



Legal barriers for wind farm developers

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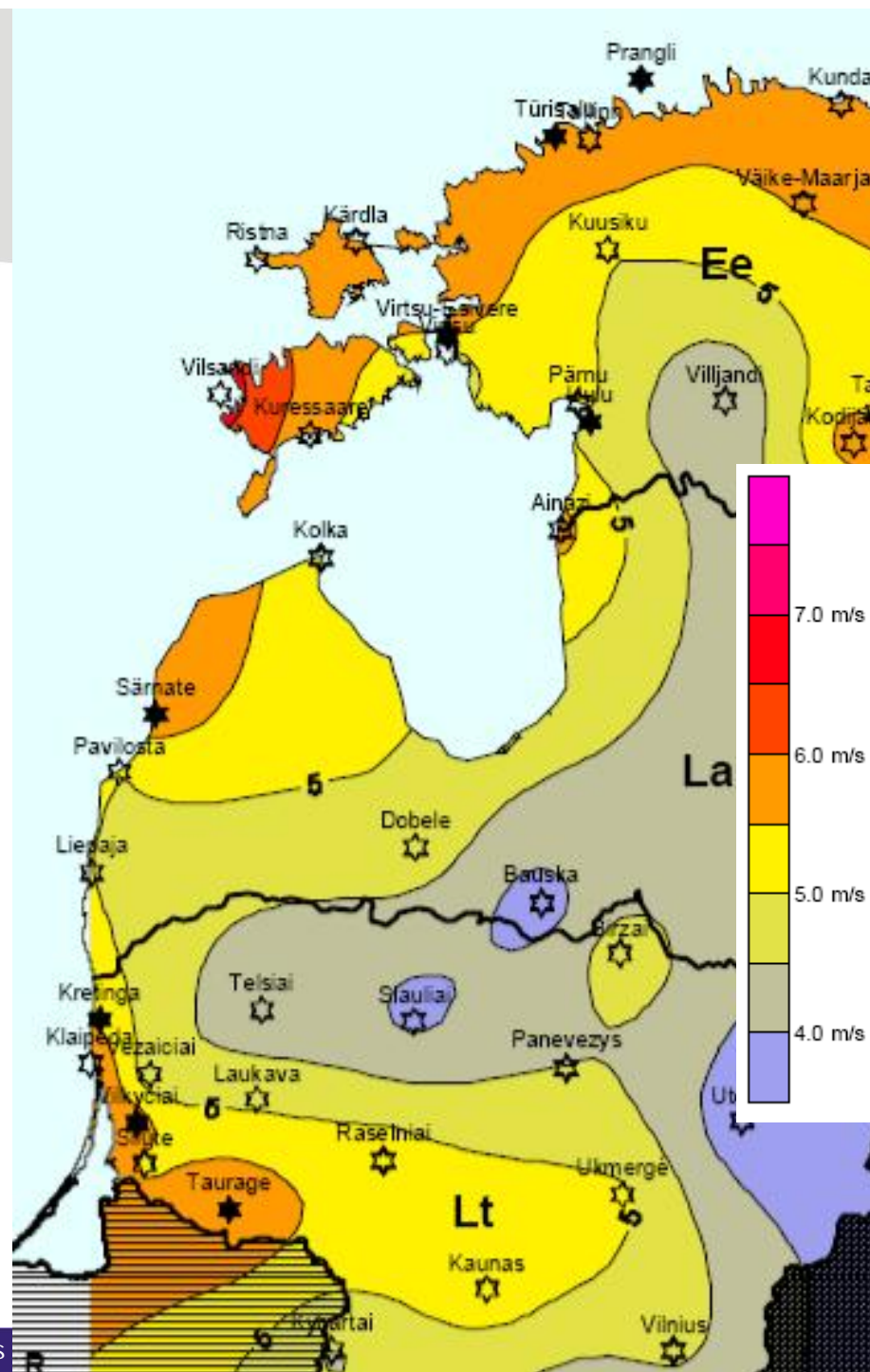
Riga, 22 May 2009

Content

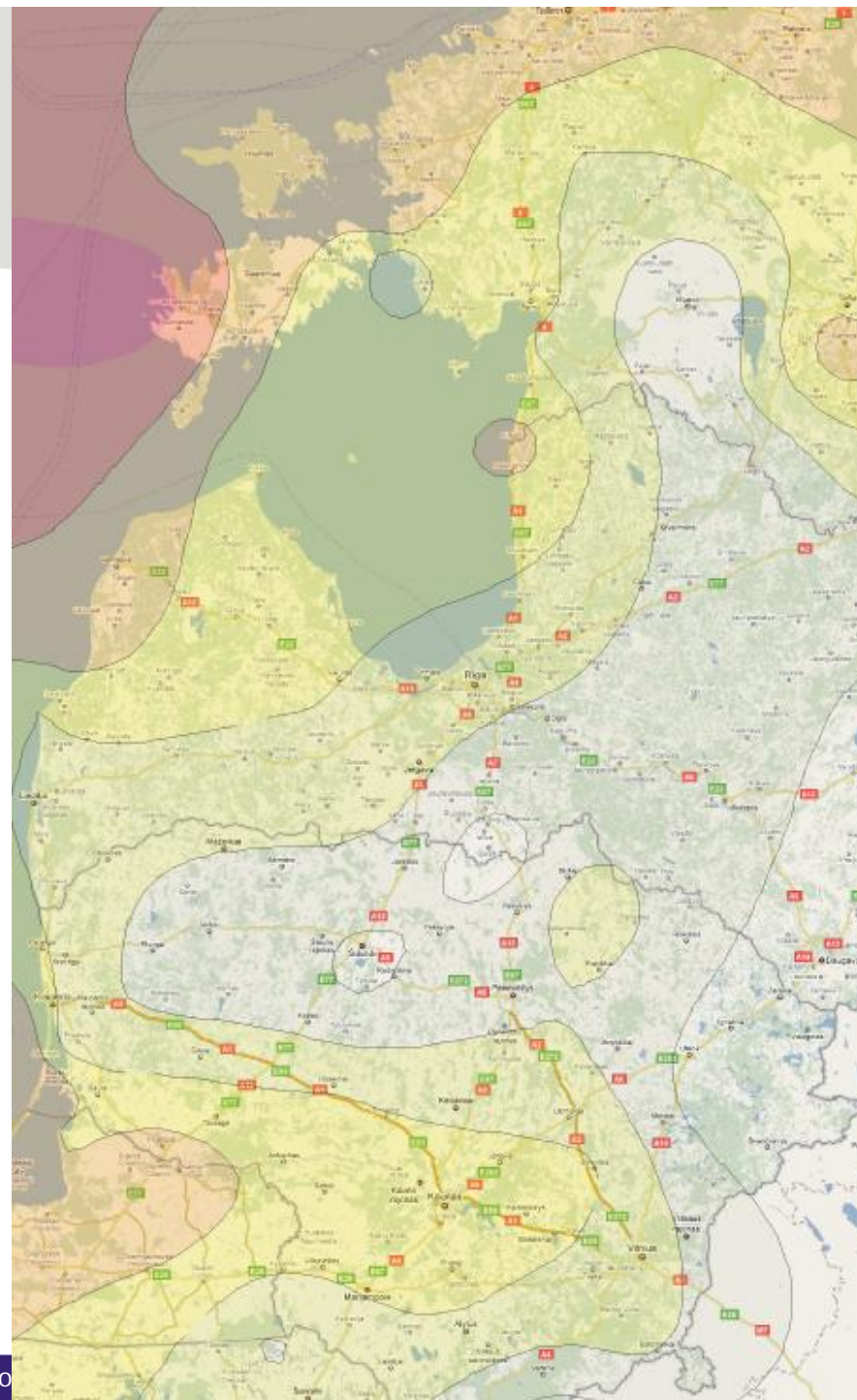
- Introduction
- Baltic States - comparison
- Legal barriers
- Conclusion

Wind speed in Baltics

- The UNDP/GEF Baltic Wind atlas, 2003

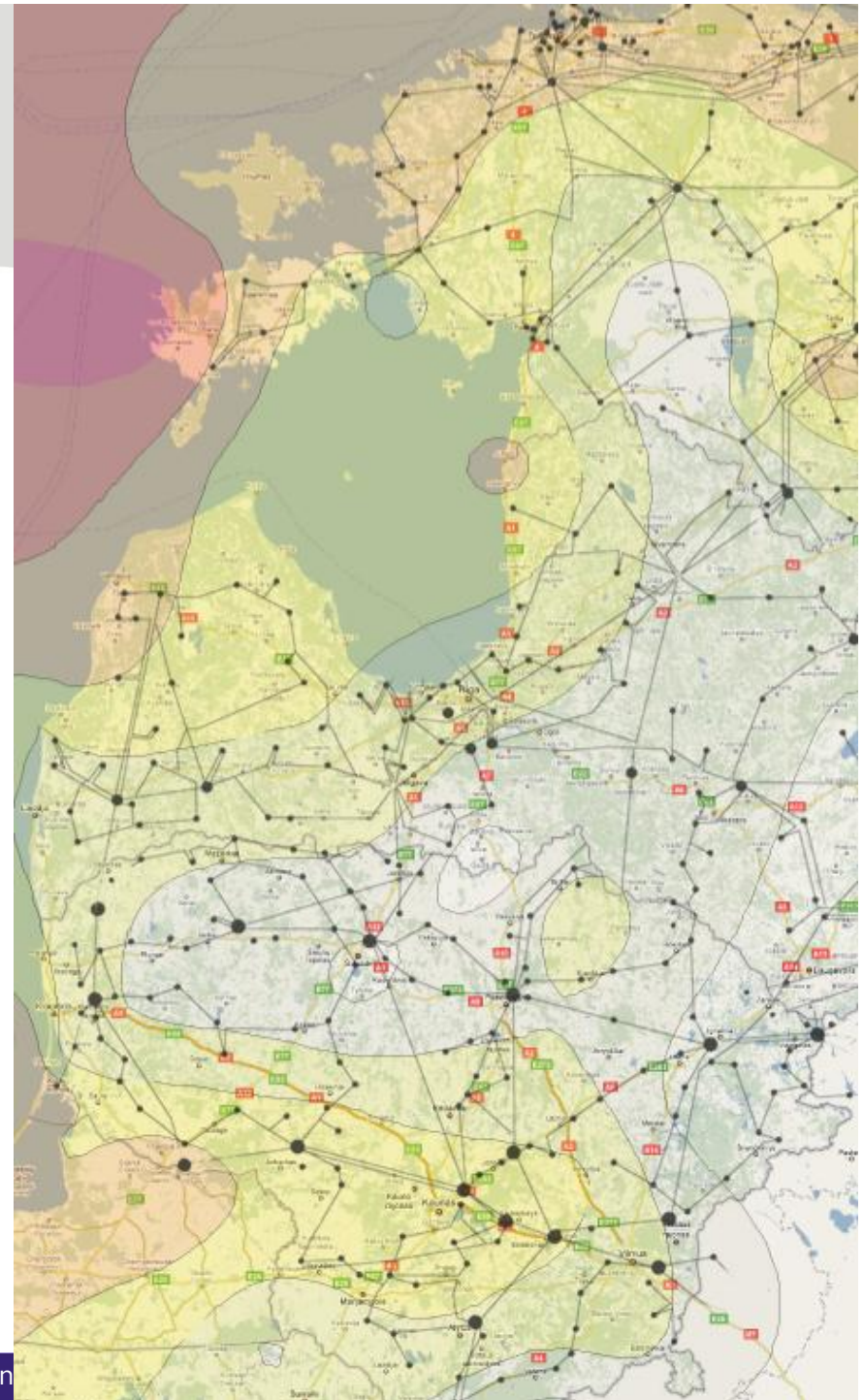


Wind speed map + forest map



Wind speed map + grid map

- Grid potential:
 - 📌 LT: only small capacities at coast line left; inland: almost everywhere possible to connect at least 6 MW
 - 📌 LV: Ventspils – Liepāja one 110 kV line
 - 📌 EE: grid load depends on place and shall be calculated case by case



Wind speed map + wind park project map

- Existing projects:
 - 📍 LT: 54.4 MW
 - 📍 LV: 27 MW
 - 📍 EE: 78 MW
- Projects under development:
 - 📍 LT: 150 MW
 - 📍 LV: 955 MW permissions and 207 MW licences issued
 - 📍 EE: 582 MW



Prices & quotas (2009)

- LT: 87 EUR / MWh, no re-calculation mechanism

Quota: 200 MW

EU fund support – none

- LV: ~100 EUR/MWh (depends on wind park size)

Quota: ~135 MW

EU fund support - canceled

- EE: market price up to 88 EUR / MWh

Quota: ~150 MW

EU fund support: none (only Cohesion fund for grid operators)



Mandatory procurement - I

- LT:
 - Divided in zones => Tenders for “purchasing” the permission (till 2008) => Application (participation fee 120 kEUR) => Permission to build wind park in particular zone => Building within 36 month => **Power Purchase agreement** + pay the price for permission
- LV:
 - Cabinet regulations to purchase electricity => Application => **Administrative act** => Building within 18 month
- EE:
 - Wind park established => Application for feed in tariff / subsidies => **Power Purchase agreement**

Mandatory procurement - II

- Restrictions for “fortune seekers”:



- LT: permission cost 120 kEUR
- LV: need for architectures planning task
- EE: need for wind park

Legislation barriers in Latvia - I

- 1. Changing rules for mandatory procurement => confused investors

Legislation barriers in Latvia I - history of mandatory procurement

- Wind power plants (license till 2001) – double tariff
- 2007 – Cabinet rules No. 503
 - ↓ Tender procedure, application till 30.12.2008.
 - ↓ Price ~100 EUR/MWh
 - ↓ Tough application procedure
 - ↓ December 19th, 2008 – Tender procedure cancelled
- February 24, 2009 – new Cabinet rules No 198:
 - ↓ Price ~140 EUR/MWh
 - ↓ Simple procedure
 - ↓ Wind measurements and AP task requested
- April 2009 - new amendments in Cabinet rules No 198
 - ↓ Price ~100 EUR/MWh
 - ↓ Simple procedure, no wind measurements requested

Legislation barriers in Latvia - II

- 2. Too simple application procedure for mandatory procurement => lack of filter for *fortune seekers*
- 3. Constant changes in related legislation (*detail plan development procedure, territory planning procedure etc.*)
- 4. NB! Depending on municipality building regulation – need for land purpose transfer (*land transfer procedure up to ½ year*)

Conclusions - recommendations

- To project developers
 - 📌 Increase know-how about market and wind project development procedures
 - 📌 Follow to all changes in legislation (changes even in last moment)
 - 📌 Take into account, but do not overestimate political risk
- To Government
 - 📌 Procedure that limitates fortune seekers
 - 📌 Get the tender started!



Contacts



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