Renewable Energy in Latvia: Policies and Instruments

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Presentation outline

- 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: 29%
- Import of Power: 4%
- Oil products: 31%
- Coal: 6%
- Hydro- & Windpower: 1%
- Fuel wood: 29%
Main challenges

- Insufficient supply of power generation capacities in a medium and long term (after 2010)
- High dependency on imports of primary energy resources:
  - 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

- **Share of RES from 2000 to 2007:**
  - In total energy mix 30%-33% (30% in 2007)
  - In electricity consumption 35%-48% (36,4% in 2007)

- **RES–E in 2007:**
  - Large HPP (3 plants): 34,3 %
  - Small HPP (149): 0,9 %
  - Wind: 0,7 %
Estimated Potential

- **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

- 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

- 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

- Setting national **targets** for RES:
  - 49.3% share of RES-E by 2010 (in comparison to 36.4% in 2007)

- Latest EU RES policy developments:
  - a new **framework Directive** on use of RES
  - mandatory national target of 40% for Latvia to be reached in 2020
Support instruments

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

Feed-in system:

- Regulation No.198 on Electricity Production from RES (replacing Regulation No.503 from 2007)
- Purchase price differs depending on the source of RE and capacity of installation
- Annual quota for every source of RE (wind, hydro, biomass, biogas, solar)

Currently price formulas contained in the Regulation No.198 are reviewed:

- The price level is among the highest in Europe
- It is expected that price level for wind power as well as for several other RES will be decreased
Conclusions

- 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.
Thank you for your attention!

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