



# Energy Efficiency Profile : Latvia

October 2008

## Energy Efficiency Trends

### Overview

Decreasing of ODEX value by 7% confirms a positive trend in the last 5 years concerning the energy efficiency in Latvia. All the sectors have made efforts to reach this trend. The main contributing sectors are industry and transport.

One of the main reasons for such a positive trend was high growth rates of GDP, which is characterised by annual average increase of GDP of 6% for the time period 2000 – 2004 and 10% for the period 2005-2007.

### Industry

Industry and construction contribute to Latvian economy with nearly 22% of GDP (2006) and have had a stable growth rate between 2001 and 2005. Manufacturing output has been rising on average by 6.7% annually, while output in construction has grown by more than 13% annually. The energy efficiency index (calculated at the level of 6 main branches) decreased by 15% since 2000. All the branches participated to this improvement. This positive trend is influenced by necessity to compete with products in the global market, changing of technologies in industrial enterprises and availability of EU structural funds for technology improvements.

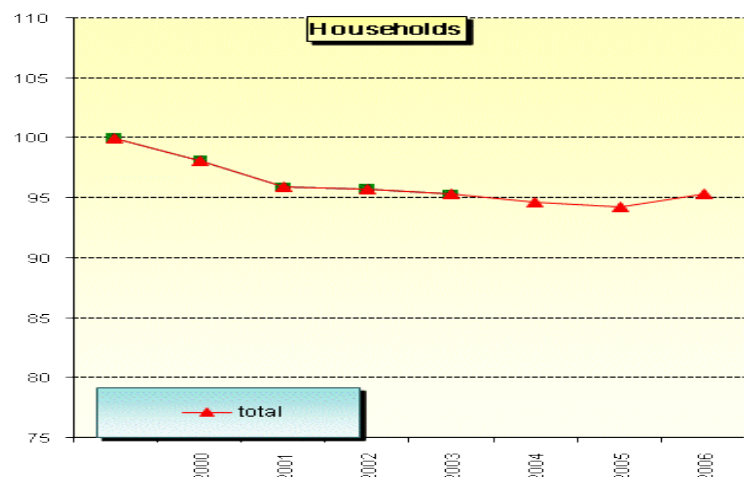
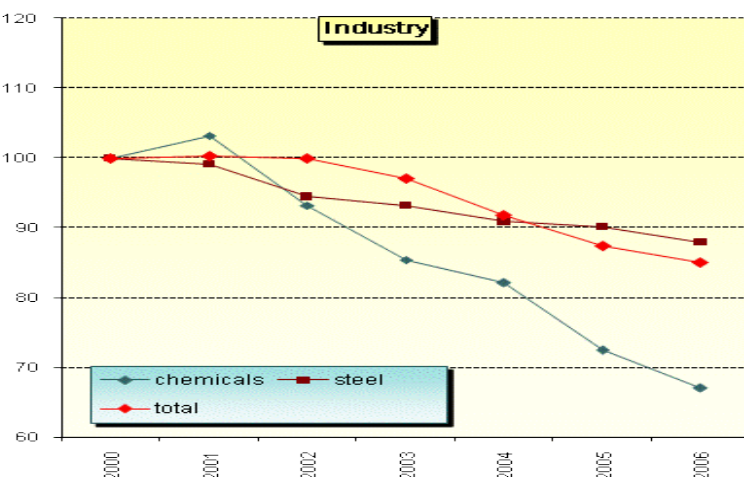
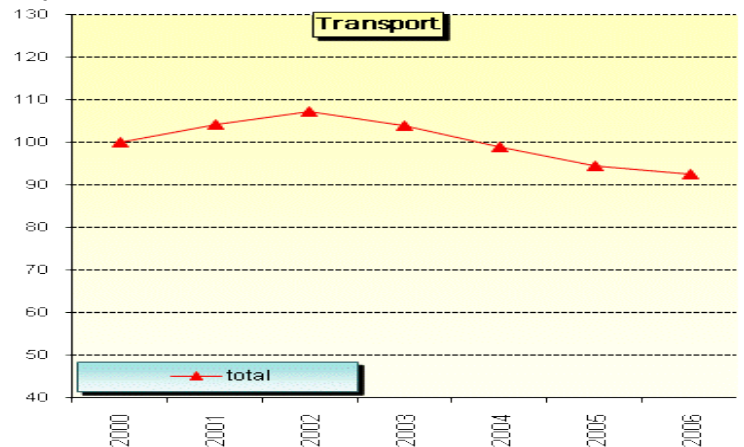
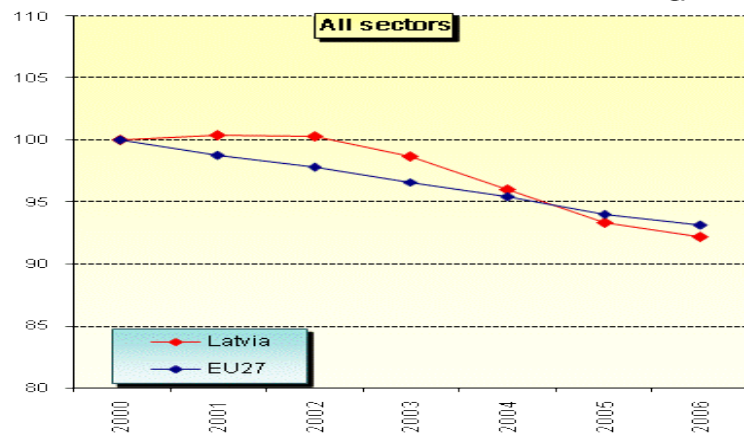
### Households

Between 2000 and 2004, energy efficiency of households improved marginally by 5%. It was mainly affected by implemented measures in efficient heat supply and efficiency improvements at consumer side. After 2004 we can recognise stagnation of energy efficiency improvements which could be caused by fast growing of household's income and demand for higher comfort and more electrical appliances.

### Transport

Energy efficiency index in transport decreases by 8% since 2000. The main reasons for this positive trend is the fast growing of new cars share in the total stock of cars. It increased from 1.15% (2000) up to 3.12% (2006). A more detailed analysis should be done with additional data, in particular concerning the average mileage of cars.

Energy efficiency index , base 100=2000



# Energy Efficiency Policy Measures

## Institutions and programmes

The Energy Department of the Ministry of Economy is in charge of the energy sector. The Energy, Building and Housing departments of the Ministry are involved in realizing the energy efficiency policy of Latvia. Other main involved institutions are: Ministry of Environment, Ministry of Transport, Environmental investment fund, State energy inspection. Starting from January 2008 Building, Energy and Housing State Agency has started its operation. The main task of this Agency is to implement the state policy in corresponding sectors including energy efficiency. A longer-term vision for energy policy developments has been established by the government through the recently adopted Guidelines for Energy Policy Developments in 2007-2016, that include a firm commitment to promote energy efficiency. According to the requirements of the Directive 2006/32/EU Latvia has adopted the First National Energy efficiency action plan. The first National Energy Efficiency Action Plan in Latvia for 2008 – 2010 includes energy efficiency measures in different sectors from which the most important actions are to be taken in households sector.

## Industry, Transport, Services

All these sectors have been included in the First National Energy efficiency action plan. These sectors are growing and increasing their economic importance for the local consumption and/or for exports but their energy efficiency potential is not studied and targeted. The expected savings in these sectors are not very high; because the energy efficiency issues are not the priorities.

## Households

The State program “Promotion of Renovation of Multifamily Houses 2007-2010” envisage not only the state financial support of the renovation of the multifamily houses but also promotion of social integration of neighbours by adoption of common decisions according the renovation of their houses and also to increase the level of knowledge about the energy efficiency issues.

## Energy prices and taxes

From 2004 some specific energy taxes were introduced in Latvia. A Law on Excise Duties came into force in May 2004, an Environmental Tax was introduced by law since 01.01.2006, a Law on Electricity Tax came into force from 01.01.2007.

## Budgets:

In June 2008 the State program “Promotion of Renovation of Multifamily Houses 2008-2009” was adopted. This program envisages state support for implementation of 962 energy audits in multifamily dwellings and 20% state support for renovation of 233 multifamily dwellings.

In planning period 2007-2013 EU Structural Funds will provide financial assistance to support energy efficiency projects for modernisation of district heating networks, promotion of renewable energy in cogeneration and energy efficiency improvements in social and multifamily housing.

## Selected Energy Efficiency Measures

Sectors	Title of Measure	Since	Energy saved* (PJ)	CO <sub>2</sub> saved* (Mt)
Households	Regulation on Heat Supply and Ventilation of public Buildings and Dwelling Houses	2004		
Households	Minimum thermal insulation standards	2003		
Households	Energy Performance Standards for buildings	2008		
Households	Regulation on Water heating Boilers	2004		
Households	Periodic mandatory Inspection of Boilers	2008		
Households	Periodic mandatory Inspection of Ventilation	2008		
Households	Regulation Establishing Labelling Procedure for Household Electrical Appliances	2002		
Households	Mandatory Energy Efficiency Certificates for New Buildings	2008		
Households	Investment in Energy Efficient Building Renovation	2009 2013	0,92	0,061
Transport	Regulations On Technical Condition of Transport vehicles and State Technical Inspection.	2004		
Transport	Biofuel Law	2005		0,087
Industry	Auditing of heat and Electricity use in industrial and Energy sector enterprises	2003		
Industry	Energy Efficiency Investments	2008 2013		
Industry	Investments in Clean Fuels	2008 2013		
Industry	Investments in CHP	2008 2013		

Source: MURE data base

[www.mure2.com](http://www.mure2.com)

