



Energy Efficiency Profile: Latvia

May 2011

Energy Efficiency Trends

Overview

The decreasing value of the overall energy efficiency ODEX by 12% in the period 2000–2008 confirms a positive trend in the recent years concerning 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 over the period 2000–2007. The economic crisis in Latvia resulted in significant decline of the GDP (-18%) in 2009 thereby having a negative effect on energy efficiency, as shown characterised by the ODEX indicator.

Industry

For the whole period 2000-2009, energy efficiency index (calculated at the level of 6 main branches) decreased by 11%. This positive trend is influenced by necessity to compete with products on the global market, technological changes in industrial enterprises and the availability of EU structural funds for technology improvements.

Industry and construction contribute to Latvian economy with nearly 23% of GDP (2008) and have had a stable growth rate between 2000 and 2007. Manufacturing output has been rising on average by 6.7% annually, while output in construction has grown by more than 13% annually. The economic crisis had especially a sharp negative impact on the sector resulting in a 20% output drop in 2009. Due to the crisis, the energy efficiency index increased by 5% in 2009 compared with 2008.

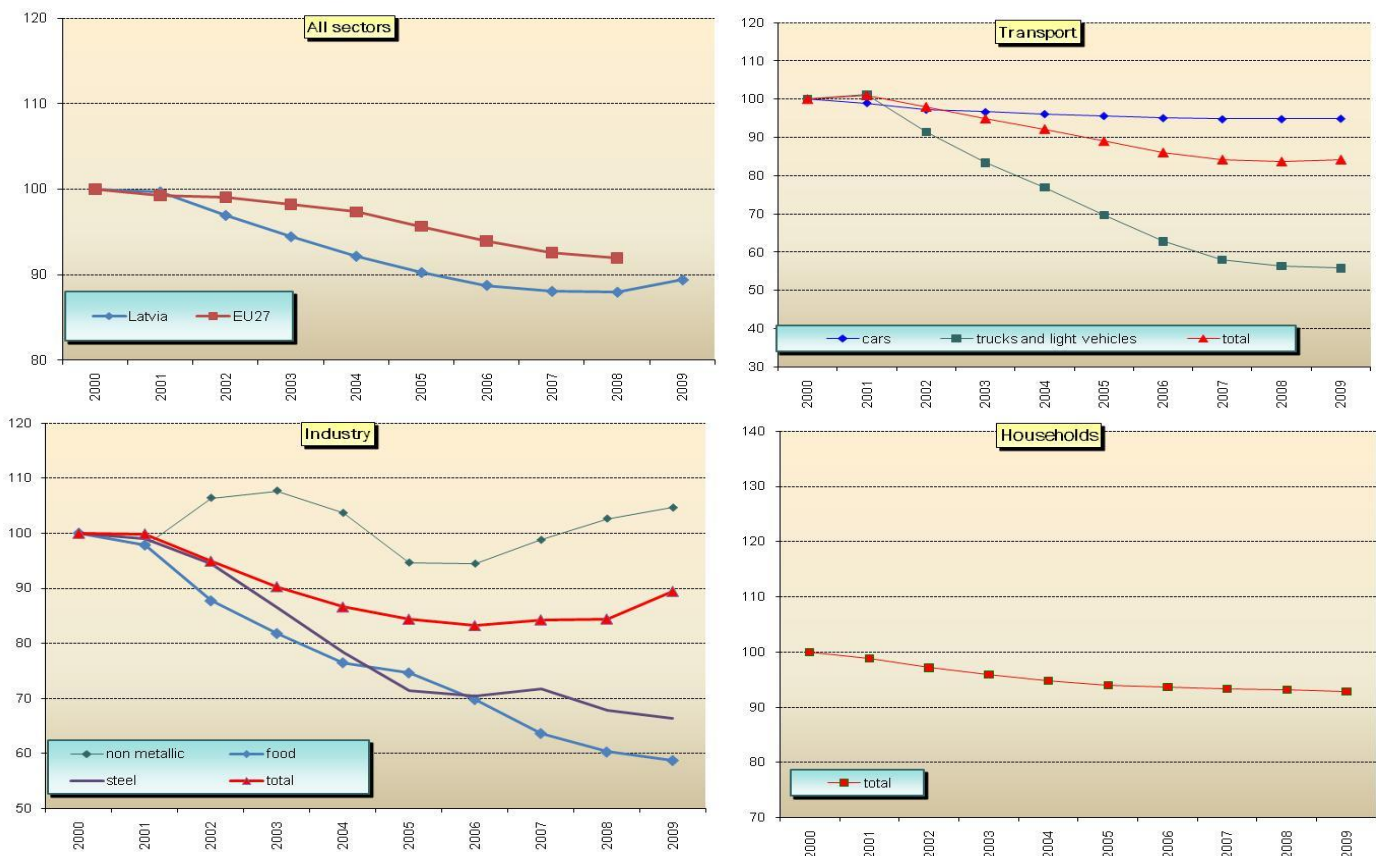
Households

Between 2000 and 2009, energy efficiency of households improved marginally by 7%. It was mainly affected by implemented measures in efficient heat supply and efficiency improvements of buildings.

Transport

Energy efficiency index in transport decreased by 16% since 2000. The main contributor to this energy efficiency improvement was freight road transport (measured in terms of unit consumption per ton-kilometers). Other important factor for this positive trend is the fast growing share of new more efficient passenger cars in the total stock of cars, which increased from 3% (2000) up to 10% (2008).

Energy efficiency index (base 100=2000)*



All indicators measured as a three-year moving average
 Source ODYSSEE
 For more information : <http://www.odyssee-indicators.org/>

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: the Ministry of Environment and Regional Development, the Ministry of Transport, Environmental investment fund. A longer-term vision for energy policy developments has been established by the government through the 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 for 2008–2010 which includes energy efficiency measures in different sectors, the most important actions are to be taken in households sector.

Industry, Services

These sectors have been considered together in the First National Energy Efficiency Plan. These sectors are growing and increasing their economic importance for the local consumption and/or for export. Significant attention is paid to improving energy efficiency of district heating systems and to promoting RES utilization. Investment programmes, financed from the Climate Change Facility, are devoted to support energy efficiency measures in both business entities' and public institutions' buildings.

Households

Investments in energy efficient building renovation is an important measure of the national operational programme "Infrastructure and Services", co-financed by the EU Regional Development Fund. The measure has two target audiences – apartment owners of multi-apartment residential buildings and tenants of municipal social residential buildings. At least 20% of energy saving is stated as the threshold criteria for project's beneficiary. To help in providing technical documentation, a special government program has been created.

Energy prices and taxes

From 2004 some specific energy taxes were introduced in Latvia. A Law on Excise Duties, which came into force in May 2004, harmonised duties on oil products according to the EU requirements. In 2007 taxation on coal and electricity were introduced. The latest amendments to the Law on Excise Duties introduced in July 2011 an excise duty on natural gas. CO₂ tax (as part of Natural Resources Tax Law) was introduced from July 2005 for operators not participating in EU ETS.

Budgets:

To realise the energy efficiency investments two main financial sources are available:

- National operational programme „Infrastructure and Services”, co-financed by EU structural funds;
- Revenues from Climate Change Facility (sale of GHG emissions under GHG emissions trading mechanisms pursuant to Article 17 of Kyoto protocol). These receipts are allocated for CO₂ emissions reduction by implementing energy efficiency as well as RES measures.

Selected Energy Efficiency Measures

Sectors	Title of Measure	Since	Energy saved (PJ)	CO ₂ saved (Mt)
Households	Regulation on Heat Supply and Ventilation of public Buildings and Dwelling Houses	2004		
Households	Energy Performance of Buildings (EU Directive 2002/91/EC related)	2006		
Households	Energy Labelling of Household Appliances (EU related)	2002		
Households	Energy Audits of Existing Buildings	2005		
Households	Increasing Energy Efficiency in Apartment Buildings (investments)	2008		
Tertiary	Investments in Municipal Public Buildings' and Professional and Higher Education Institutions Buildings' to Reduce CO ₂ emissions	2009	0.37	0.027
Industry, Tertiary	Investments in RES Technologies for Heat and Electricity Production to Reduce CO ₂ emissions	2010	0.36	0.026
Industry	Investments in Industrial Buildings' to Reduce CO ₂ emissions	2010	0.16	0.012
All	Taxation of Primary Energy Products and Electricity	1991		
Transport	Systematic Inspection of the Technical Conditions of Motor Vehicles	1991		
Transport	Differential Tax Rates for Cars Depending on Age and Engine Size	1999		
Transport	Differential Tax Rates for Cars Depending from Specific CO ₂ Emissions Factor	2010		
Energy industry	Investment Programmes to Support Energy Efficiency & Promote RES use in District Heating Systems	2009	0,24	0,015
Energy industry	Energy Efficiency Requirements for District Heating Systems	2009		
Energy industry	EU Emissions Trading Scheme - regulatory limiting of GHG allowances for District Heating utilities	2008		

Source MURE

For more information : <http://www.isisrome.com/mure/>

