

# RENEWABLE ENERGY SNAPSHOT:



Empowered lives.  
Resilient nations.

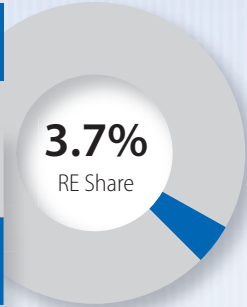
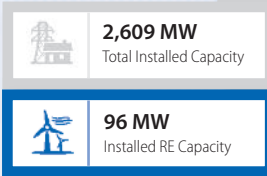
# Latvia



## General Country Information

Population: 2,025,473  
 Surface Area: 64,480 km<sup>2</sup>  
 Capital City: Riga  
 GDP (2012): \$ 28.3 billion  
 GDP Per Capita (2012): \$ 13,984  
 WB Ease of Doing Business: 24

## Electricity Generating Capacity 2012



-   
**Biomass**
-   
**Solar PV**
-   
**Wind**
-   
**Small Hydro**

## Installed Renewable Electricity Capacity 2012 in MW

## Technical Potential for Installed Renewable Electricity Capacity in MW

<b>&lt; 1</b>	<b>1.5</b>	<b>68</b>	<b>26</b>
<b>500</b>	<b>59,400</b>	<b>2,000</b>	<b>900</b>

Sources: WWEA (2013); EBRD (2009); EurObserv'Er (2013); World Bank (2014); ESHA (2013); EC (2013); Renewable Facts (2013); EIA (2013); SRS NET & EEE (2008); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); and UNDP calculations.

## Key information about renewable energy in Latvia

Latvian electricity producers must apply to the Ministry of Economy for the right to produce electricity. Wind, biomass and solar energies projects compete in a tender for the government's capacity targets. Hydro project developers apply directly to the Ministry of Economy. Successful tenders have the right to produce electricity for 20 years with feed-in tariffs determined by the government. Regulation Nr. 262 (Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price) defines specific methods for the calculation of feed-in tariffs (Republic of Latvia [a], 2010). The Government of Latvia sets output caps in capacity hours/year. The feed-in tariff led to a massive growth in power plants in some sectors. For instance, the installed electricity generating capacity of wind power plants grew by almost 112

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percent in 2012 alone (WWEA, 2013). According to the Investment and Development Agency of Latvia, foreign investors invested €17 million in green technologies in 2009. For this reason, the government closed the feed-in tariff for new submissions and no new electricity licences will be granted until 1 January 2016 (ResLegal, 2013). The World Bank ranks Latvia in its Ease of Doing Business indicator in 24<sup>th</sup> spot. The conditions for accessing credit (3<sup>rd</sup> position) are particularly favourable (IFC & World Bank, 2014).

### Legislation and policy

EU Directive 2009/28/EC on Renewable Energy required Latvia to develop a national renewable energy action plan. It sets the mandatory national target of 40 percent share of renewable energy sources in gross final energy consumption until 2020 (Republic of Latvia [b], 2010). Although the feed-in tariff promoted an increase of renewable energy sources, it is currently on hold and renewable energy producers are not given priority in grid access. But there are other incentives that make investment in renewable energies attractive. Electricity produced from renewable sources as well as combined heat and power plants are exempt from the electricity tax, which currently stands at €1/MW-h. Hydropower plants are exempt from the tax on natural resources. The Law on State Aid Control (2009) grants state aid for the costs of renewable energy projects from solar, wind, biomass, geothermal and hydro sources up to 60 percent (ResLegal, 2013).

### Institutions

Organization	Responsibility	Website
<b>Ministry of Economy</b>	<ul style="list-style-type: none"><li>- Grants electricity production licences</li><li>- Evaluates and decides tenders</li><li>- Evaluates and decides about hydro projects</li></ul>	<a href="http://www.em.gov.lv/">www.em.gov.lv/</a>
<b>Ministry of Environment Protection and Regional Development</b>	<ul style="list-style-type: none"><li>- Elaborates and publishes information on all available climate change financial instruments</li></ul>	<a href="http://www.varam.gov.lv/eng">www.varam.gov.lv/eng</a>
<b>Augstsprieguma tīkls</b>	<ul style="list-style-type: none"><li>- Provides grid access</li><li>- Manages and operates the grid</li></ul>	<a href="http://www.ast.lv/eng">www.ast.lv/eng</a>
<b>Public Utilities Commission</b>	<ul style="list-style-type: none"><li>- Determines the methodology for calculating tariffs</li><li>- If not explicitly stated in specific laws, the Commission is also responsible for tariff setting</li></ul>	<a href="http://www.sprk.gov.lv/?setl=2">www.sprk.gov.lv/?setl=2</a>
<b>Investment and Development Agency of Latvia</b>	<ul style="list-style-type: none"><li>- Supports and advices foreign investors in Latvia</li></ul>	<a href="http://www.liaa.gov.lv/">www.liaa.gov.lv/</a>

### Opportunities to finance renewable energy projects in Latvia

Financing organization	Details	Website
<b>EU Structural Funds</b>	The European Regional Development Fund, the European Social Fund and the Cohesion Fund are structural funds that also support projects enhancing environmental protection.	<a href="http://www.esfondi.lv/">www.esfondi.lv/</a>
<b>Latvian Environment Investment Fund</b>	Gives loans if the project benefits the environment and is financially sound.	<a href="http://www.lvif.gov.lv">www.lvif.gov.lv</a>
<b>European Investment Fund (EIF)</b>	Gives loans to small and medium enterprises via the CIP and JEREMIE initiatives through intermediate banks.	<a href="http://www.eif.org/what_we_do/where/lv/">www.eif.org/what_we_do/where/lv/</a>
<b>European Bank for Reconstruction and Development (EBRD)</b>	Provides renewable energy developers with equity, loans and loan guarantees for projects with good commercial prospects of up to 15 years' duration.	<a href="http://www.ebrd.com/pages/workingwithus/projects.shtml">www.ebrd.com/pages/workingwithus/projects.shtml</a>
<b>Latvian Guarantee Agency</b>	Provides support to Latvian businesses to implement business ideas with loans and guarantees.	<a href="http://www.lga.lv/index.php?id=25&amp;L=1">www.lga.lv/index.php?id=25&amp;L=1</a>

### Recent projects

Company	Project	Status
<b>Nelja Energia (Estonia)</b>	Plans to build 200 MW wind farms through investment of around €500 million.	<b>Under development</b>
<b>Euro Energy (England)</b>	Opened an office in Latvia and entered a joint venture to develop biogas plants. The company currently runs six biogas plants with around 10 MW installed capacity.	<b>Commissioned</b>
<b>Fortum (Finland)</b>	A 23 MWe CHP biomass power plant opened in September 2013 in Jelgava. The heating capacity is 45 MW.	<b>Commissioned</b>

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