



Renewable energy policy database and support – RES-LEGAL EUROPE

National profile: Latvia

Client: DG Energy

Contact author: Ilze Upatniece, pt3@eclareon.com

Berlin, 28 Oktober 2013





eclareon GmbH

Giesebrechtstrasse 20
10629 Berlin
Germany
Phone : +49 30 88667400
Fax: +49 30 886674010
www.eclareon.com

Öko-Institut

P.O. Box 1771
79017 Freiburg
Germany
Phone : +49 761 45295-30
Fax: +49 761 45295-88
www.oeko.de

ECN

P.O. Box 1
1755 ZG Petten
The Netherlands
Phone : +31-224-564450
Fax: +31-224-568486
www.ecn.nl





TABLE OF CONTENTS

RES-E SUPPORT SCHEMES 4

Summary of RES-E support schemes 5

Basic information on legal sources 6

Further information 8

Support schemes 9

RES-E GRID ISSUES..... 12

Overview 12

Basic information on legal sources 13

Further information 15

Grid issues..... 16

RES-H&C SUPPORT SCHEMES 23

Summary of support schemes 23

Basic information on legal sources 24

Further information 25

Support schemes 26

RES-H&C GRID ISSUES 30

Overview 30

Basic information on legal sources 32

Further information 34

Grid issues..... 35

RES-T SUPPORT SCHEMES 38

Summary of support schemes 38

Basic information on legal sources 39

Further information 40

Support schemes 41

POLICIES 44

Summary of policies 44

Basic information on legal sources 45

Further information 47

Policy categories 48



RES-LEGAL EUROPE – National Profile Latvia



In Latvia, renewable electricity generation is stimulated through a complex support system based on a feed-in tariff, which also includes elements of a quota system and tenders. The existing feed-tariff is on hold until 01.01.2016 due to concerns about corruption and a lack of transparency in the way it was carried out since 2007. The existing state support mechanisms for energy production from renewable energy resources are being assessed and revised. Stringent supervision of subsidized electricity producers, stricter controls and a limited timeframe for the implementation of RES projects has been introduced. Heating and cooling from renewable energy sources is promoted through different tax benefits. Also the only incentive currently available for renewable energy sources in the transport sector 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 stimulated through a complex support system based on a feed-in tariff. At the moment the existing feed-tariff is on hold until 01.01.2016.
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. Until 01.01.2016 feed-in tariff is closed for new submissions and the support scheme is being revised.
Technologies	In general, the feed-in tariff applies to all renewable electricity generation technologies except for geothermal generation.
Statutory provisions	<ul style="list-style-type: none">• 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	Enerģētikas likums
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	Energy Law
Abbreviated form	Electricity Market Law	Regulation No. 262	Energy Law
Entry into force	08.06.2005	16.03.2010	06.10.1998
Last amended on	01.01.2012	21.08.2013.	11.12.2012
Future amendments			
Purpose	Establishing a market for electricity.	Refining the provisions of the Electricity Market Law regarding the generation of electricity from renewable sources.	Regulation of the energy industry.
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.	Provisions on the promotion of renewable energy.



RES-LEGAL EUROPE – National Profile Latvia



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	http://likumi.lv/doc.php?id=49833
Link to full text of legal source (English)	http://sprk.gov.lv/index.php?id=4353&sada=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		+37167013100	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		+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 67026533	pasts@varam.gov.lv



Support schemes

Feed-in tariff

<p>Abbreviated form of legal source(s)</p>	<ul style="list-style-type: none"> • Electricity Market Law • Energy Law • Regulation No. 262 	
<p>Summary</p>	<p>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).</p> <p>The feed-tariff is currently on hold until 01.01.2016.</p>	
<p>Eligible technologies</p>	<p>General information</p>	
	<p>Wind energy</p>	
	<p>Solar energy</p>	
	<p>Geothermal energy</p>	
	<p>Biogas</p>	
	<p>Hydro-power</p>	
	<p>Biomass</p>	
<p>Amount</p>	<p>General information</p>	



	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	
Degression	General information	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Hydro-power	
	Biomass	
Cap	•	
Eligibility period		



Addressees		
Procedure	Process flow	
	Competent authority	
Flexibility mechanism		
Distribution of costs	State	
	Consumers	
	Plant operator	
	Grid operator	
	European Union	
	Distribution mechanism	



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. It is planned to open the electricity price zone of Latvia on 1 April 2014 in the Nordic electricity exchange "Nord Pool Spot".
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	<ul style="list-style-type: none"> • 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	03.07.2013	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.



RES-LEGAL EUROPE – National Profile Latvia



Link to full text of legal source (original language)	http://www.likumi.lv/doc.php?id=108834	http://likumi.lv/doc.php?id=257943	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.		

**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	<ul style="list-style-type: none"> • 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 the agreement between the grid operator and the plant operators.	
Procedure	Process flow	<p>The connection procedure is set out in the Regulation on the Connection of Electricity Producers to the Grid and includes the following steps:</p> <ul style="list-style-type: none"> • 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 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 an electricity generation plant at least 45 days prior to the first operation (par. 15



		<p>Regulation No. 280)</p> <ul style="list-style-type: none"> 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	<p>Grid operator:</p> <ul style="list-style-type: none"> 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). <p>Plant operator:</p> <ul style="list-style-type: none"> The plant operator shall notify the grid operator of the completion of the electricity generation plant at least 45 days prior to the first operation (par. 15 Regulation No. 280).
	Obligation to inform	
Priority to renewable energy (qualitative criteria)	<p>() Priority to renewable energy</p> <p>(x) Non-discrimination</p>	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 in case of insufficient grid capacity. It shall give a reason for its refusal in writing within 30 days (§ 9 par. 4 Electricity Market Law).	
Distribution of costs		



RES-LEGAL EUROPE – National Profile Latvia



	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	<ul style="list-style-type: none"> • Electricity Market Law • Regulation No. 1/3 	
Overview	<p>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.</p>	
Procedure	Process flow	<p>The claim for transmission arises on the date of connection of the plant to the grid.</p>
	Deadlines	
	Obligation to inform	<p>Grid operator:</p> <ul style="list-style-type: none"> • 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)	<input type="checkbox"/> Priority to renewable energy <input checked="" type="checkbox"/> Non-discrimination	<p>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).</p>
Curtailment	<p>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</p>	



	reduce the output of certain plants (no. 69-73 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	<ul style="list-style-type: none"> • Electricity Market Law • Regulation no. 280 	
Overview	<p>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.</p>	
Procedure	Process flow	<p>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.</p>
	Enforcement of claims	
	Deadlines	
	Obligation to inform	
Regulatory incentives for grid expansion and innovation		
Distribution of costs	State	
	Consumers	



RES-LEGAL EUROPE – National Profile Latvia



	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 different tax benefits.
Summary of support schemes	<ul style="list-style-type: none"> • 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	Biomass and biogas are eligible.
Statutory provisions	<ul style="list-style-type: none"> • 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)	Pievienotās vērtības nodokļa likums	Par akcīzes nodokli
Full name	Pievienotās vērtības nodokļa likums	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	21.02.2013	01.05.2004
Last amended on		25.09.2013
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=253451&from=off	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)
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)	<ul style="list-style-type: none"> - 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 (§ 5 par. 1 Law on the Value Added Tax). For the supply of biomass and biogas for household needs, the tax rate is reduced (§ 42 par. 11, 12 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 12% (§ 41. par. 1, 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 (§ 3 par. 1 Law on Value Added Tax). Persons supplying biomass and biogas for household needs 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 (aprx. € 50 000) 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, taxes are raised quarterly (§ 119, par. 2 Law on the Value Added Tax)
	Competent authority	State Revenue Service (§ 118 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	



RES-LEGAL EUROPE – National Profile Latvia



	Distribution mechanism	
--	------------------------	--



Tax regulation mechanism (Law on Excise Duties)

<p>Abbreviated form of legal source(s)</p>	<ul style="list-style-type: none"> • Law on Excise Duties 	
<p>Summary</p>	<p>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).</p>	
<p>Eligible technologies</p>	<p>General information</p>	<p>Only biogas is subject to the tax allowance.</p>
	<p>Aerothermal</p>	
	<p>Hydrothermal</p>	
	<p>Biogas</p>	<p>Eligible</p>
	<p>Biomass</p>	
	<p>Geothermal energy</p>	
	<p>Solar Thermal</p>	
<p>Amount</p>	<p>The amount of tax to be paid is reduced if the biogas is used for heating. The tax rate for the year 2012 is € 17.07/1000 m³ (§ 15.¹ par. 1 Law on Excise Duties).</p>	
<p>Addressees</p>	<p>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)</p>	



Procedure	Process flow	The obliged companies must inform the authorities on 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



RES-LEGAL EUROPE – National Profile Latvia



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	<ul style="list-style-type: none">• 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		



RES-LEGAL EUROPE – National Profile Latvia



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	<ul style="list-style-type: none">• Energy Law
-----------------------------------	--



RES-LEGAL EUROPE – National Profile Latvia



Overview	<p>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</p> <ul style="list-style-type: none"> • 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). <p>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 elaborate 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).</p>	
Procedure	Process flow	
	Deadlines	
	Obligation to inform	





RES-LEGAL EUROPE – National Profile Latvia



Priority to renewable energy (qualitative criteria)	<input type="checkbox"/> Priority to renewable energy <input type="checkbox"/> 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	Both the “Biofuel Production and Use in Latvia (2003-2010)” programme and the state support programme “Aid for Biofuel Production” finished. The only instrument for the promotion of renewable energy sources in the transport sector currently available 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 scheme.
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	<ul style="list-style-type: none">• 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	25.09.2013		
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)			



RES-LEGAL EUROPE – National Profile Latvia



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)	<ul style="list-style-type: none">• 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	



<p>Amount</p>	<p>The amount of tax to be paid is reduced if the taxed energy product - diesel or petrol - is mixed with biofuels.</p> <p>Tax bands for 2013/2014:</p> <p>Diesel fuel, substitute products and components thereof:</p> <ul style="list-style-type: none"> ○ pure: € 332.95 per 1000 litres ○ blend of at least 30% biofuels: € 233.35 per 1000 litres ○ blend of 70 - 85% biofuels: €123.36 per 1000 litres <p>Unleaded petrol, substitute products and components thereof:</p> <ul style="list-style-type: none"> ○ pure: € 332.95 per 1000 litres ○ blend of 70 - 85% biofuels: LVL 80.7 per 1000 litres €123.36 per 1000 litres (§ 14 par. 1.1., 1.4., 3.1., 3.2., 4.1., 4.2. Law on Excise Duties). 	
<p>Addressees</p>	<p>The Law on Excise Duties obliges companies processing, holding, receiving or dispatching mineral oil products to pay excise tax (§ 5 Law on Excise Duties).</p>	
<p>Procedure</p>	<p>Process flow</p>	<p>The obliged companies must declare the amount of taxable energy products on a monthly basis (§ 23 Law on Excise Duties),</p>
	<p>Competent authority</p>	<p>State Revenue Service (§ 23, § 24 Law on Excise Duties)</p>
<p>Flexibility Mechanism</p>		
<p>Distribution of costs</p>	<p>State</p>	<p>The costs of tax relief are borne by the state.</p>
	<p>Consumers</p>	



RES-LEGAL EUROPE – National Profile Latvia



	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	<ul style="list-style-type: none"> • 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 to consider using RES heating and cooling systems.
Technologies	
Statutory provisions	<ul style="list-style-type: none"> • 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	09.01.2013	13.09.1995	19.07.2003
Last amended on		13.06.2013	23.08.2013
Future amendments			



RES-LEGAL EUROPE – National Profile Latvia



Purpose	The objective of this law is to promote the sustainable 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=253635&from=off	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)	<ul style="list-style-type: none"> • 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 EU 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)	<ul style="list-style-type: none">• Law on the Energy Performance of Buildings
Description	<p>When constructing a building 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 (§ 5 Law on the Energy Performance of Buildings).</p> <p>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.</p>
Obligated entities	Owners of buildings.
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	