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Latvia and Energy Efficiency Directive recast: progress achieved and way forward

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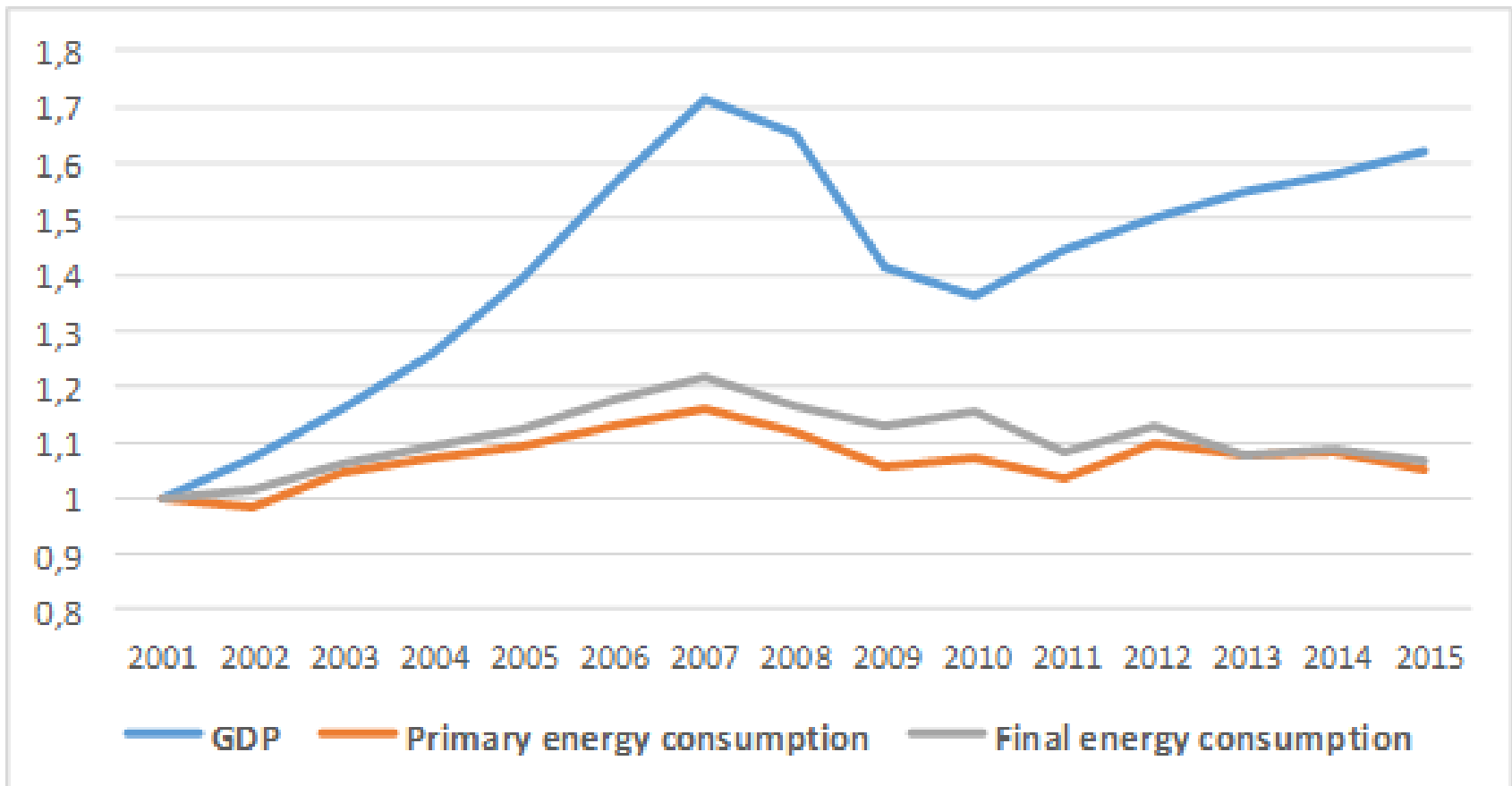
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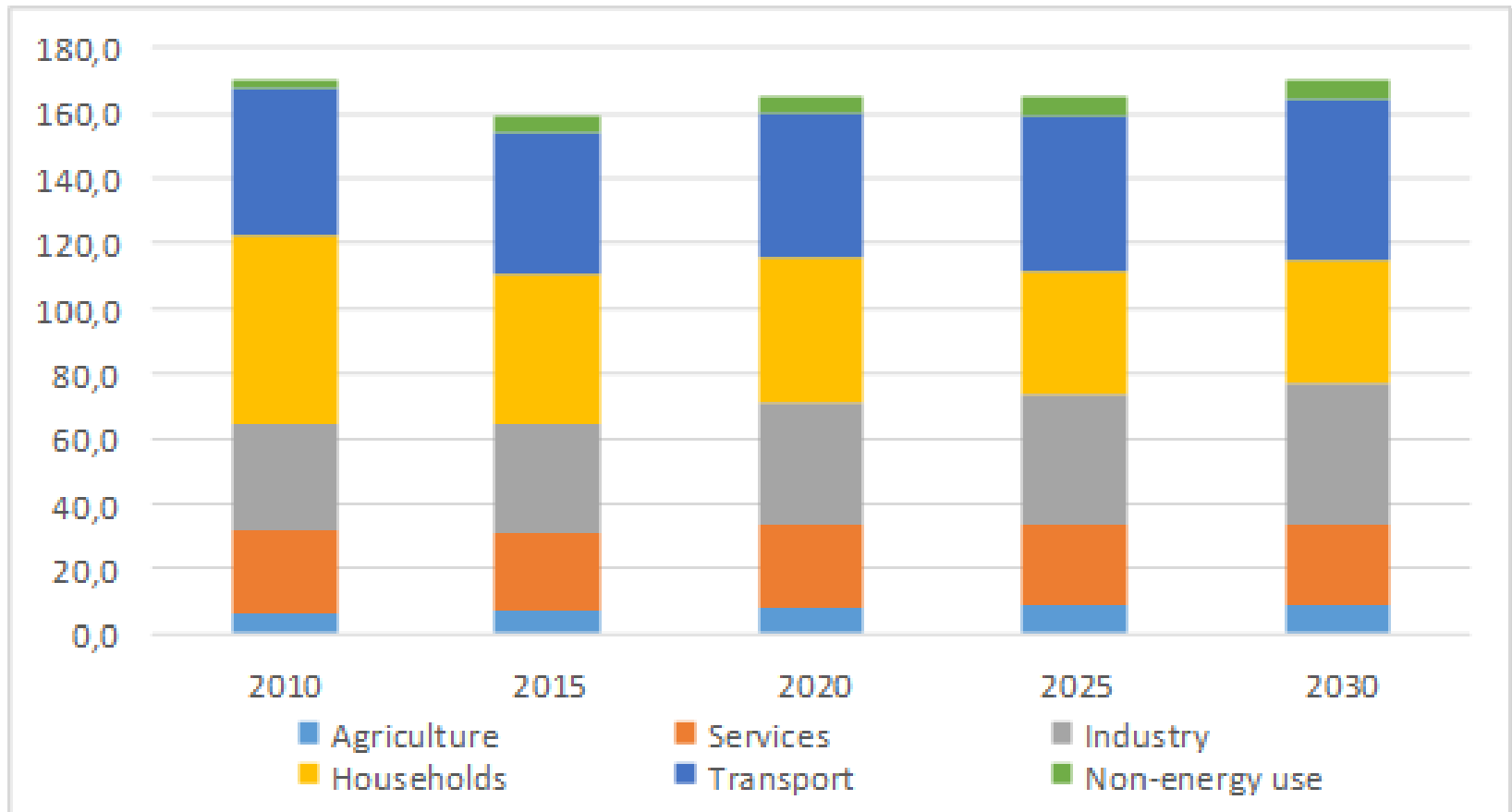
Energy consumption and GDP trends in Latvia





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Final energy consumption projections (PJ)





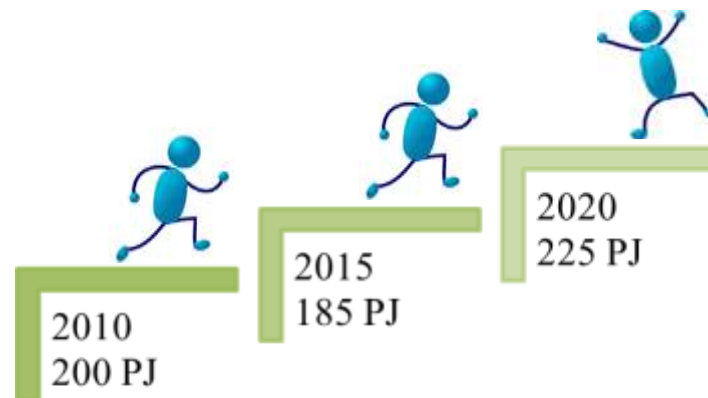
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Progress towards 2020 energy efficiency targets in Latvia

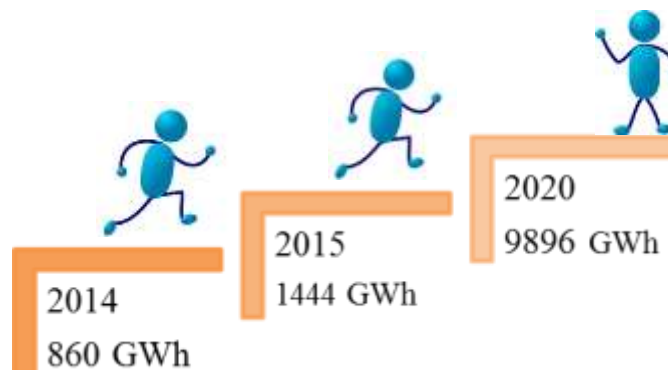
Public
building
renovation
target



Primary
energy target



Mandatory
cumulative
target





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Energy Efficiency policies in Latvia

Alternative measures

- ❑ Public financing support programmes
- ❑ Energy management systems in municipalities and state institutions
- ❑ Public procurement requirements
- ❑ Voluntary agreements
- ❑ Energy audits for large enterprises
- ❑ Energy management systems for large electricity consumers

Energy efficiency funds

- ❑ National Energy Efficiency fund
- ❑ Municipal energy efficiency funds
- ❑ Obligated parties may fulfill their obligation by payments into energy efficiency fund
- ❑ The revenues of energy efficiency fee

Energy efficiency obligation scheme

- ❑ Energy saving obligations put on electricity retailers

Penalties and fees

- ❑ Administrative liability applicable to obligated parties and large enterprises who fail to meet their obligations

Bonuses

- ❑ Energy management system as a beneficial criterion for the selection of projects for public support



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Special requirements on energy efficiency for businesses

Energy Efficiency Law

- obligation to identify and implement the measures
- special group of large electricity consumers defined
- energy efficiency fee introduced

Positive effects

- developing market for energy audits and energy services
- additional financing source for energy efficiency fund
- energy management requirements expanded to group of large electricity consumers

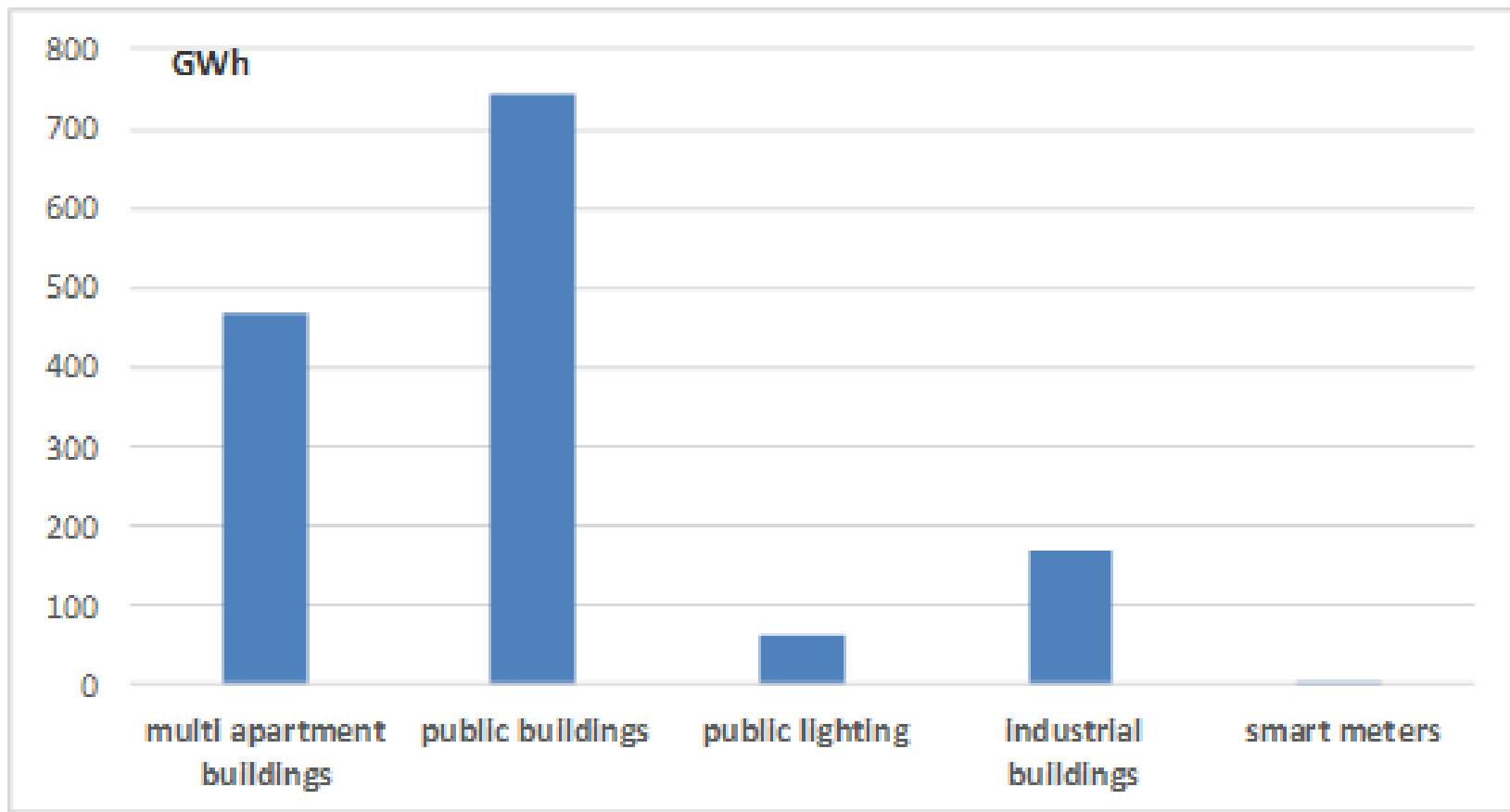
Measures reported by enterprises (in order of saving potential)

- equipment
- other (behaviour change etc)
- transport
- buildings
- lighting



Cumulative savings from building renovation in different sectors

projects which began to bring savings 2014-2015





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Options for facilitating of ESCO market

- Possibility to participate in multi-apartment building renovation programme projects
- Loan guaranties
- Loans



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Energy Efficiency Obligation Scheme

- **Operational periods:**
 - 2018-2020
 - 2021-2025
 - 2026-2030
- **Obligated parties:**
 - in first period - electricity retailers (10 GWh/Y)
 - in further periods - additional sectors will be considered
- **Dinamic obligation** – depends on yearly energy sales
- **Eligible measures**
 - technical measures
 - advice and information
 - no sector limitation
- **Possibility to fulfill obligation by payment to the Energy efficiency fund**



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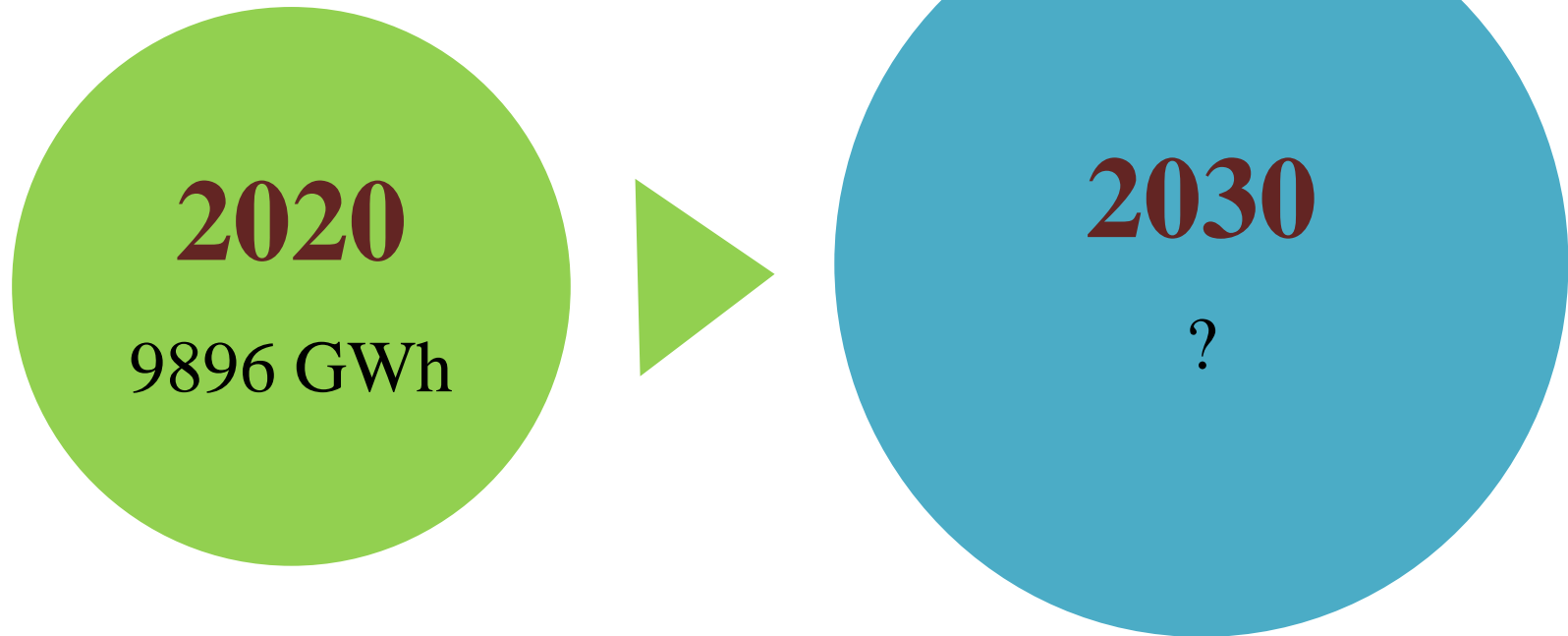
Amendments proposed to Directive 2012/27/EU

- Longer cumulation period of 10 years – **amount of required savings would rise significantly**
- More reporting on methodologies – **administrative burden would rise**
- Individual heat metering in apartments and offices connected to district heating – **individual situation of MS wouldnt be taken into account fully**

Mandatory target 2020 and 2030



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EED recast – what is needed?

- Growing ambitions require more measures – more renovated buildings, modernized installations and equipment
- **How to finance that?**
 - Budget can't finance all activities needed to achieve the target
 - Households and SMEs short of finances to invest in long term payback projects
 - Public awareness on energy efficiency low
 - This situation is typical in new MS
- **Tools are needed for positive incentives in new MS - available funds beyond 2020?**



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Further EU legislative process – what we would expect?

Future energy efficiency targets

- continue to maintain the wind in the sails

Clearer rules, less administrative burden

- correct mistakes

Proper ambition level

- not turn into a storm that lowers masts



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Ekonomikas ministrija

Thank you!

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