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Feed-in regulation in Latvia

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Production of RES-e

- 95% from electricity produced (total electricity production – 2800 GWh) is renewable
- Large hydro accounts for 94% of RES-e production
- Small hydro (< 5 MW) – 2,4%
- Wind – 1,9%
- Biogas – 1,4%
- Biomass – 1,7%

Installed RES-e capacity, 2007

- 3 large hydro plants = 1535 MW
- 146 small hydro plants = 24,6 MW
- 16 wind turbines = 26,85 MW
- 5 biomass electric plants = 3,2 MW
- 4 biogas electric plants = 8,9 MW

Feed-in regulations for RES-e

- Covers both, electricity production from RES and electricity from RES in CHP
- Since 1995, however, undergone considerable change and improvements
- The latest regulation for feed-in tariffs:
 - for electricity production from RES adopted in July 2007;
 - For electricity production from RES in CHPP in November 2006

Basic principles of the current RES-e feed-in regulations

	During 10 yrs after start of operation	After the 10th yr of the start of operation
Wind ($\leq 0,25$ MW) (Larger wind: lowest-price bidding principle)	$C = \frac{T_g \times k}{9,2} \times 3,5$	$C = \frac{T_g \times k}{9,2} \times 2,6$
Biomass (≤ 4 MW)	$C = \frac{T_g \times k}{9,2} \times 4,5$	$C = \frac{T_g \times k}{9,2} \times 3,4$
Biogas	$C = \frac{T_g \times k}{9,2} \times 4,5$	$C = \frac{T_g \times k}{9,2} \times 3,4$
Hydro (≤ 5 MW)	$C = \frac{T_g \times k}{9,2} \times 3,8$	Abbreviations: T_g – Tariff of natural gas k – price differentiation coefficient, depending on the electric capacity of the plant

Basic principles of current feed-in regulations in CHPP

CHPP using RES	$C = \frac{T_g \times k}{9,2} \times 4,5$
CHPP using other energy sources	$C = \frac{T_g \times k}{9,2} \times 3,4$

Proposed amendments to the current regulation of feed-in tariffs for RES-e

- Basic principles
 - Producer can choose either to apply for a
 - Feed-in tariff or
 - Annual payment for the installed electric capacity
- Feed-in tariff methodology remains, except large wind
- Large wind producers apply for capacity payments which are set by formula:

$$157750 * \text{capacity}/12$$

Thank you for your attention!

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