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Ekonomikas ministrija

Ministry of Economics

Republic of Latvia

# Renewable Energy in Latvia: Policies and Instruments

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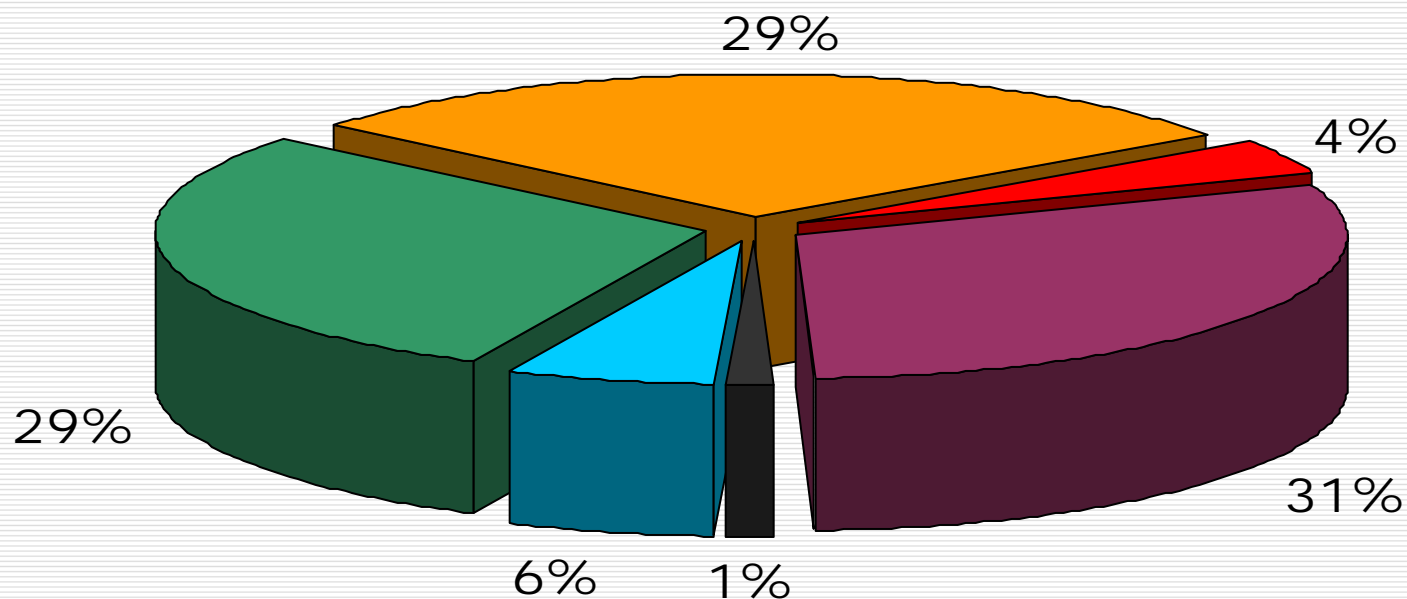
# Presentation outline

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- Key figures
- General energy situation and challenges in Latvia
- RES – current situation, potential, policy and legal framework
- Main support instruments aiming at increased use of RES
- Conclusions



# Structure of Primary Energy Resources in Latvia (2007)



■ Natural gas

■ Import of Power

■ Oil products

■ Coal

■ Hydro- & Windpower

■ Fuel wood



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# Main challenges

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- Insufficient supply of power generation capacities in a medium and long term (after 2010)
- High dependency on imports of primary energy resources:
  - n self-sufficiency in 2007 – 30%
- Comparatively large share of RES in supply of primary energy resources – around 30 % over the last years



# Share of RES

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- Share of RES from 2000 to 2007:
  - n In total energy mix 30%-33% (30% in 2007)
  - n In electricity consumption 35% - 48% (36,4% in 2007)
- RES–E in 2007:
  - n Large HPP (3 plants): 34,3 %
  - n Small HPP (149): 0,9 %
  - n Wind: 0,7 %



# Estimated Potential

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- Hydro: 5 MW on small rivers
- Biofuels: 20 000 t/yr
- Wind: 135 MW (currently installed 27 MW)
- Biomass for electricity: 72 MW  
biomass & biogas CHP



# Policy and Legal Framework

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- Guidelines for Energy Sector Development 2007-2016 (Ministry of Economics)
- Guidelines for Use of Renewable Sources of Energy 2006-2012 (Ministry of Environment)
- Electricity Market Law
- Law on Biofuels



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# Guidelines for Energy Sector Development 2007 – 2016

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- Main mid-term energy policy planning document
- Corresponds to new EU energy policy guidelines
- Principal policy document driving increases in efficient use of RES and energy production in CHP





# Targets to be attained

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- Setting national targets for RES:
  - n 49.3 % share of RES-E by 2010 (in comparison to 36,4 % in 2007)
- Latest EU RES policy developments:
  - n a new framework Directive on use of RES
  - n mandatory national target of 40 % for Latvia to be reached in 2020



# Support instruments

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- Main support instruments for promotion of RE development in Latvia:
  - n mandatory procurement of electricity generated from RES with fixed purchase price (feed-in tariff)
  - n mandatory procurement of electricity produced in co-generation regime with fixed purchase price
  - n EU Structural Funds for investment in RE-fired CHP plants (available since beginning of 2009)
  - n Subsidies to producers of biofuels on basis of an annual quota



# Support to RES-E

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- Feed-in system:
  - n Regulation No.198 on Electricity Production from RES (replacing Regulation No.503 from 2007)
  - n Purchase price differs depending on the source of RE and capacity of installation
  - n Annual quota for every source of RE (wind, hydro, biomass, biogas, solar)
- Currently price formulas contained in the Regulation No.198 are reviewed:
  - n The price level is among the highest in Europe
  - n It is expected that price level for wind power as well as for several other RES will be decreased



# Conclusions

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- RES will maintain their significant share in contribution to security of supply in Latvia.
- Despite the large share of RES (30 %, provided mainly by biomass and hydro power) lack of generation capacities can not be solved solely by increasing the share of RES.
- As a major challenge we regard the recent renewable energy policy developments on the EU level and the ambitious individual target for Latvia – 40 % by 2020.
- In the future the role of wind power in increasing the share of RES in Latvia could be more significant than it is now.





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# Thank you for your attention!

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