

**ENERGY CHARTER
SECRETARIAT**

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Brussels, 30 September 2007

Related documents: CC 329

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Recommendations on the In-depth Energy Efficiency Review of Latvia

The Energy Charter Conference was invited to endorse the Recommendations on the In-depth Energy Efficiency Review of Latvia, as contained in document CC 329. Delegations unable to approve this proposal were requested to notify the Secretariat of their opposition in writing by 30 September 2007.

Since no objections had been received by this date, the following Recommendations to the government of Latvia are considered as endorsed by the Energy Charter Conference (*Annex*).

Keywords: In-depth Review of Energy Efficiency Policies and Programmes, PEEREA,
Recommendations, Latvia

Recommendations on the In-Depth Energy Efficiency Review of Latvia, 2008

as endorsed by the Energy Charter Conference
by written procedure

General recommendations

- When undertaking analyses of supply and demand scenarios the government should better acknowledge the role of energy efficiency in achieving the overall objectives of energy security and combating climate change.
- The government should take advantage of the ongoing energy policy debate and the momentum created in Europe, and should use the timely opportunity to strengthen energy efficiency policies in Latvia.
- The government should continue the process of reforming the energy market and develop mechanisms for promoting energy efficiency compatible with the process of liberalization and completion of internal EU energy market.

Energy efficiency policy and legal framework

- The government should develop a proactive energy efficiency policy taking into account that Latvia is in a phase of rapid economic growth and structural reforms.
- The government should better identify the potential for cost effective energy efficiency improvements in the various end-use sectors with a view to develop appropriate policies and measures.
- The government should continue to facilitate the implementation of energy efficiency measures in production, transmission and distribution of heat and electricity.
- The government should put significant efforts into the cost-effective implementation of the Buildings Directive and the End-use efficiency and Energy Services Directive (EUESD). The government should use the opportunity of developing a national energy efficiency action plan under the EUESD Directive to further strengthen the energy efficiency policies.
- The government should take better advantage of the projects under the Intelligent Energy Europe (Competitiveness and Innovation) Programme in the implementation of EU Directives and policies.

Institutional framework

- The government should strengthen the institutional capacity at Ministerial level, in particular of the Ministry of Economics, in order to strengthen its leading role in the formulation and coordination of energy efficiency and renewable policies and programmes.
- When developing an energy efficiency strategy, the government should ensure a better link between policy development and implementation.
- The government should establish an agency with clear responsibilities for energy efficiency, properly staffed and funded, to promote energy efficiency and implement national policies in good coordination and building on the expertise of other governmental bodies, such as the Latvian Development and Investment Agency, the Housing Agency, etc.

Energy market and prices

- The government should strengthen the role of the regulator, the Public Utilities Commission, in such a way to ensure that both the EU internal energy market and energy efficiency related legislation are fully transposed taking into account the national circumstances of Latvia.
- The government should stimulate the development of a competitive market for energy efficiency consultancy and services.

Energy efficiency funding

- The government should continue its efforts to finance energy efficiency activities from different financial sources, including the state budget, EU structural funds, investment and environmental funds, Kyoto mechanisms, multilateral and bilateral agreements. Better coordination between these different financing sources would ensure the transparency and efficiency of spending.
- The government should make effective use of the funding from the EU structural funds for national energy efficiency programmes in coordination with national contributions. However, in a long-term perspective international support should not be considered a main funding source for energy efficiency.
- Based on the favourable environment on the financial market in the country, the government should facilitate further commercialisation of energy efficiency financing.
- Specific incentives should be further considered to stimulate the investments needed to achieve the objective of increased energy efficiency in buildings as outlined in the Guidelines for Energy Sector Development.

Specific energy efficiency programmes and measures

- Based on past experience with energy efficiency activities and the analysed energy efficiency potential the government should consider new possible programme areas.
- The government should continue its targeted efforts in buildings and district heating. Coordination between different actors involved in programmes in the building sector should be improved.
- The government should ensure that energy efficiency considerations are taken into account in urban development and infrastructure projects, in public transport, public lighting and district heating.
- The government should facilitate energy efficiency measures in industry and services sectors, as e.g. benchmarking, auditing and advice.
- The government should identify possible ways to promote energy efficiency of the transport sector.
- The government should increase its efforts in raising the public awareness for energy efficiency.

Renewables and CHP

- In the context of increasing the capacity of electricity generation, the government should continue to facilitate development and modernisation of CHP and DH systems with a view to achieve higher efficiency levels and environmental benefits.
- The government should further define the support for high efficient cogeneration and renewable electricity production, at the same time ensuring fair access to the grid, notably for new entrants.
- The government should find appropriate forms to extend the support for biofuels for transport by addressing the entire chain from agricultural production to distribution, retail and use.

Data collection and monitoring

- The government should facilitate collection of data required to establish indicators necessary to monitor energy efficiency improvements.