

Lithuania: EU backs energy efficiency – €110 million loan for smart meters and IT



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- **€110 million loan agreement between EIB and Ignitis Grupė in support of smart metering systems and IT solutions for data collection and management**
- **The operation concerns the replacement of nearly two-thirds of all meters in Lithuania and is expected to bring energy savings to the company's clients**

The European Investment Bank (EIB) has signed a €110 million loan agreement with Lithuanian energy company AB Ignitis Grupė. The financing is intended to be used to install smart meters and implement IT solutions for data collection and management with the energy distribution operator AB "Energijos skirstymo operatorius" (ESO). The replacement of existing electromechanical meters included in this operation corresponds to almost 66% of all the installed meters currently installed in Lithuania.

During the first stage of installation of the smart meters, starting next year, ESO is planning to replace approximately 1.2 million units of smart meters in Lithuania by the end of 2023, starting with domestic users, who use the biggest share of energy. The new metering system will enable remote

readings, near real-time consumption information and communication with consumer devices. The deployment of smart meters is expected to lead to energy savings for the consumers and increased energy market efficiency.

EIB Vice-President **Thomas Östros** remarked: *“This operation gives an important signal about the energy market in the Baltics, namely that investments are shifting from a focus on security of supply towards energy efficiency. This is good news and very important in terms of our collective commitment to the Paris Agreement. Climate change won’t stop if we don’t act, and in that context every initiative to limit our energy consumption is a big help.”*

“We are happy that the EIB has offered the conditions that best satisfy the needs of Ignitis Grupė and that this is already the Group’s third project to be financed through successful cooperation with the EIB. We have already signed contracts with the EIB for a €190 million loan to finance the construction works of the Vilnius Combined Heat and Power Plant, and for a PLN 258 million loan for the Pomerania Wind Farm, to finance the park of wind power plants that is being developed in Poland”, says **Darius Kašauskas**, the Director of Finance and Treasury of AB “Ignitis Grupė”.

The deployment of smart meters is part of the revised National Energy Independence Strategy as adopted in Lithuania in June 2018. The smart meter rollout investments were approved by the national energy regulator in September 2019.

The smart meters scheduled for installation by ESO for 2021 will enable competition in the market, which will encourage the development of new services. Smart meters will be installed for the users, who use more than 1 000 kWh electricity per year. At the same time, new meters will become a tool that will enable residents to analyse and save, while ESO will be able to identify and correct problems quicker. It is planned to finish the installation of smart meters (starting with the largest users) by the end of 2023. The second stage will start in 2024 and the meters will be replaced for the users, whose metrological inspection deadline will be extended.

Ignitis Grupė (Ignitis Group) is one of the largest international utilities and renewable energy companies in the Baltic region. Its core business activities are operating electricity and gas distribution networks, as well as expanding its green generation portfolio. The Group also manages strategically important flexible generation resources and provides customers and solutions services, such as supply of electricity and gas, solar, e-mobility, energy efficiency and other innovative energy smart platforms for households and businesses. Ignitis Grupė operates in its home markets – Lithuania, Latvia, Estonia, Poland and Finland – and evaluates opportunities in other countries on the energy transition path.