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**Energy Policy and Security of Supply in Lithuania after Accession to European Union**

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**Abstract**

Paper describes current status and specific features of the Lithuanian economy, primary energy supply and energy transformation sector. The structure of the energy sector inherited from the Former Soviet Union and constructed through several decades was inappropriate in terms of country's size and access to primary energy. During transition to a free market economy, the important changes have occurred in the technical and institutional structure of the energy sector, in reduction of energy intensity and increase of the role of indigenous and renewable resources.

Changes of dependence on primary energy supply in Lithuania during the period 1990-2002 are analysed. The comparison of this indicator in the Baltic States and Western European countries is presented.

Lithuania is invited to become a member of the European Union in May 2004. During the process of accession, one of the country's obligations is decision on early closure of Unit 1 of Ignalina Nuclear Power Plant before 2005 and Unit 2 in 2009. The paper covers expected future changes in the Lithuanian power sector and presents rational structure of generating capacities based on detailed technical-economical analysis carried out in the Lithuanian Energy Institute. Advantages of existing Lithuanian Thermal Power Plant modernization, especially in diversification of primary energy supplied for power generation, are discussed.

The analysis of other possible measures related to reduction of dependence on energy supply from one country (construction of an inter-connection with Poland for integration into the European electricity market, building of underground gas storage, increase a share of renewable energy resources, building of 90-day stocks of crude oil and petroleum products, etc.) is presented.

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