

Last updated: 23/04/2015

## 1 Implementation of Tracking Systems

### 1.1 Electricity Disclosure

Regulation on Disclosure has been enacted in Latvia: “Regulations on Information to End Users of Electricity” issued pursuant to Section 32(4) of the “Electricity Market Law” have been approved with the Decision No. 1/2 of the Council of the Public Utilities Commission of 8 February of 2012. These regulations state the type and amount of information the electricity trader shall provide in bills and information materials made available to end-users.

Once a year, the electricity trader shall provide end users with an information material, which includes information on the types of primary energy sources and their share in the amount of electricity supplied by the respective electricity trader during the previous year, and an information material, which includes sources of reference where information on impact on the environment is publicly available, at least in regards to carbon dioxide emissions and radioactive waste produced as a result of generating the supplied electricity from primary energy sources during the previous year.

The competent body for disclosure information is the Ministry of Economics of the Republic of Latvia..

#### 1.1.1 Disclosure Figures

No disclosure figures available.

#### 1.1.2 Environmental Information

Environmental information on CO2 emissions and radioactive waste should be disclosed once a year to consumers as per the regulation on disclosure.

#### 1.1.3 Suppliers Fuel-Mix Calculations

No information was found on the fuel mix calculations carried out in Latvia.

#### 1.1.4 Acceptance of GOs

The “Regulations on Information to End Users of Electricity” issued pursuant to Section 32(4) of the “Electricity Market Law” together with the Cabinet Regulation No. 900 of 22 November 2011 “Regulations on Receiving the Guarantee of Origin for Electricity Generated from Renewable Energy Sources” transpose Art 15<sup>th</sup> of the RES Directive to national law. Nevertheless, no additional information was found in terms of criteria used at national level for the acceptance of GO.

### 1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

#### 1.2.1 RES-GO System

The rules regarding issuance of guarantees of origin for electricity from renewable energy sources have been set in the Regulation of the Cabinet of Ministers No. 262: Regulations on the production of electricity from renewable energy resources, and pricing arrangements , adopted 16<sup>th</sup> of March 2010 (“*Noteikumi par elektroenerģijas ražošanu, izmantojot atjaunojamos energoresursus, un cenu noteikšanas kārtību*”<sup>1</sup>). The competent body regarding issuance (issuing body) is the Ministry of Economics of the Republic of Latvia.

In order to fully implement the requirements laid down in Article 15 of Directive 2009/28/EC, Cabinet Regulation No. 900 of 22 November 2011 “Regulations on Receiving the Guarantee of Origin for

---

<sup>1</sup> <http://www.likumi.lv/doc.php?id=207458>



Electricity Generated from Renewable Energy Sources” (hereinafter — Cabinet Regulation No. 900) was issued pursuant to Section 29(5), Section 291 (5) and Section 292 and is effective as from 3 December 2011. Cabinet Regulation No. 900 states the information to be included in the guarantee of origin and the procedures the electricity producer has to follow in order to receive a guarantee of origin for the amount of electricity, in megawatt hours (MWh), generated from renewable energy sources. In accordance with Cabinet Regulation No. 900, the MoE issues guarantees of origin and maintains a record thereof electronically<sup>2</sup>.

Information on the issued GO is published by the Ministry of Economics. This information is updated once a month regarding the issued GOs.

GO in Latvia are issued:

- for each 1MWh of renewable electricity generated;
- for a period of time that is not less than three months and not longer than a calendar year.

According to the regulation in place GO shall only be valid for 12 months after the electricity volume indicated in the relevant guarantee of origin has been produced, or until the day when the producer which received the guarantee of origin, has informed the Ministry of Economics regarding the transfer of the relevant GO to the electricity market participant.

When requiring a GO to the Ministry of Economics, electricity producers should provide the following information:

- Identification of the electricity producer;
- Information regarding the power plant, in which renewable energy sources are used for production of electricity:
  - The type of renewable energy sources used for producing electricity
  - Type of the power plant
  - Electric capacity installed
  - The date when electricity production shall commence (if several GO are requested, the information shall be indicated for each of the time periods for which GO are requested)
  - The date when electricity production shall be terminated (if several GO are requested, the information shall be indicated for each of the time periods for which GO are requested)
  - The volume of electricity (MWh) produced from renewable energy sources within the relevant time period
  - The volume of electricity (MWh) sold to the electricity market participants within the relevant time period
  - The address of the actual location of the power plant
  - The number of guarantees of origin required and the electricity volume (MWh) to be included in each guarantee of origin:

	<b>The relevant time period, when the electricity shall be produced from renewable energy sources and sold to the electricity market participants</b>	<b>The number of guarantees of origin required</b>	<b>Volume of electricity (MWh)</b>
1.			
2.			
...			

<sup>2</sup> The electronic register can be found at: [www.em.gov.lv/lv/nozares\\_politika/atjaunojama\\_energija\\_un\\_kogeneracija/izcelsmes\\_aplicina\\_jumi/](http://www.em.gov.lv/lv/nozares_politika/atjaunojama_energija_un_kogeneracija/izcelsmes_aplicina_jumi/)

- Information regarding investments in the electricity production equipment and the sources of financing thereof:

	Investment amount (LVL)	Relevant time period <sup>1</sup>
1. Total investment in electricity production equipment:		
1.1. including investments using finances from investment support programmes <sup>3</sup> :		
1.1.1. State support programmes co-financed by European Union Structural Funds		
1.1.2. other programmes		

The form that should be used to request a GO can be found at: <http://www.em.gov.lv/em/2nd/em/2nd/?cat=30801>.

### 1.2.2 CHP-GO System

There is a system in place in Latvia for the issuing CHP-GO which meets the requirements of the Article 15 of Directive 2009/28/EC, Cabinet Regulation No. 221 of 10 March 2009 "Regulations regarding electricity production and price determination upon production of electricity in cogeneration". This regulation clearly identifies their intended usage as being limited to disclosure of energy produced by cogeneration plants.

The competent body for using of CHP-GO is the Ministry of Economics of the Republic of Latvia.

### 1.2.3 EECS

No EECS domain exists.

### 1.2.4 GO Statistics

GOs have been issued. According to information from the Ministry of Economics webpage in 2013 3,621GWh of GO were issued by the Ministry.

## 1.3 RES-E Support Schemes

Purchase obligation and Feed in Tariffs are the main support schemes for RES electricity

## 2 Proposals for Improvement of the Tracking System

The following proposals are made in accordance with the RE-DISS Best Practice Recommendations<sup>3</sup> (BPR), which have been agreed by the Participating Domains of the RE-DISS Project.

### 2.1 Proposals regarding general regulation on tracking systems

Disclosure should be more detailed and EECS GO implemented.

### 2.2 Proposals regarding Disclosure

- BPR [6]: The same allocation rule (expired GO should be collected into the residual mix) should apply to expired GOs .

<sup>3</sup> Version 2.2, August 2014

- BPR [16]: In the medium to longer term, GO should be the only “tracking certificate” used. Any other tracking systems of a similar purpose and function as GO should be closely coordinated with GO and eventually converted to GO.
- BPR [23, 24]: (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency.
- BPR [25-28]: A residual mix should be introduced in order to account for untracked consumption and it should be calculated according to the RE-DISS methodology, following the RE-DISS schedule for RM calculations.
- BPR [29 - 32]: It is important to regulate contract based tracking clearly since this is much used.
- BPR [34 - 35] Cancellations of GO relating to production periods in a given year X which take place until 31 March of year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. This would also require revision of the timeline which currently applies within the country.

### 2.3 Proposals regarding RE-GO and CHP-GO

- BPR [1a]: The metered production periods for purposes of issuing GO should not be longer than a calendar month.
- BPR [1b] Metered production periods for issuing GOs should not run across the start and end of disclosure periods. Longer intervals up to one year are acceptable for very small plants
- BPR [2]: If possible, issuing of GOs should be done DIRECTLY after the end of each production period.
- BPR [3b]: GO that have reached the 12 month lifetime should be collected into the Residual Mix.
- BPR [4]: An extension to this lifetime can be granted if a GO could not be issued for more than [six] months after the end of the production period for reasons which were not fully under the control of the plant operator. In this case, the lifetime of the GO might be extended to [six] months after issuing of the GO.
- BPR [5a]: Cancellations of GO relating to production periods in a given year X which take place until a given deadline in year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1.
- BPR [5b]: Deadline for cancellation of GO for disclosure of year X should be set on 31 March X+1.
- BPR [7, 7a, 7b]: The implementation of GO in all countries in Europe should be based on the European Energy Certificate System (EECS) operated by the Association of Issuing Bodies (AIB). In case that national GO systems are established outside of EECS, then EECS should at least be used for transfers between registries.
- BPR [8]: Reliable linkages should be established with countries which are not EECS members.
- BPR [9a]: Market participants of the respective domain should be provided the possibility to export their GOs and thus participate in the European internal market for electricity.
- BPR [9b]: So-called ex-domain cancellations of GO, where a GO is cancelled in one registry and a proof of cancellation is then transferred to another country in order to be used there for disclosure purposes, should only be used if there is no possibility for a secure electronic transfer and if there is an agreement on such ex-domain cancellations between the competent bodies involved. Statistical information on all ex-domain cancellations should be made available in order to support Residual Mix calculations.
- BPR[10.2]: Verification mechanisms should be implemented for ongoing control of registered data (e.g.re-audits, random checks, etc.).
- BPR [10.3]: Correct accounting of RES share of combustion plants should be assured by adequate measures such as those recommended by the EECS Rules (cf part N5.3.2)

- BPR[10.4]: The competent body can correct errors in GOs it has issued before they are exported, and is the only one with this competence.
- BPR [11a]: The GO system should be extended beyond RES & cogeneration to all types of electricity generation, which should all be handled in one registry.
- BPR [11b]: GOs should be issued for all electricity production, unless an RTS applies for that production, e.g. for the disclosure of supported electricity
- BPR [11c]: Competent bodies should consider to make the use of GOs mandatory for all electricity supplied to final consumers.
- BPR [14b]: If multiple certificates are to be issued, e.g. a GO for disclosure and a support certificate for management of a support system, then these should be legally separated.
- BPR [15a]: This also applies to CHP plants which are using RES as the energy source: Only one GO should be issued per unit of electricity.
- BPR [15b]: This GO should "ideally" combine the functionalities of a RES-GO and a high efficiency cogeneration GO.
- BPR [17]: Besides GO, only Reliable Tracking Systems (which may include contract based tracking) and the Residual Mix should be available for usage for disclosure. No other tracking mechanisms should be accepted.
- BPR [19]: Latvia should clarify whether and under which conditions the use of GOs by end consumers is allowed. Such GO use should not be based on ex-domain cancellations performed in other countries. If consumers are allowed to use GOs themselves, a correction should be implemented in the disclosure scheme which compensates for any "double disclosure" of energy consumed.

## 2.4 Proposals regarding Acceptance of GO

Regarding acceptance of GO the following should be considered:

- Within the rules set by the respective Directives, Latvia should consider establishing their criteria for the acceptance of imported GO for purposes of disclosure:
  - These criteria should address imports at least from all EU member states, other members of the European Economic Area (EEA) and Switzerland. The parties to the Energy Community Treaty should be considered as well, as soon as GO imports from these countries become relevant.
  - The criteria should specify the electronic interfaces, specifying data format and contents of GO to be imported, which the respective country accepts for imports of GO (such as the EECS Hub and any other interfaces accepted).
- Conditions for the recognition of GO from other countries should be that they were issued based on Art. 15 of Directive 2009/28/EC or compatible national legislation, and that they meet the explicit requirements set in Art. 15, e.g. regarding the information content of the GO.
- The recognition of GO from other countries should be rejected in case that these countries have not implemented an electricity disclosure system.
- The recognition of GO from other countries should be rejected in case that the country which has issued the GO or the country which is exporting the GO have not implemented adequate measures which effectively avoid double counting of the attributes represented by the GO. Such adequate measures should ensure the exclusivity of the GO for representing the attributes of the underlying electricity generation, implement clear rules for disclosure, establish a proper Residual Mix or equivalent measures, and ensure their actual use. Furthermore, the adequate measures should ensure that attributes of exported GO are subtracted from the Residual Mix of the exporting country and cannot be used for disclosure at any time in the issuing or the exporting country by explicit mechanisms, unless the GO is re-imported and cancelled there.

Regarding acceptance of GO the following BPR should be implemented:

- BPR [20]: Any rejection of a GO should only relate to the actual use of cancelled GO for disclosure purposes in the respective country and should not restrict the transfers of GO between the registries of different countries. This should be specified in the legislation.
- BPR [20a]: European countries should choose one of the two following options and apply it consistently for all foreign GO:
  - Rejection of GOs only relates to the cancellation of GOs and subsequent use for disclosure purposes in the respective country and should not restrict the transfers of GOs between the registry of the considered country and the registries of their countries. This means that the decision about the recognition of a GO should not hinder its import into the considered country.
  - Rejection of GOs implies blocking their import to the national registry.
- BPR [20b]: The choice of one or the other option should be transparent for all market parties and clearly communicated.
- BPR [21] Within the rules set by the respective Directives, Latvia should consider their criteria for the acceptance of imported GOs for purposes of disclosure.
  - These criteria should address imports at least from all EU member states, other members of the European Economic Area (EEA) and Switzerland. The parties to the Energy Community Treaty should be considered as well, as soon as GO imports from these countries become relevant.
  - The criteria should specify the electronic interfaces, specifying data format and contents of GOs to be imported, which the respective country accepts for imports of GOs (such as the EECS Hub and any other interfaces accepted).
  - Conditions for the recognition of GOs from other countries should be that they were issued based on Art. 15 of Directive 2009/28/EC or compatible national legislation, and that they meet the explicit requirements set in Art. 15, for example, regarding the information content of the GOs.
  - The recognition of GOs from other countries should be rejected if these countries have not implemented an electricity disclosure system.
  - The recognition of GOs from other countries should be rejected if the country which has issued the GOs or the country which is exporting the GOs have not implemented appropriate measures which effectively avoid double counting of the attributes represented by the GOs. Such appropriate measures should ensure the exclusivity of the GOs for representing the attributes of the underlying electricity generation, implement clear rules for disclosure, establish a proper Residual Mix or equivalent measures, and ensure their actual use. Furthermore, the appropriate measures should ensure that attributes of exported GOs are subtracted from the Residual Mix of the exporting country and cannot be used for disclosure at any time in the issuing or the exporting country by explicit mechanisms, unless the GOs are re-imported and cancelled there.

## 2.5 Further proposals regarding Disclosure

- BPR [36]: The country should clarify the relation between their support schemes for RES & cogeneration on the one side and GO and disclosure schemes on the other side. Where necessary, the support schemes should be defined as RTS.
- BPR [39b]: Suppliers offering two or more products which are differentiated regarding the origin of the energy should be required to give product-related disclosure information to all their customers, including those which are buying the “default” product of the supplier.
- BPR [40]: There should be clear rules for the claims which suppliers of e.g. green power can make towards their consumers. There should be rules how the “additionality” of such products can be measured (the effect which the product has on actually reducing the environmental impact of power generation), and suppliers should be required to provide to consumers the rating of each product based on these rules.

- BPR [41]: Claims made by suppliers and consumers of green or other low-carbon energy relating to carbon emissions or carbon reductions should also be regulated clearly. These regulations should avoid double counting of low-carbon energy in such claims. A decision needs to be taken whether such claims should adequately reflect whether the energy purchased was “additional” or not.
- BPR [44]: Suppliers should apply the following steps in order to determine their disclosure figures. Check the steps in the BPR.

## 2.6 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	BPRs: [7], [7a], [7b], [8], [9a], [9b], [10.2], [10.3], [10.4], [11a], [11b], [11c], [14b], [16], [17], [23], [24], [29], [30], [31], [32], [36]
Double counting of attributes in implicit tracking mechanisms	BPRs: [5a], [5b], [6], [9a], [9b], [11a], [11b], [11c], [15a], [21], [23], [24], [25], [26a], [26b], [27], [28], [29], [30], [32]
Double counting within individual supplier's portfolio	BPRs: [39b], [44]
Loss of disclosure information	BPRs: [2], [11a], [11b], [11c], [15b], [19]
Intransparency for consumers	BPRs: [1a], [1b], [11a], [11b], [11c], [23], [39b], [40], [41]
Leakage of attributes and/or arbitrage	BPRs: [5a], [5b], [6], [9a], [9b], [19], [34], [35],
Unintended market barriers	BPR: [4], [7], [7a], [7b], [8], [9a], [9b], [20], [20a], [20b]

### **Disclaimer:**

The sole responsibility for the content of this document lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EACI nor the European Commission is responsible for any use that may be made of the information contained therein.

*Note: This Country Profile expresses the interpretation of the RE-DISS project team of the qualitative data collected from the respective Competent Bodies of the domain and/or other sources.*