Legal barriers for wind farm developers

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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 - 1

- **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
  - 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!
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