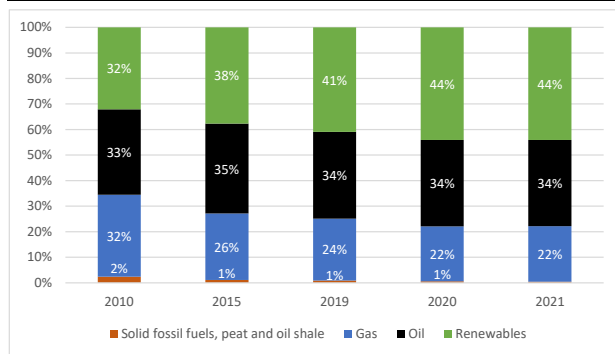


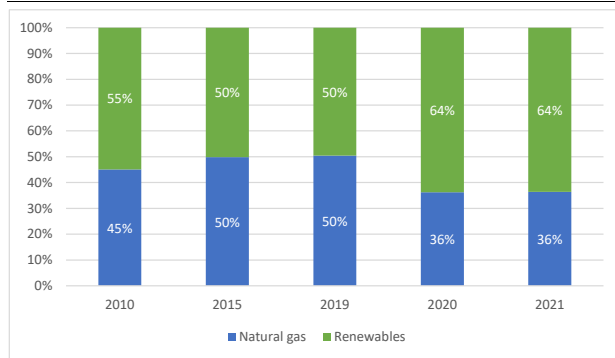
## Key energy figures

Graph 1: Energy mix



Source: Eurostat

Graph 2: Electricity mix



Source: Eurostat

## Saving energy

### 1. Key energy savings measures

In line with the **Save Energy Communication**, Latvia launched new energy saving measures, such as:

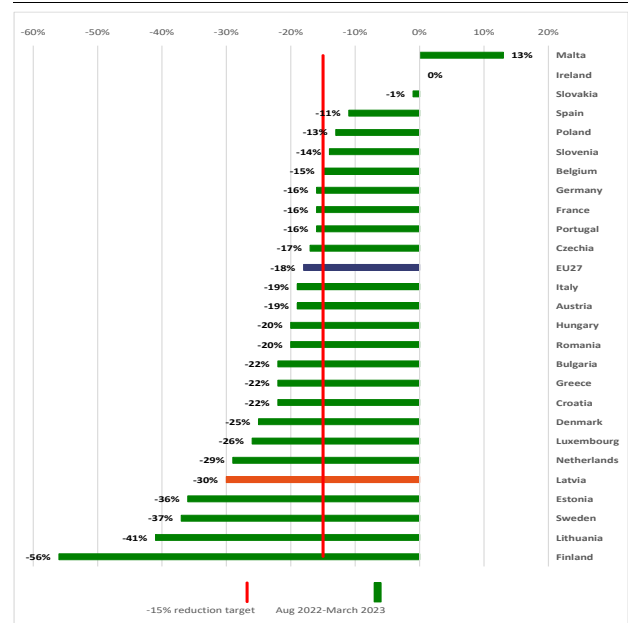
- **Behavioural measures in public sector** with an objective to save 9.7% on heating consumption, 4.2% for electricity consumption, 3.3% for natural gas consumption and 1.8% on oil products consumption in the heating season 2022/2023.
- **Measures to limit the temperature in multi-apartment buildings** to 19 °C while keeping at least 18°C. The manager of the multi-apartment building has the right to reduce hot water temperature slightly or temporarily, but that it should

not be lower than 55°C (into effect from 1 October 2022 until 30 April 2023).

2. Plan to incentivise the switch from fossil fuels to biogas or biomethane in the agricultural sector. **Gas Demand Reduction**

Latvia has reduced its gas consumption by **30%** in the period **August 2022-March 2023** <sup>(1)</sup>, above the decrease achieved at EU level (18%) and surpassing the EU-level legal obligation of 15% <sup>(2)</sup>.

Graph 3: Natural gas demand reduction (August 2022-March 2023)



(1) Cyprus does not use natural gas

Source: Eurostat, DG ENER calculations

## Diversification of energy supplies

### 1. Key actions

**Import dependency** from Russian natural gas was 100% in 2021 (equalling 1.2 bcm). Latvia has **outlawed Russian gas imports** starting in January 2023.

<sup>(1)</sup> According to preliminary Eurostat information, gas-fired electricity generation in Latvia fell by 857 GWh, or 42%, in 2022 compared to 2021. This was a key driver behind the observed gas demand reduction in Latvia.

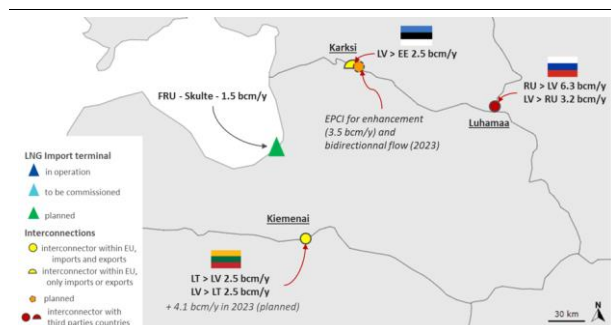
<sup>(2)</sup> Regulation (EU) 2022/1369 of the Council of 5 August 2022.

**Diversification efforts with gas supplies** coming through pipeline from Lithuania (Klaipeda LNG terminal) and Finland (Inkoo LNG terminal).

## 2. Gas Infrastructure Developments

Latvia does not own an LNG facility, but it imports natural gas from the **Lithuanian Klaipeda LNG terminal**, and it can access the Finnish LNG terminal located in the port of Inkoo, which started operations in January 2023. The enhancement of the **gas interconnection between Estonia and Lithuania**, which aims to expand the capacity from 2.5 to 6.1 bcm/y, has been identified as a Project of Common Interest (PCI) and is expected to be commissioned in December 2023. This PCI is part of the **Baltic Energy Market Interconnection Plan (BEMIP)** that have helped to ensure market integration and decreased dependence on Russian gas.

Map 1: **LNG terminals and cross-border interconnections**



Source: DG ENER

## 3. Gas Storage

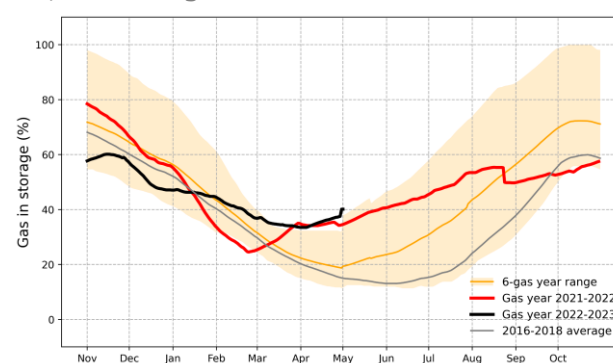
Latvia owns the **only functioning gas storage facility in the Baltic States**, the Inčukalns underground storage facility (2.47 bcm), and has a key role in ensuring its security of supply. This facility is undergoing enhancement works expected to be completed by 2025, which aims to increase the working gas volume to 2.8 bcm.

Latvia's gas storage capacity greatly exceeds its national consumption. For that reason, based on the Gas Storage Regulation <sup>(3)</sup>, Latvia's filling

<sup>(3)</sup> Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage.

target and intermediate targets <sup>(4)</sup> shall be reduced to 35% of its average annual gas consumption over the previous 5 years. Latvia fulfilled its gas storage obligations last winter, reaching 57.7% by 1 November 2022 (around 38 percentage points above its legal obligation), and ended the heating season with a filling gas storage at 40.12% by 2 May 2023.

Graph 4: **Storage levels in Latvia**



Source: JRC calculation based on AGSI+ Transparency Platform, 2022

## Energy Platform

**Regional Group of reference:** Baltics and Finland

**National companies participating to the Industrial Advisory Group:** none

On Wednesday, May 10, the European Union launched its first international tender for joint gas purchases. A total of 25 international suppliers and more than 110 companies have decided to participate and intend to purchase 11.6 billion cubic meters of gas. Deliveries are expected to take place between June 2023 and May 2024.

## Accelerating clean energy

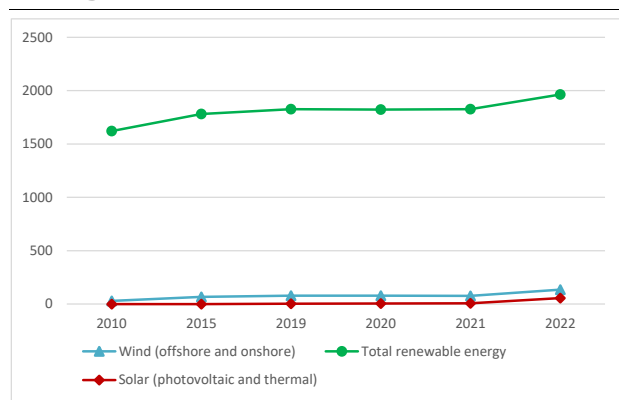
### 1. Installed Renewable Capacity

<sup>(4)</sup> Commission Implementing Regulation (EU) 2022/2301 of 23 November 2022 setting the filling trajectory with intermediary targets for 2023 for each Member State with underground gas storage facilities on its territory and directly interconnected to its market area.

In **2022**, Latvia installed around 0.1 GW of renewable capacity, bringing the total to **1.9 GW** (vs. 1.8 GW in 2021).

In **2022**, the annual growth rate of installed renewables power capacity rose to **8%**, compared to 0% in 2021.

Graph 5: **Installed solar and wind power capacity (in megawatt)**

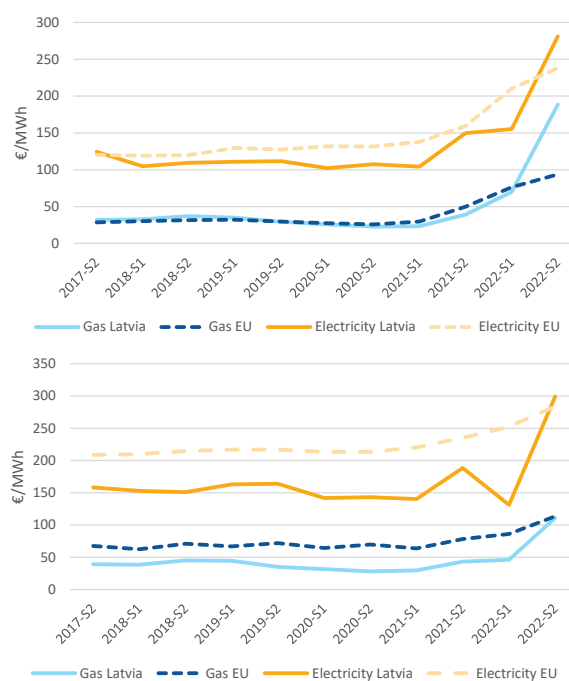


- (1) The renewable power capacity data reflects the capacity installed and connected at the end of the calendar year.
- (2) In 2022, Latvia installed 0.05 GW of **wind power capacity** (vs. 0 GW in 2021)
- (3) In 2022, Latvia installed 0.04 GW of **solar power capacity** (vs. 0 GW in 2021).

**Source:** IRENA, RE Capacity statistics, 2023

## Energy price developments

Graph 6: **Latvia's energy retail prices for industry (top) and households (bottom)**



- (1) On electricity, the band consumption is for DC households and ID for industry
- (2) On gas, the band consumption is D2 for households and I4 for industry

**Source:** Eurostat

## Recovery and Resilience Plan (RRP)

- **EUR 1.83 billion in grants** (updated, representing approximately 5.58% of 2021 GDP). **No loan requested.**
- **Adoption date by Council: 13 July 2021**
- **The first annual RRF event with stakeholders** took place between 30 May – 1 June 2022.
- **The first payment request** was disbursed on 7 October 2022.
- **Climate target: 37.6%**