



Latvijas Republikas  
**Ekonomikas ministrija**  
**Ministry of Economics**  
Republic of Latvia

# **Current status of renewable energy in Latvia**

“Policy Challenges on Renewable Energy  
and Energy Efficiency”,  
18-19 October 2012

# Transposition of the Directive

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Directive 2009/28/EC is transposed with:

- ✓ Amendments to Energy law (12.10.2011);
- ✓ Amendments to Electricity Market law (11.08.2011);
- ✓ Amendments to Cabinet Regulations No. 262,221 (2010);
- ✓ Cabinet Regulations No. 545, 900 (2011).



# 2020 National Targets

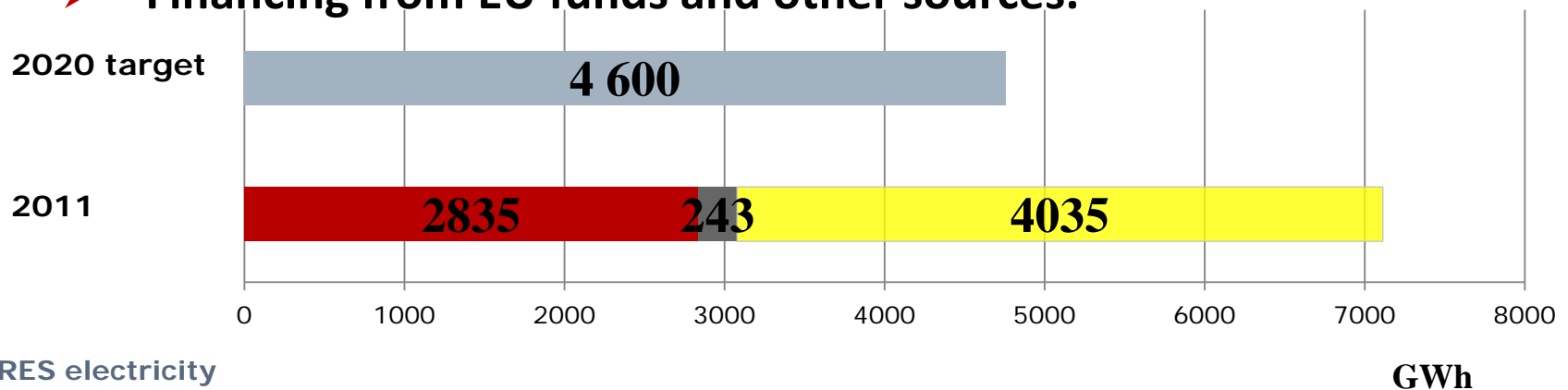
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- ✓ Share of energy from renewable sources in gross final consumption of energy: at least **40%**
  - 32,5% (2010)
  - **33,1% (2011)**
  
- ✓ Share of energy from renewable sources in all forms of transport: at least **10%** of the final consumption of energy in transport
  - 3,3% (2010)
  - **4,8% (2011)**



# Framework

- ❑ Increase the share of renewable energy up to 40% in 2020 and maintain competitiveness of the economy.
- ❑ Current support mechanism provides for :
  - Mandatory procurement of electricity generated from renewable energy sources;
  - Financing from EU funds and other sources.



RES electricity

RES electricity (market price)

RES electricity (mandatory procurement)

Issued and valid mandatory procurement permits

GWh



# Challenges

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Current support mechanisms appear to be:

- ✓ inefficient – project development is slow and unpredictable,
- ✓ unsustainable – mandatory procurement leads to electricity price increase and reduced competitiveness of consumers; does not induce producers to reduce costs,
- ✓ obstructs development of electricity market.



# Amendments

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- ✓ Cease of new mandatory procurement decisions.
- ✓ Enhanced supervision on effectiveness of implementation (including construction and operation, tax payment and spent fuel).
- ✓ Limited support period and transitory period for long-standing projects.



# Principles of new support

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- ✓ Flexibility of total generated amount
- ✓ Reasonable costs
- ✓ Correlation with (and reaction to) market signals
- ✓ Technological neutrality





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# Thank you for your attention!

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