

Ministry of Economics
Republic of Latvia

Financing Energy efficiency in Latvia

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Energy efficiency targets

2020 ENERGY EFFICIENCY TARGETS

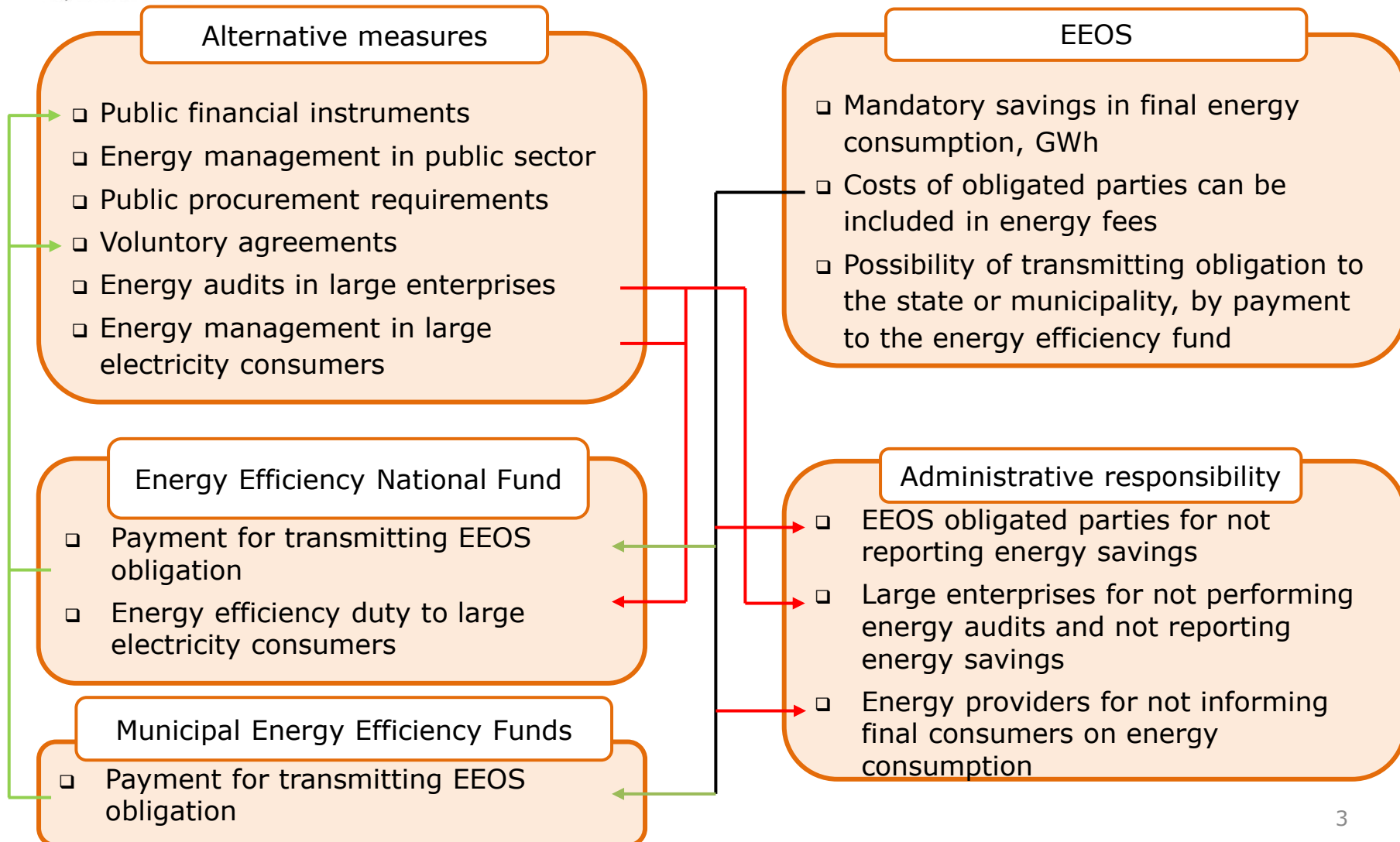
Primary energy
savings
7792 GWh
(2020., indicative)

Annual renovation of
3% public buildings
(by area),
678,5 thousands m²

Cumulative savings
in final energy
consumption 9896
GWh
(2014-2020,
mandatory)

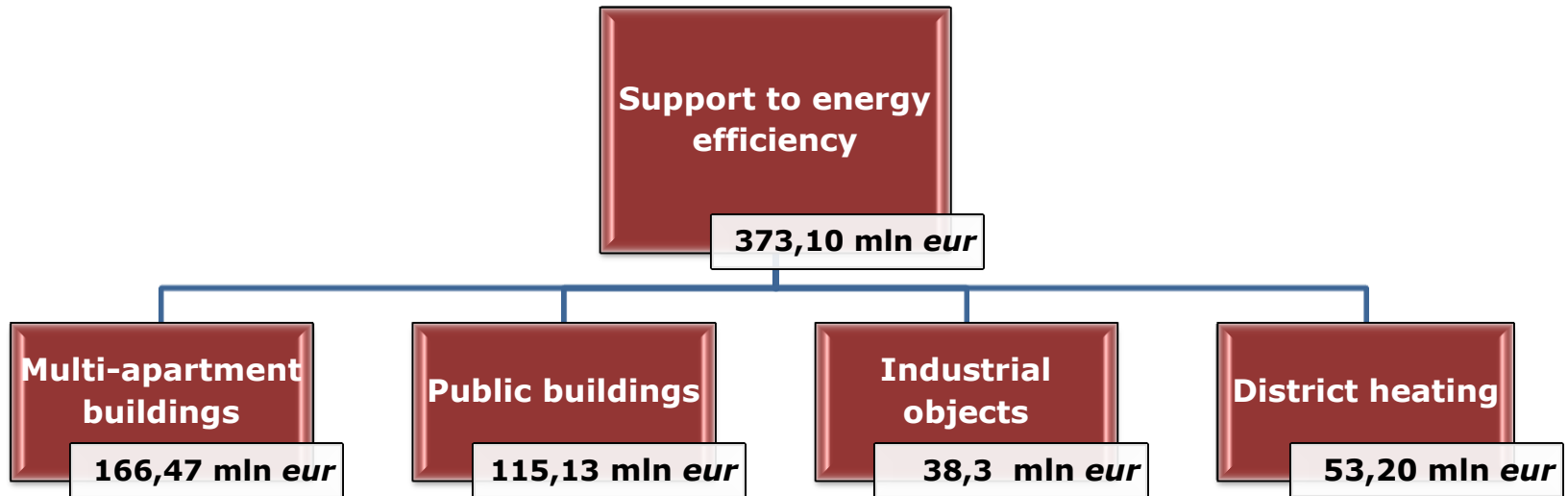


Policy framework





Financing, funding support



+ other support programs related to energy efficiency in low energy consumption buildings, municipal buildings, transport infrastructure etc.



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Energy efficiency in multi-apartment residential buildings

- ❑ Available public funding: **166,47 mln EUR**
- ❑ Fund receivers – apartment owners in multi-apartment buildings
- ❑ Proposed support components:
 - ❑ **Grant** up to 50% to ensure financial benefits to apartment owners
 - ❑ **Financial instruments** to foster access to finance (guarantees for loans from private sector, direct Altum loans with low costs)
 - ❑ **Technical assistance** to reduce risks in implementation of energy efficiency projects
- ❑ Support is planned for the following activities:
 - ❑ construction works in **building envelope**
 - ❑ reconstruction or implementation of building **engineering systems**
 - ❑ use of the **RES**, including change of technologies, where at the moment fossil energy resources are used
- ❑ Support for ESCO development in the 2014-2020 period



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Energy Efficiency in state owned buildings

- ❑ Available public funding: **115,13 mln EUR**
- ❑ Fund receivers – state institutions, foundations that implement state delegated tasks in social field
- ❑ Support in the form of **grants** - 85%
- ❑ Support is planned for the following activities:
 - ❑ construction works in **building envelope**
 - ❑ reconstruction or implementation of building **engineering systems**
 - ❑ use of the **RES**, including change of technologies, where at the moment fossil energy resources are used



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Energy efficiency in manufacturing industry

- ❑ Available funding: **38,3 mln EUR**
- ❑ Fund receivers - manufacturing industry enterprises
- ❑ Support in form of **grants** - 30%
- ❑ Support is planned to the following activities:
 - ❑ reconstruction or simplified renovation works in buildings to increase energy efficiency
 - ❑ increase of energy efficiency in the existing production technology
 - ❑ use of the RES, including change of technologies, where the fossil energy resources are used
 - ❑ introduction of energy management system in the SME



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Energy efficiency in district heating systems

- ❑ Available funding: **53,2 mln EUR**
- ❑ Fund receivers – district heating companies
- ❑ Type of support – grant:
 - ❑ 35% for heat production plants
 - ❑ 40% for heat transmission and distribution systems
- ❑ Support is planned to the following activities:
 - ❑ Modernisation/energy efficiency in heat production plants and transition to RES usage
 - ❑ Energy efficiency in heat transmission and distribution systems



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Current experience with ESCOs

- ❑ **Slow development of ESCO market**
 - ❑ 3-4 active ESCOs in Latvia
 - ❑ mainly in the field of multi-apartment buildings and lighting
 - ❑ about 20 multi-apartment buildings have been renovated with ESCO participation (involving state aid)
- ❑ **Main problems**
 - ❑ lack of consumer awareness and confidence
 - ❑ long investment payback period for building projects



Energy efficiency – support to ESCOs

ESCOs participation to the Multi-apartment buildings energy efficiency programme

Support to development of ESCOs in the building sector

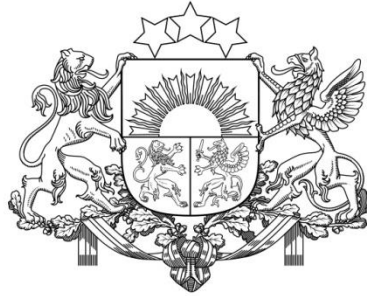
ESCO financing system to municipality owned companies (street lightning polit projects in 2017/2018)



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Conclusions, issues to be addressed

- What is needed:**
- "Energy efficiency friendly" legislation**
- Awareness rising of general public&business**
- Sustainable ESCOs market**
- Sufficient public funding as a matter of priority in the financing period after 2020**



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Thank you!

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