relations regulated by this Law without resorting to mandatory complaint handling. The institution examining the complaints and disputes shall establish conciliatory mediation rules which apply in the case of designation, by the persons, of the institution examining the complaints and disputes as a mediator.

Article 35. Liability

Persons who do not comply with or do not fulfil the requirements of this Law shall be held liable in the manner established by this Law and other laws.

Article 36. Fines and Procedure for Imposing the Fines

1. For violations of regulated activities that were not eliminated within a specified reasonable period of time in ensuring compliance with the conditions of regulated activity as
established by legal acts, energy undertakings shall be subject to fine imposed by the Commission:

1) for a failure to publish the information on the regulated activities of an energy undertaking to be published in a mandatory manner, a failure to provide the information specified by legal acts to the persons referred to in Article 25(1) of this Law, also for the provision of inaccurate or incomplete information - from one thousand litas up to 0.5 % of the annual income of the energy undertaking in the previous financial year from a specific regulated activity which results in the violation;

2) for a violation of the conditions of the licensed activity as specified by other laws or a failure to comply therewith, non-performance of the Commission's obligations (instructions) to discontinue unlawful activities and to eliminate established violations of the conditions of the licensed activity or a failure to perform them in a timely manner or a failure to fulfil with the commitments assumed - from one thousand litas up to 1% of the energy undertaking's annual income in the previous financial year from a specific licensed activity which results in the violation;

3) for a violation of the principles of security and reliability of activities, fair competition and non-discrimination of customers, with the exception of the cases referred to in paragraph 2 of this Article, for a repeated violation of the conditions of the regulated activity over the calendar year - from two thousand Litas up to 2 % of the annual income of the energy undertaking in the previous financial year from a specific regulated activity which results in the violation;

4) for a failure to execute or improper execution of requirements of the independence of energy transmission or distribution activities and unbundling, where, within a reasonable period of time set by the Commission, these violations were not eliminated, a vertically integrated undertaking and/or network operator shall be subject to a fine in the amount of up to 10 % of the annual income of the energy undertaking in the previous financial year from a specific regulated activity which results in the violation.

2. In the cases when acts of unfair competition or violations of the principles of non-discrimination of customers in the energy sector are investigated by the Competition Council within its remit, these acts shall be investigated, mandatory instructions shall be given to energy undertakings and liability for the violations shall be established, including the sanctions imposed on the energy undertakings, in accordance with the procedure and terms laid down by the Law on Competition. To this end, the Commission and the Competition Council shall work together to effectively identify the extent of the acts of unfair competition or violations of the principle of non-discrimination of customers in the energy sector and their impact on energy customers.
and/or other energy undertakings. The energy undertakings shall be held liable for the same violations only under this Law or under the Law on Competition having regard to the established remit of the Commission or the Competition Council.

3. The fines imposed on energy undertakings shall be differentiated taking into consideration:
   1) the gravity of the violation;
   2) the duration of the violation;
   3) consequences of the violation;
   4) the circumstances mitigating or aggravating liability of the energy undertaking.

4. The fact that an energy undertaking which has committed a violation voluntarily prevents the harmful consequences of the violation, assists in clarifying the circumstances of the infringement and takes immediate steps to eliminate the infringement shall be regarded as mitigating circumstances.

5. The fact that an energy undertaking interferes with the establishment of the circumstances of a violation, conceals the violation committed by it, continues the violation ignoring the Commission's instruction to terminate the unlawful activity or commits a violation for which this energy undertaking is imposed a fine shall be regarded as aggravating circumstances.

6. When determining the size of a fine, the Commission may recognise as mitigating circumstances also other circumstances not referred to in this Law.

7. The size of a fine to be imposed shall be determined according to the circumstances referred to in points 1, 2 and 3 of paragraph 3 of this Article. The determined size of the fine shall be reduced in the presence of mitigating circumstances or increased in the presence of aggravating circumstances. In the presence of both mitigating and aggravating circumstances, the amount of a fine shall be determined taking into account their quantity and significance.

8. The head and/or authorised representative of an energy undertaking which is suspected of the commission of a violation and which is subject to a fine shall participate in the consideration of the imposition of the fine by the Commission and shall have the right to be heard and to provide explanations. If these persons are not present, the issue of the imposition of the fine may be considered only in the cases where there is evidence that they have been informed of the venue and time of the consideration of this issue in a timely manner and have not submitted any request to postpone the consideration of the issue. Where the request to postpone the consideration of the issue has been submitted, the issue may be considered in the absence of the person, where the Commission, upon recognising the reasons for the absence of the person as irrelevant, rejects the person's request to postpone the consideration of the issue.
9. A decision of the Commission on imposition of a fine must be adopted within six months from the establishment of a violation. In the case of a continuous violation, the fine may be imposed not later than within six months from the establishment of the violation. Violations may not be subject to fines after the lapse of more than five years from the day of the commitment thereof.

10. Any violation may be subject to a fine only once. The imposition of a fine shall not release from the performance of the duty for a failure to comply therewith the fine is imposed.

11. A fine imposed by the Commission shall be paid to the state budget in accordance with the procedure and within the time limits laid down by the Commission.

12. A decision of the Commission on imposition of a fine may be appealed against to court within 30 days from its adoption in accordance with the procedure laid down by the Law of the Republic of Lithuania on Administrative Proceedings.

13. A decision of the Commission on imposition of a fine shall become effective after the lapse of 30 days from adoption thereof, unless it is appealed against to court within this period in accordance with the procedure laid down by law.

14. A decision of the Commission on imposition of a fine shall be an enforceable and enforcement document. The decision of the Commission shall be enforced in accordance with the procedure laid down by the Code of Civil Procedure.

15. The Commission shall, acting in compliance with the provisions of this Article, approve rules for imposing fines.

CHAPTER SEVEN
FINAL PROVISIONS

Article 37. Procedure for Implementing This Law

1. On receipt of a request from customers (natural or legal persons), energy undertakings shall buy out or operate, in accordance to the procedure and under the conditions specified by the Government or its authorised institution, the jointly operated energy facilities belonging to the customers by the right of ownership and installed with their funds before the entry into force of this Law and intended for energy transmission and/or distribution of energy. An energy undertaking and a customer that files the request shall, by mutual agreement, coordinate the procedure for and conditions of buying out or taking over of the energy facilities for operation purposes, to the extent that this does not contradict the requirements set forth by the Government or its authorised institution. If the energy undertaking and the customer fail to agree on the procedure for and the terms and conditions of the buying out or takeover of the energy facilities
for operation purposes, the terms and conditions binding for both parties shall be established by
the Commission in accordance with the requirements specified by the Government or an
institution authorised by it. The jointly used energy facilities belonging by the right of ownership
to the State or a municipality, the jointly used energy facilities belonging by the right of
ownership to gardeners’ societies and/or other persons, where they are intended for the
transmission and/or distribution of energy and where they were installed prior to the entry into
force of this Law, may be sold to an energy undertaking at a price determined by agreement
between the parties having regard to the value of the jointly used energy facilities as determined
by an independent valuer at the moment of the conclusion of the contract and based on the legal
acts regulating property and business valuation.

2. The jointly used energy facilities belonging by the right of ownership to the State or a
municipality shall be transferred to an energy undertaking after a state or municipal institution,
the Bank of Lithuania, a state or municipal enterprise, institution or organisation managing these
facilities by the right of trust enters into a purchase and sale contract (hereinafter: a 'contract')
with the energy undertaking. The contract must establish the manner and time limits of
reimbursement for the energy facility to be transferred and the purpose of the use of the energy
facility. The contract shall be signed only after the Government or the municipal council
accordingly approves of the sale of the energy facilities and a draft contract. When submitting
the draft contract to the Government or the municipal council for approval, the necessity of the
sale of the energy facility to the energy undertaking shall be substantiated, and a valuation report
of the energy facility shall be presented.

3. Energy undertakings shall, and in accordance with the procedure and under the terms
specified by the Government, provide to an institution authorised by the Government or to the
director of a municipal administration within their remit information on the operating energy
facilities which have not been entered in records, where they have no owner or their owners are
unknown (hereinafter: 'energy facilities for which no owner can be found'). The institution
authorised by the Government or the director of the municipal administration shall enter the
energy facilities for which no owner can be found in records in accordance with the procedure
established by the Government and undertake measures to identify the owners of such facilities.
The institution authorised by the Government or the director of the municipal administration
shall lodge an application for transfer of an energy facility for which no owner can be found into
the ownership of the State or a municipality with court after the lapse of four months from the
entry of the facility in the records. Energy facilities for which no owner can be found and which
the court transfers into the ownership of the State or a municipality shall, by a decision of the
Government or a municipal council, be sold, rented or be otherwise made available for use to an energy transmission or distribution undertaking operating in the area thereof.

4. The provisions of paragraph 3 of this Article shall not apply to energy facilities which have been acquired in good faith and are legitimately operated, although managers thereof have not yet acquired ownership of these facilities by usucapio.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

PRESIDENT OF THE REPUBLIC

VALDAS ADAMKUS

Annex to

the Republic of Lithuania

Law on Energy

LEGAL ACTS OF THE EUROPEAN UNION IMPLEMENTED BY THIS LAW


consumption of energy and other resources by energy-related products (OJ 2010 L 153, p. 1).


