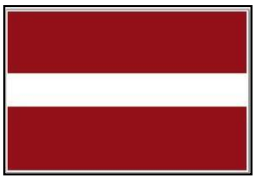

Renewable energy policy database and support – RES-LEGAL EUROPE

National profile: Latvia

Client: DG Energy

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Berlin, 29 December 2012

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TABLE OF CONTENTS

Latvia – Summary

In Latvia, renewable electricity generation is incentivised through a complex support system based on a feed-in tariff, which also includes elements of a quota system and tenders. Heating and cooling from renewable energy sources is promoted through several support schemes. These include different tax benefits as well as direct payment grants. The only incentive currently available for renewable energy sources in transport is a tax regulation mechanism.

Access of renewable energy plants to the grid is subject to the general legislation on energy. Electricity from renewable sources is not given priority. Also devices for heat production from renewable energy sources are not given priority connection, and there is no special legislation promoting the connection of RES heating devices to the heat transmission network at the national level. There are regulations at the regional level that establish rules for and promote high energy performance and competition in the heat supply market.

There are two policies promoting the installation and use of RES installations.

RES-E support schemes

Summary of RES-E support schemes

Overview	In the Republic of Latvia, renewable electricity generation is incentivised through a complex support system based on a feed-in tariff.
Summary of support system	The Latvian government promotes the generation of electricity from renewable sources through a feed-in tariff, which also includes elements of a quota system and tenders. The Latvian government has decided that a certain percentage of the total energy consumption of all final consumers in Latvia shall be from renewable sources. This percentage varies according to the source of energy. The producers of electricity from certain energy sources are obliged to participate in tenders to obtain the right to sell electricity at a guaranteed price until a government-set cap is reached.
Technologies	In general, the feed-in tariff applies to all renewable electricity generation technologies except for geothermal generation.
Statutory provisions	• Electricity Market Law (Elektroenerģijas tirgus likums, 82 115/0825/201105) • Energy Law (Enerģētikas likums, 273/275 04/04/2014) • Regulation No. 262 (Noteikumi par elektroenerģijas ražošanu, izmantojot atjaunojamos energoresursus, un cenu noteikšanas kārtību - Regulations Regarding the Production of Electricity Using Renewable Sources and the Procedures for the Determination of the Price)

Basic information on legal sources

Name of legal source (original language)	Elektroenerģijas tirgus likums	Ministru kabineta noteikumi Nr.262	
Full name		Noteikumi par elektroenerģijas ražošanu, izmantojot atjaunojamos energoresursus, un cenu noteikšanas kārtību	
Name (English)	Electricity Market Law	Regulations Regarding the Production of Electricity Using Renewable Sources and the Procedures for the Determination of the Price	
Abbreviated form	Electricity Market Law	Regulation No. 262	
Entry into force	08.06.2005	16.03.2010	
Last amended on	01.01.2012.	08.09.2012.	
Future amendments			
Purpose	Establishing a market for electricity.	Refining the provisions of the Electricity Market Law regarding the generation of electricity from renewable sources.	
Relevance for renewable energy	Provisions on the promotion of renewable energy plants and their connection to the grid.	This regulation sets out the requirements for support for electricity from renewable sources.	

Link to full text of legal source (original language)	*http://www.likumi.lv/doc.php?id=108834*	*http://www.likumi.lv/doc.php?id=207458&from=off*	
Link to full text of legal source (English)	*http://sprk.gov.lv/index.php?id=4353&sadala=192*	*http://www.vvc.gov.lv/export/sites/default/docs/LRTA/MK_Noteikumi/Cab._Reg._No._262_-_Production_of_Electricity_Using_Renewable_Energy_and_Determination_of_the_Price.doc*	

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Latvijas Republikas Ekonomikas Ministrija (EM) – Ministry of Economy	http://www.em.gov.lv		+371 670 13 173	
Institute of Physical Energetics (FEI) – Research institute	http://www.innovation.lv		+371 675 52 011	fei@edi.lv
Sabiedrisko pakalpojumu regulēšanas komisija (SPRK) – Public Utilities Commission (PUC), regulatory authority	http://www.sprk.gov.lv		+371 670 97 200	sprk@sprk.gov.lv
Vides aizsardzības un reģionālās attīstības ministrija (VARAM) – Ministry of Environmental Protection and Regional Development	http://www.varam.gov.lv		+371 670 26 418	pasts@varam.gov.lv

Support schemes

Feed-in tariff

Abbreviated form of legal source(s)	• Electricity Market Law • Energy Law • Regulation No. 262	
Summary	The Latvian government has set a certain percentage of final energy consumption that shall be from renewable sources. This percentage differs for every source of energy and was initially applicable until the end of 2010. The government has also set percentages for the following 10 years (§ 29 par. 2, 3 Electricity Market Law; no. 2 Regulation No. 262). According to the Ministry of Economy, electricity producers may apply for the right to sell electricity at a guaranteed price until the government-set cap is reached. The producers of electricity from certain energy sources are obliged to participate in a competition to obtain this right.	
Eligible technologies	**General information**	In general, all renewable electricity generation technologies are eligible, except for geothermal generation. However, certain technologies are subject to output or capacity restrictions.
	Wind energy	Up to 3,500 full load hours per year are eligible (§ 29 par. 1 Electricity Market Law; no. 3.4., 3.5. 5.2 Regulation No. 262).
	Solar energy	Up to 8,000 full load hours per year are eligible (§ 29 par. 1 Electricity Market Law; no. 3.6, 5.3 Regulation No. 262).
	Geothermal energy	
	Biogas	Up to 8,000 full load hours per year are eligible (§ 29 par. 1 Electricity Market Law; no. 3.2, 5.3 Regulation No. 262).

	Hydro-power	Up to 5,000 h full load hours per year are eligible (§ 29 par. 1 and 7 Electricity Market Law; no. 3.1, 5.1 Regulation No. 262).
	Biomass	Up to 8,000 full load hours are eligible (§ 29 par. 1 Electricity Market Law; no. 3.3, 5.3 Regulation No. 262).
Amount	**General information**	The tariff bands for electricity from renewable sources are calculated according to formulas prescribed by the Public Utilities Commission. These formulas are based on the price of natural gas, the exchange rate between the Latvian Lat and the Euro, and a certain coefficient depending on the plant size (no. 37 Annex 8 Regulation No. 262). The factors on which the formulas are based vary according to the technology used.
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	
Degression	**General information**	As the tariff bands are linked to the price of natural gas and the exchange rate between the Lat and the Euro, they are subject to

		fluctuations (no. 37 Regulation No. 262).
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	
Cap	The annual payment for a given plant ends when the plant has reached the number of full load hours specified for the generation technology employed. The following numbers of full load hours apply (no. 5.3 Regulation No. 262): • wind energy: 3,500 full load hours per year, • solar energy: 8,000 full load hours per year, • biogas: 8,000 full load hours per year, • biomass: 8,000 full load hours per year, • hydro-electricity: 5,000 full load hours per year.	
Eligibility period	According to the Ministry of Economy, plant operators may sell all electricity at a guaranteed price once they have obtained the right to sell electricity. **Solar installations.** The tariff for solar installations is calculated according to a uniform formula and will apply for 20 years from the date of commencement of operation of power plants (no. 37.13 Regulation No. 262). **Other plants.** The tariff for all other systems decreases after a period of 10 years. The reduced tariff is paid for a further 10 years (no. 37 Regulation No. 262).	

Addressees	Entitled party: The following entities may participate in the tenders for the right to sell electricity from renewable sources: • sellers who own a plant (4.1 Regulation No. 262); • sellers who plan to upgrade a plant (4.2 Regulation No. 262); • sellers who plan to install a plant (4.3 Regulation No. 262). The obligated person is the so-called public trader, who has certain statutory obligations (§§ 1 par. 2 no. 16; 33 par. 2 no. 3 Electricity Market Law).	
Procedure	**Process flow**	Plant operators must adhere to the following procedure to obtain the right to sell electricity: The operators of biomass, biogas, solar energy or wind energy plants must take part in tenders: Every year in October, the Ministry of Economy invites tenders to supply the amount of electricity necessary to meet the government's targets (no. 16, 17 Regulation No. 262). Eligible plant operators are required to submit an application to participate (no. 14 Regulation No. 262). The application requirements differ for every technology (no. 18-20 Regulation No. 262). A committee checks the applications against a published set of criteria (no. 28-34 Regulation No. 262). Successful tenderers will be notified by 31 November of the same year (no. 36 Regulation No. 262). **Hydro-electricity:** Plant operators shall apply to the Ministry of Economy for the right to participate in the sales system until the set amount is reached (no. 7 Regulation No. 262). The Ministry of Economy shall assess whether an application meets the requirements specified by law within one month after the application has been submitted (no. 10, 11

		Regulation No. 262). The Ministry of Economy assigns the above-mentioned right to those who meet all requirements (no. 12 Regulation No. 262).
	Competent authority	The Ministry of Economy monitors the producers and may revoke the right to sell in case of violation of the legal provisions (no. 47, 49 Regulation No. 262).
Flexibility mechanism		
Distribution of costs	**State**	
	Consumers	The costs are borne by all end users of electricity in proportion to their electricity consumption (no. 59 Regulation No. 262).
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	The regulatory authority determines the procedure according to which the costs of the support scheme are calculated and approves the costs incurred by the public trader (no. 59.1 Regulation No. 262). The electricity consumers pay electricity charges based on their level of consumption to the grid operator or directly to the public trader (no. 59.2, 59.3 Regulation No. 262). The grid operators pass the charges received on to the public trader (no. 59.1 Regulation No. 262).

RES-E grid issues

Overview

Overview of grid issues	In Latvia, access of renewable energy plants to the grid is subject to the general legislation on energy. Electricity from renewable sources is not given priority. Thus, all plant operators are entitled against the grid operator to the connection of their plants to the grid and to the transmission of electricity according to the principle of non-discrimination. In pursuance of the general legislation, the grid operator is obligated to expand the grid.
Connection to the grid	The grid operator is obliged to the plant operator to connect plants as soon as they comply with the technical requirements. The costs of connecting a plant to the grid are borne by the plant operator.
Use of the grid	The grid operator is statutorily obligated to transmit via his grid the electricity generated and sold by the plant operators on the basis of non-discriminatory criteria. The costs of use of the grid are borne by the consumers.
Grid development	The grid operator is statutorily obliged to expand the grid within his area of responsibility. A plant operator is entitled to such an expansion only if the grid operator has agreed to do so by contract. The plant operator is obliged to bear the costs of the expansion.
Statutory provisions	• Electricity Market Law (Elektroenerģijas tirgus likums) • Regulation No. 1/3 (Tīkla kodekss – Grid Code) • Regulation No. 280 (Sistēmas pieslēguma noteikumi elektroenerģijas ražotājiem – Regulation on the Connection of Electricity Producers)

Basic information on legal sources

Name of legal source (original language)	Elektroenerģijas tirgus likums	Tīkla kodekss	Sistēmas pieslēguma noteikumi elektroenerģijas ražotājiem
Full name			
Name (English)	Electricity Market Law	Grid Code	Regulation on the Connection of Electricity Producers to the Grid
Abbreviated form	Electricity Market Law	Regulation No. 1/3	Regulation No. 280
Entry into force	08.06.2005	24.02.2010	03.09.2008
Last amended on	01.01.2012.		01.03.2012
Future amendments			
Purpose	Establishing a market for electricity.	Regulating the management and use of the electricity grid.	Provisions supplementing the Electricity Market Law with regard to the connection of electricity generation plants.
Relevance for renewable energy	Provisions on the promotion of renewable energy plants and their connection to the grid.		This regulation sets out the grid connection procedure for renewable energy plants.

Link to full text of legal source (original language)	*http://www.likumi.lv/doc.php?id=108834*	*http://www.likumi.lv/doc.php?id=205904*	*http://www.likumi.lv/doc.php?id=244670&from=off*
Link to full text of legal source (English)	*http://sprk.gov.lv/index.php?id=4353&sadala=192* Please note: The English translation does not provide information on the latest amendment of this law.	*http://res-legal.de/fileadmin/translations/E1800_-_PUC_Dec_No_1-3_-_Network_Code_04042011.doc*	

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Latvijas Republikas Ekonomikas Ministrija (EM) – Ministry of Economy	http://www.em.gov.lv		+371 670 13 173	pasts@em.gov.lv
Institute of Physical Energetics (FEI) – Research institute	http://www.innovation.lv		+371 675 52 011	fei@edi.lv
Sabiedrisko pakalpojumu regulēšanas komisija (SPRK) – Public Utilities Commission (PUC), regulatory authority	http://www.sprk.gov.lv/?setl=2		+371 670 97 200	sprk@sprk.gov.lv

Grid issues

Connection to the grid

Abbreviated form of legal sources	• Electricity Market Law • Regulation No. 280	
Overview	The grid operator is obliged to connect electricity generation plants to the grid (§ 9 par. 2 Electricity Market Law). According to the grid operator, this obligation arises from agreement between the grid operator and the plant operators.	
Procedure	**Process flow**	The connection procedure is set out in the Regulation on the Connection of Electricity Producers to the Grid and includes the following steps: • Application for connection (par. 4 Regulation No. 280); applications for wind power plants shall be accompanied by additional documents (par. 5 Regulation No. 280). • The grid operator shall assess the site and notify the plant operator of the technical requirements within 60 days after receipt of the application for connection (par. 7 Regulation No. 280). • The plant operator shall plan the implementation of the technical requirements (par. 8 Regulation No. 280). • The grid operator shall approve of the implementation plan; a connection agreement is concluded (par. 9 Regulation No. 280). • If grid capacity is insufficient, the grid shall be upgraded (par. 11 Regulation No. 280) • The plant operator shall notify the grid operator of the completion of a electricity generation plant at least 45 days prior to first operation (par. 15

		Regulation No. 280) • The grid operator shall carry out technical tests and connect the plant to the grid within 10 working days after receipt of the notification of completion (par. 16 Regulation No. 280).
	Deadlines	**Grid operator:** • The grid operator shall assess the site and notify the plant operator of the technical requirements within 60 days after receipt of the application for connection (par. 7 Regulation No. 280). • The grid operator shall carry out technical tests and connect the plant to the grid within 10 working days after receipt of the notification of completion (par. 16 Regulation No. 280). **Plant operator:** • The plant operator shall notify the grid operator of the completion of the electricity generation plant at least 45 days prior to first operation (par. 15 Regulation No. 280).
	Obligation to inform	
Priority to renewable energy (qualitative criteria)	( ) Priority to renewable energy (x) Non-discrimination	Renewable energy is not given priority. According to the grid regulator, the plant operator is entitled to non-discriminatory treatment.
Capacity limits (quantitative criteria)	The grid operator may refuse to connect a plant to the grid if grid capacity is insufficient. It shall give a reason for its refusal in writing within 30 days (§ 9 par. 4 Electricity Market Law).	
Distribution of costs		

	State	
	Consumers	
	System operator	
	Plant operator	The costs of connecting a plant to the grid are borne by the plant operator (par. 12 Regulation No. 280).
	European Union	
	Distribution mechanism	

Use of the grid

Abbreviated form of legal sources	• Electricity Market Law • Regulation No. 1/3	
Overview	The transmission grid operator is obliged to transmit electricity from renewable sources (§ 13 par. 1 Electricity Market Law). It shall not discriminate between or against producers of electricity from renewable sources. The amount of electricity to be transmitted may be limited only in case of insufficient grid capacity or emergency.	
Procedure	**Process flow**	The claim for transmission arises on the date of connection of the plant to the grid.
	Deadlines	
	Obligation to inform	Grid operator: • The grid operator shall notify the plant operator in writing of any change to the grid system that might have an impact on the operation of the electricity generation plant at least 30 days beforehand (3.5. Regulation No. 1/3) • Plant operator: The plant operator shall provide information on the load factor of his plant and on changes to the installed capacity to the grid operator on request (4.1. Regulation No. 1/3)
Priority to renewable energy (qualitative criteria)	( ) Priority to renewable energy (x) Non-discrimination	Renewable energy is not given priority. The transmission grid operator shall comply with the principles of fairness, openness and equality (§ 13 par. 1 Electricity Market Law).
Curtailment	The transmission grid operator may refuse to transmit electricity to prevent system overload (§ 13 par. 5 Electricity Market Law). In case of emergency (environmental emergency, voltage loss) or risk of injury, damage to electric devices or impairment of the operation of the grid, the grid operator may request plant operators to reduce the output of their plants or even take measures to	

	reduce the output of certain plants (25.3, 26.5, 26.6, 26.7 Regulation No. 1/3).	
Distribution of costs		
	State	
	Consumers	The costs of use of the grid are borne by the consumers.
	System operator	
	Plant operator	
	European Union	
	Distribution mechanism	According to the regulatory authority, the costs of grid use are borne by the grid operator. The grid operator passes on the costs to the consumers through the electricity price.

Grid expansion

Abbreviated form of legal source	• Electricity Market Law • Regulation no. 280	
Overview	The grid operator is obliged to upgrade and expand the grid according to the general legislation on energy (§ 9 par. 1 Electricity Market Law). According to the transmission grid operator, a plant operator may be entitled to a grid upgrade only if the grid operator has agreed on the upgrade by contract and if the plant operator bears the costs.	
Procedure	**Process flow**	The grid operator is obligated to operate and maintain the grid within its area of responsibility (§ 9 par. 1 Electricity Market Law). The exact procedure is specified in the provisions of the grid regulator. According to the grid regulator, the grid operator is obligated to the grid regulator to expand the grid.
	Enforcement of claims	
	Deadlines	
	Obligation to inform	
Regulatory incentives for grid expansion and innovation		
Distribution of costs		
	State	
	Consumers	

	System operator	
	Plant operator	The costs of grid development are borne by the plant operator if the development is necessary to connect and operate his plant (par. 12 Regulation No. 280).
	European Union	
	Distribution mechanism	According to the regulatory authority, the grid operator may pass on the costs of developing the grid to the consumers by imposing grid use charges.
Grid studies		

RES-H&C support schemes

Summary of support schemes

Overview	In Latvia, heating and cooling from renewable energy sources is promoted through several support schemes. These include different tax benefits as well as direct payment grants from the Investment and Development Agency of Latvia (LIAA).
Summary of support schemes	• Grants by the LIAA. Projects are funded from the European Union Structural Funds 2007-2013 by way of direct investment which covers at least 25% of all eligible expenses. In the planning period from 2007 to 2013, 35 million Lats (50 million Euros) were made available. According to the Investment and Development Agency of Latvia, all tenders for grants have been closed and will not re-open until 2013. Currently there are no activities to support heating and cooling from renewable energy. • Value Added Tax reduction. Companies who are supplying biomass and biogas shall pay a reduced VAT rate. • Excise Tax reduction. Biogas which is supplied to end users shall be taxable; the tax rate is reduced if the biogas is used for heating.
Technologies	Support can be received for new CHP stations and the conversion of existing boilers into CHP stations using RES. Furthermore, biomass and biogas are eligible.
Statutory provisions	• Law on Excise Duties (Par akcīzes nodokli) • Law on the Value Added Tax (Par pievienotās vērtības nodokli)

Basic information on legal sources

Name of legal source (original language)	Par pievienotās vērtības nodokli	Par akcīzes nodokli	
Full name	Par pievienotās vērtības nodokli	Par akcīzes nodokli	
Name (English)	Law on the Value Added Tax	Law on Excise Duties	
Abbreviated form	Law on the Value Added Tax	Law on Excise Duties	
Entry into force	01.05.1995.	01.05.2004.	
Last amended on	01.07.2012.	01.02.2012.	
Future amendments			
Purpose	The law sets the tax on goods and services.	The law sets the tax on excisable goods.	
Relevance for renewable energy	Tax allowance on the supply of biomass and biogas.	Tax allowance on biogas.	
Link to full text of legal source (original language)	*http://www.likumi.lv/doc.php?id=34443*	*http://www.likumi.lv/doc.php?id=81066*	
Link to full text of legal source (English)	Annex 1	Annex 2	

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Latvijas Republikas Ekonomikas Ministrija (EM) – Ministry of Economy	www.em.gov.lv		+371 670 13 173	pasts@em.gov.lv
Latvijas Investīciju un attīstības aģentūra (LIAA) – Investment and Development Agency of Latvia	www.liaa.lv		+371 670 39 400	liaa@liaa.gov.lv
Finanšu ministrija (FM) – Ministry of Finance	www.fm.gov.lv		+371 670 95 405	info@fm.gov.lv
Valsts ieņēmumu dienests (VID) – State Revenue Service	www.vid.gov.lv		+371 670 01 898	VID.konsultanti@vid.gov.lv

Support schemes

Tax regulation mechanism (Law on the Value Added Tax)

Abbreviated form of legal source(s)	• - Law on the Value Added Tax	
Summary	The value added tax shall be imposed on the following economic activities: supply of goods and services, including home consumption on the national level (§ 2 par. 2 Law on the Value Added Tax). For the supply of biomass and biogas, the tax rate is reduced (§ 6.2 par. 17, 21 Law on the Value Added Tax).	
Eligible technologies	**General information**	Only biomass and biogas are eligible for the tax allowance.
	Aerothermal	
	Hydrothermal	
	Biogas	Eligible
	Biomass	Eligible
	Geothermal energy	
	Solar Thermal	
Amount	The tax rate for the supply of biomass and biogas is reduced from 21% to 10% (§ 6.^{2} par. 17, 21 Law on the Value Added Tax).	

Addressees	The Law on the Value Added Tax obliges all companies and persons that perform economic activities and are registered for VAT with the State Revenue Service (§ 1 par. 7 Law on Value Added Tax). Persons supplying biomass and biogas have to pay only a reduced amount of VAT.	
Procedure	**Process flow**	Taxable companies that have performed taxable transactions exceeding the value of 35 000 Lats during the previous tax year must inform the authorities on their taxable transactions on a monthly basis. For companies with sales of less than 35 000 Lats, the tax period is one calendar quarter (§ 9 Law on the Value Added Tax)
	Competent authority	State Revenue Service (§ 26 Law on the Value Added Tax)
Flexibility Mechanism		
Distribution of costs	**State**	The costs of tax relief are borne by the state.
	Consumers	
	Plant operator	
	Grid operator	
	European Union	

	Distribution mechanism	

Tax regulation mechanism (Law on Excise Duties)

Abbreviated form of legal source(s)	• Law on Excise Duties	
Summary	Natural gas which complies with the Combined Nomenclature Codes 2711 11 00 and 2711 21 00 and is supplied to end users is subject to excise tax (§ 6 Law on Excise Duties). The tax rate is reduced if the biogas is used for heating (§ 15.1 Law on Excise Duties).	
Eligible technologies	**General information**	Only biogas is subject to the tax allowance.
	Aerothermal	
	Hydrothermal	
	Biogas	Eligible
	Biomass	
	Geothermal energy	
	Solar Thermal	
Amount	The amount of tax to be paid is reduced if the biogas is used for heating. The tax rate for the year 2012 is 12 Lats/1000 m^3 (17.06 Euros/ 1000 m^3) (§ 15.^{1} par. 1 Law on Excise Duties).	
Addressees	All persons or companies supplying natural gas which complies with the Combined Nomenclature Codes 2711 11 00 and 2711 21 00 to end users are obliged to pay the tax (§ 6 Law on Excise Duties)	

Procedure	**Process flow**	The obliged companies must inform the authoritieson the amount of taxable energy products on a monthly basis (§ 23 Law on Excise Duties).
	Competent authority	State Revenue Service (§ 23, § 24 Law on Excise Duties)
Flexibility Mechanism		
Distribution of costs	**State**	The costs of tax relief are borne by the state.
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	

RES-H&C grid issues

Overview

Overview of grid issues	Devices for heat production from renewable energy sources are not given priority connection, and there is no special legislation promoting the connection of RES heating devices to the heat transmission network at the national level. However, heat suppliers and producers shall comply with economic and social law and the legislation on environmental protection and the preservation of cultural heritage. There are regulations at the regional level that establish rules for and promote high energy performance and competition in the heat supply market.
Connection to the grid	The heating network operator is obliged to purchase thermal energy from all heat producers, including independent producers. Agreements between a producer and the heating network operator shall be in line with the requirements set by law, especially with the requirements for the price of the thermal energy offered, the terms and conditions of payment, the costs of thermal energy transmission and compliance with the thermal energy generation regime. Moreover, the thermal energy offered shall comply with the technical requirements specified by the heating network operator.
Use of the grid	
Grid development	
Statutory provisions	• Energy Law (Enerģētikas likums)

Basic information on legal sources

Name of legal source (original language)	Enerģētikas likums		
Full name	Enerģētikas likums		
Name (English)	Energy Law		
Abbreviated form	Energy Law		
Entry into force	06.10.1998		
Last amended on	11.12.2012.		
Future amendments	04.04.2014		
Purpose	Establishing a market for energy.		
Relevance for renewable energy	Among other aims, this law supports the use of local resources and combined heat and power solutions in heat production.		
Link to full text of legal source (original language)	http://www.likumi.lv/doc.php?id=49833&from=off		
Link to full text of legal source (English)			

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Latvijas Republikas Ekonomikas Ministrija (EM) – Ministry of Economy	http://www.em.gov.lv		+371 670 13 173	pasts@em.gov.lv
Sabiedrisko pakalpojumu regulēšanas komisija (SPRK) – Public Utilities Commission (PUC), regulatory authority	http://www.sprk.gov.lv		+371 670 97 200	sprk@sprk.gov.lv
Latvijas Siltumuzņēmumu Asociācija (LSUA) – Latvian District Heating Association	http://www.lsua.lv		+371 676 05 706	lsua@lf.lv

Grid issues

Connection to the grid

Abbreviated form of legal sources	• Energy Law	
Overview	In Latvia, there is no special legislation supporting the connection of RES heating devices to the heat transmission network at the national level. According to the Energy Law, heat suppliers and producers shall comply with economic and social law and the legislation on environmental protection and the preservation of cultural heritage (§ 46 par. 1 Energy Law). Heat suppliers shall purchase thermal energy from all heat producers, including independent producers (§ 48 Energy Law). Agreements on the purchase of thermal energy shall be in line with the requirements set by law, especially with the requirements for • the price of the thermal energy offered and the terms and conditions of payment, • the costs of thermal energy transmission, • compliance with the thermal energy generation regime and • compliance of the thermal energy offered with the technical characteristics specified by the network operator (§ 49 par. 2 Energy Law). Municipalities are responsible for heat supply in their administrative territory and are obliged to promote high energy performance and competition in the heat supply market. They may make development plans for the heat supply network and issue binding regulations at the regional level. The legislation on environmental protection and the protection of cultural heritage, the possibilities to use local energy resources and combined heat and power solutions, the security of heat supply and long-term marginal costs should always be taken into account (§ 51 Energy Law).	
Procedure	**Process flow**	
	Deadlines	
	Obligation to inform	

Priority to renewable energy **(qualitative criteria)**	( ) Priority to renewable energy ( ) Non-discrimination	
Capacity limits **(quantitative criteria)**		
Distribution of costs		
	State	
	Consumers	
	Grid operator	
	Plant operator	
	European Union	
	Others	
	Distribution mechanism	

RES-T support schemes

Summary of support schemes

Overview	As both the "Biofuel Production and Use in Latvia (2003-2010)" programme and the state support programme "Aid for Biofuel Production" have ended, the only incentive currently available for renewable energy sources in transport is a tax regulation mechanism. According to the Ministry of Finance, the Biofuel Development Advisory Council is currently discussing the introduction of a new support regime.
Summary of support schemes	**Tax regulation mechanism.** Companies processing, holding, receiving or dispatching energy products are obliged to pay excise tax. This amount is reduced for fuels blended with biofuels.
Technologies	The tax regulation mechanism applies to biofuels only.
Statutory provisions	• Law On Excise Duties (Par akcīzes nodokli)

Basic information on legal sources

Name of legal source (original language)	Par akcīzes nodokli		
Full name	Par akcīzes nodokli		
Name (English)	Law On Excise Duties		
Abbreviated form	Law On Excise Duties		
Entry into force	01.05.2004		
Last amended on	01.02.2012		
Future amendments			
Purpose	The law sets the tax on excisable goods.		
Relevance for renewable energy	Tax allowance on fuels blended with biofuels.		
Link to full text of legal source (original language)	*http://www.likumi.lv/doc.php?id=81066*		
Link to full text of legal source (English)			

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Ministry of Finance	http://www.fm.gov.lv/		+371 67095405	info@fm.gov.lv
State Revenue Service	http://www.vid.gov.lv/		+371 6700 1898	VID.konsultanti@vid.gov.lv

Support schemes

Tax regulation mechanism

Abbreviated form of legal source(s)	• Law On Excise Duties	
Summary	The Law on Excise Duties obliges companies processing, holding, receiving or dispatching mineral oil products to pay excise tax (§ 5 Law on Excise Duties). This amount is reduced if the fuel is blended with biofuels (§ 14 Law on Excise Duties).	
Eligible technologies	**General information**	Only biofuels are tax-deductible.
	Biofuels	Eligible
	Electricity	
	Hydrogen	

Amount	The amount of tax to be paid is reduced if the taxed energy product (diesel or petrol) is mixed with biofuels. Tax bands for 2012: 2) Diesel fuel, substitute products and components thereof: ○ pure: LVL 234 per 1000 litres (EUR 332.10 per 1000 litres) ○ blend of 5-30% biofuels: LVL 223 per 1000 litres (EUR 316.49 per 1000 litres) ○ blend of at least 30% biofuels: LVL 164 per 1000 litres (EUR 232.76 per 1000 litres) - Unleaded petrol, substitute products and components thereof: ○ pure: LVL 296 per 1000 litres (EUR 420.10 per 1000 litres) ○ blend of 5% biofuels: LVL 256 per 1000 litres (EUR 363.33 1000 litres) ○ blend of 70 - 85% biofuels: LVL 80.7 per 1000 litres (EUR 114.53 per 1000 litres) (§ 14 par. 1.1., 1.4., 3.1., 3.2., 4.1., 4.2. Law on Excise Duties).	
Addressees	The Law on Excise Duties obliges companies processing, holding, receiving or dispatching mineral oil products to pay excise tax (§ 5 Law on Excise Duties).	
Procedure	**Process flow**	The obliged companies must declare the amount of taxable energy products on a monthly basis (§ 23 Law on Excise Duties),
	Competent authority	State Revenue Service (§ 23, § 24 Law on Excise Duties)
Flexibility Mechanism		
Distribution of costs	**State**	The costs of tax relief are borne by the state.
	Consumers	

	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	

Policies

Summary of policies

Overview	There are two policies promoting the development, installation and use of RES installations: the certification scheme for RES system installers and an obligation to use renewable heating and cooling systems in new and renovated buildings.
Summary of policies	• Certification scheme. Natural persons must have a construction management certificate to carry out construction services. In order to obtain this certificate, at least intermediate vocational education is required, including training in the fields of RES heat supply and air conditioning system construction. • Building obligation. The Law on the Energy Performance of Buildings obliges owners of new or renovated buildings with a total area of more than 1000 square metres to consider using RES heating and cooling systems.
Technologies	
Statutory provisions	• Law on the Energy Performance of Buildings (Ēku energoefektivitātes likums); • Construction Law (Būvniecības likums); • Regulation No. 383 (Noteikumi par būvprakses un arhitekta prakses sertifikātu piešķiršanu, reģistrēšanu un anulēšanu)

Basic information on legal sources

Name of legal source (original language)	Ēku energoefektivitātes likums	Būvniecības likums	Ministru kabineta noteikumi Nr.383
Full name	Ēku energoefektivitātes likums	Būvniecības likums	Noteikumi par būvprakses un arhitekta prakses sertifikātu piešķiršanu, reģistrēšanu un anulēšanu
Name (English)	Law on the Energy Performance of Buildings	Construction Law	Regulation on the Award, Registration and Cancellation of Construction Management Certificates and Professional Practice Certificates for Architects
Abbreviated form	Law on the Energy Performance of Buildings	Construction Law	Regulation No. 383
Entry into force	16.04.2008	13.09.1995	19.07.2003
Last amended on	18.03.2010	01.01.2011	29.06.2011
Future amendments			

Purpose	The objective of this law is to promote the sensible use of energy resources and to improve the energy performance of buildings.	This law determines the mutual relations of persons involved in a construction project, as well as their rights and obligations during the construction process.	This Regulation prescribes the procedures by which construction management certificates and professional practice certificates for architects are granted, registered and cancelled.
Relevance for renewable energy	Among other aims, the law supports the installation of RES plants in buildings.	Among other aims, the law imposes rules on the certification of RES installers.	Among other aims, the regulation imposes rules on the certification of RES installers.
Link to full text of legal source (original language)	*http://www.likumi.lv/doc.php?id=173237*	*http://www.likumi.lv/doc.php?id=36531*	*http://www.likumi.lv/doc.php?id=77339*
Link to full text of legal source (English)			

Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Latvijas Republikas Ekonomikas Ministrija (EM) – Ministry of Economy	http://www.em.gov.lv		+371 670 13 173	pasts@em.gov.lv

Policy categories

▪**Training programmes for Installers**
▪

Abbreviated form of legal source(s)	• Construction Law • Regulations no. 383	
Description	The training programmes for RES installers in Latvia are not regulated by law, though natural persons must have a construction management certificate to offer services in the following construction fields: engineering research, design, expert examination of construction sites, construction works management and construction supervision (§ 8 Construction Law). In order to obtain a construction management certificate, at least intermediate vocational education is required, including training in the fields of RES heat supply and air conditioning system construction (Regulation No. 383). Latvia recognises training and certification schemes from other Member States (§ 8 par. 5 Construction Law)	
Addressees	RES system installers	
Competent authority	Ministry of Economy	
Further information	Further information on the certification scheme is available at: http://www.em.gov.lv/em/2nd/?cat=30244 and buvkomersanti.bema.gov.lv.	
Distribution of costs	**State**	
	Private Financing	
	European Union	
	Others	

RES-H building obligations

Abbreviated form of legal source(s)	• Law on the Energy Performance of Buildings
Description	When constructing a building with a total area of more than 1000 square metres it is recommended to evaluate the possibility to use renewable energy installations, for example decentralised energy supply installations, CHP installations, local heating and cooling installations or heat pumps (§ 7 Law on the Energy Performance of Buildings). According to the Ministry of Economy, local authorities' planning documents shall be such as to create conditions promoting the use of renewable energy in buildings. The government is planning a new law introducing a duty on local authorities to include a renewables obligation in their building regulations. The new law will be adopted on 9 July 2012.
Obligated entities	Owners of buildings with a total floor area of more than 1000 square metres.
Competent authority	The Ministry of Economy
Further information	
Obligation on regional level	Yes

Support of RES-H infrastructure

Abbreviated form of legal source(s)	
Description	The support of RES-H infrastructure in Latvia occurs on the local level.
Addressees	
Competent authority	
Further information	