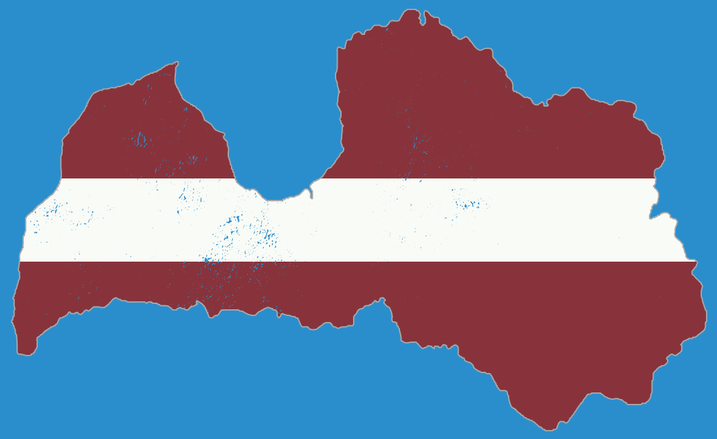
Latvia's Solar Rooftop Country Profile

April 2024

Overall Score

15



2022 Score

12

Summary

Latvia aims to increase renewable energy sources (RES) to 50% by 2030, but lacks specific solar targets in its current National Energy and Climate Plan (NECP). While a revised NECP draft has clearer goals, concerns remain about low targets on PV installations (from 19,000 microgenerators in 2023 to only 20,000 in 2030) and a lack of further support measures. However, local governments, like in the capital Riga, are actively engaging in sustainable energy plans, promoting solar PV expansion. Various funding programs support rooftop solar PV installation, but concerns arise over the focus on suburban areas, neglecting densely populated cities.

Amendments to electricity laws introduce net metering and net billing systems, with net metering being phased out by 2029. Permitting for small-scale systems is streamlined, but larger projects may face delays and possible rejections due to grid capacity issues. Energy sharing within housing associations is limited, awaiting regulations for collective self-consumption. Energy communities are recognized in national legislation, but further clarification and enabling frameworks are needed. Solar generation capacity is growing steadily, with a high number of microgenerator permits issued. Smart meter penetration is at 98%, but grid tariff increases in 2023 led to government intervention for temporary compensation measures and tariff revision.

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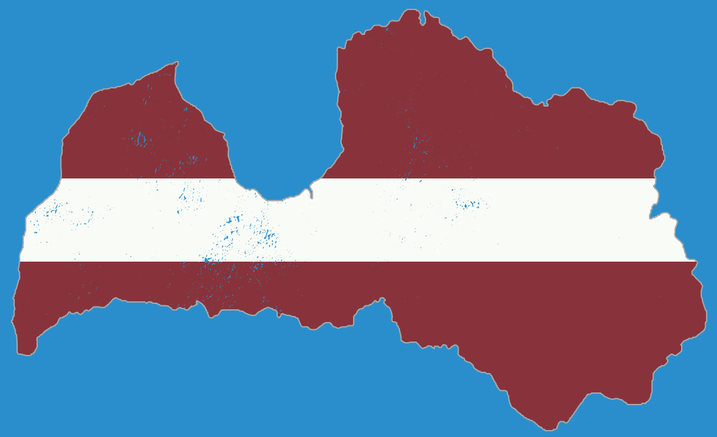

Scoring System

This country profile highlights the good and the bad policies and practices of solar rooftop PV development within Latvia. It examines and scores six key areas: governance, incentives & support schemes, permitting procedures, energy sharing schemes, energy communities and additional measures to support solar PV development. For this update, we will have the 2022 score to the right as a benchmark:

The scoring system is set out below:

- **Green = 4-5 points**
- **Orange = 2-3 points**
- **Red = 0-1 points**

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Country Profile
Latvia

The Good

- **Renewable Energy Goals:** Latvia aims to increase the share of renewable energy sources (RES) to 50% by 2030 and local governments have started to take a more active role in energy transition.
- **Funding the transition:** Latvia has introduced several recent funding programmes for households which have significantly contributed to the growth rate of rooftop solar PV, including grants, guarantees and technical assistance for installing solar PV.
- **Streamlined Permitting:** Simplified permitting processes for small-scale solar installations has allowed for faster and digitalised microgenerator installations.
- **Energy communities recognised:** The definitions of energy communities have been included in the national legislation with amendments to the Law on Energy and the Electricity Market Law.
- **Solar growth:** Total solar generation capacity is continually increasing, reaching around 300 MW by the end of 2023.

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The Bad

- **Lack of Solar Targets:** The absence of specific solar targets in Latvia's current National Energy and Climate Plan (NECP).
- **Inequitable Funding Allocation:** Concerns over funding programs primarily benefiting suburban areas while not covering densely populated areas raise concerns about equity and inclusivity in Latvia’s renewable energy initiatives.
- **Grid Capacity Challenges:** Delays and rejections for larger solar projects due to grid capacity issues highlight infrastructure limitations that could impede the scaling up of microgeneration.
- **Limited Energy Sharing Mechanisms:** At the moment, there are no practical ways for energy sharing and collective self consumption within Latvia, but there are plans to develop a collective self-consumption regulation.
- **Tariff Increases:** In 2023, the grid tariffs increased for customers with larger connection capacities, which caused lots of criticism and the government decided on temporary direct compensation measures for customers.

Latvia's Solar Rooftop Country Profile

2024 : Governance 2

2022 Score : 2

Latvia's current NECP in force has set the goal to increase the share of RES to 50% in 2030. However, Latvia is the only country that does not include specific solar targets in its current NECPs.[1] The draft revised NECP (published in November 2023) delineates more clear goals and subtargets, estimating that there will be more than 20,000 active customers in 2030. However, this target value is low because there were already more than 19,000 active customers with microgenerators (up to 11.1kW) at the end of 2023.[2] Furthermore, the NECP draft does not envision any further support measures. As a positive note, local governments have started to take a more active role in energy transition. For example, the capital city Riga has recently prepared its Sustainable Energy and Climate Action plan which entails a progressive vision on expansion of solar PVs through increased citizen participation, availability of rooftop space and technical assistance from the Riga Energy Agency.

1. Eclareon (2022). Barriers and best practices for wind and solar electricity in the EU27 and UK. https://www.eclareon.com/sites/default/files/res_policy_monitoring_database_final_report_01.pdf and RES Policy Monitoring Database https://resmonitor. eu/en/
2. https://sadalestikls.lv/lv/elektroapgades-apskats

Latvia's Solar Rooftop Country Profile

2024 : Incentives 3

2022 Score : 3

There are several recent funding programmes for households which have significantly contributed to the growth rate of rooftop solar PV, including grants, guarantees and technical assistance for installing solar PV with more than 32 million EUR, with a maximum of 15,000 EUR for each project. However, there are concerns about the funding being targeted only to detached dwellings in suburban areas, not covering the densely populated city. From April 2020, it is possible for private microgeneration (only for natural persons) to retrieve the unused solar electricity from the grid within a period of compensation of one year. Recent amendments to the Electricity Market Law provide that two net systems will be available to electricity producers in Latvia in the near future:

- Net metering system (existing system) in which the amount of energy transferred to the network is recorded in kilowatt hours.
- The net billing system (new system), which is currently being developed by the Ministry of Climate and Energy and in which the amount of electricity transferred to the network will be converted into euros.[3.]

The net metering scheme will be replaced by net billing in May 2024, but current participants will be able to use the net metering scheme until 2029.

4. https://sadalestikls.lv/lv/elektroapgades-apskats

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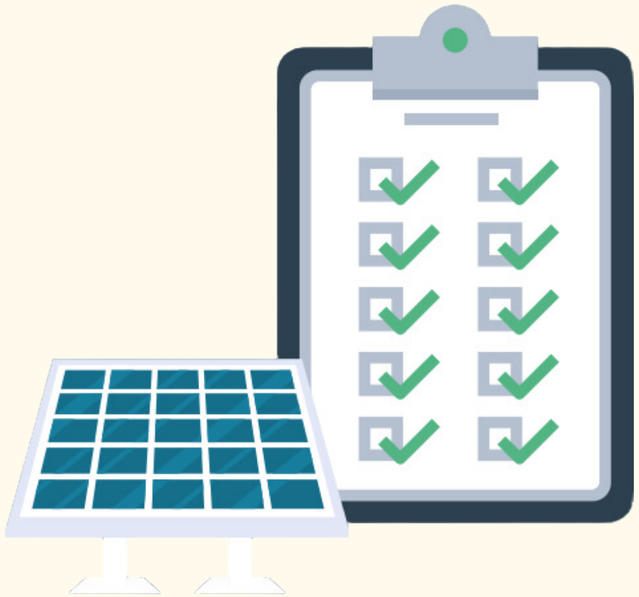

2024 : Permitting 4

2022 Score : 2

From 2020, systems below 11.1 kW (Kilowatt) no longer need a permit thanks to a reform according to which the installation of solar panels on the ground or on buildings do not require such permit (there are applicable exemptions)[4]. In these cases, the permitting for microgenerator installations is fast and digitalized. It takes 1.5 days on average to get the approval from the DSO. However, more complex permitting procedures apply for the solar projects above 500 kW and larger projects may encounter rejection and long delays due to grid capacity .

4. https://www.em.gov.lv/en/permits?utm_source=https%3A%2F%2Fwww.google.com%2F

Latvia’s Solar Rooftop Country Profile

2024 : Energy Sharing 1

2022 Score : 1

Housing associations may use solar PV for their collective consumption in the common premises but the option to distribute electricity to individual apartments is not yet available since solar PV installations can be connected to a single smart meter, yet cannot be shared among the residents as individual clients. It is planned to develop a collective self-consumption regulation that will apply to residential units placed inside one building in the near future, but no practical ways of energy sharing and collective self consumption exist at the moment.

Latvia's Solar Rooftop Country Profile

2024 : Energy Communities 2

2022 Score : 1

The definitions of energy communities have been included in the national legislation with amendments to the Law on Energy and the Electricity Market Law. An energy community can be an association, foundation, cooperative society, partnership, capital company or other civil law society. The State Construction Control Bureau will run a register of energy communities, ensure its public availability and perform supervision of energy communities. However, there is need to further elaborate certain aspects such as the registration requirements for a Renewable Energy Community or its proximity requirements. A complete enabling framework and special measures for RECs are still not in place. [6.]

6. https://www.rescoop.eu/policy/latvia-rec-cec-definitions

Latvia's Solar Rooftop Country Profile

2024 : Additional measures 3

2022 Score : 3

The total solar generation capacity in the distribution system has reached almost 260 MW, and it is expected this could increase to 300 MW by the end of the year (2023). The total number of microgenerators connected to the distribution infrastructure reached about 16,500 at the end of September (2023), and their total production capacity is approaching 140 megawatts (MW). The pace of development of microgeneration, compared to the year 2022, when there was an unprecedented boom in solar panels, has stabilized, but is still relatively high. In nine months, around 5,300 permits were issued for connecting microgenerators, which is still a very large amount. [7.]

There are also residents who want to become members of the net metering system, which was available until December 2023, according to the amendments of the Electricity Market Law explained above[7.]. Latvia has reached a successful smart meter penetration rate of 98%. As a negative note, in 2023, the grid tariffs increased for customers with larger connection capacities, which caused lots of criticism and the government decided on temporary direct compensation measures for customers. The tariff was redefined at the Parliament to achieve a more modest increase as a long-term solution.

7. https://sadalestikls.lv/lv/elektroapgades-apskats

Engaging citizens and local communities in the solar revolution

The Rooftop Solar PV Comparison Report update produced by CAN Europe and its member organisations aims to detect barriers at national level that impede a higher uptake of residential rooftop solar PV, highlight best and bad practices, and to put forward concrete policy recommendations for setting up the right regulatory framework to ensure an accelerated uptake of rooftop solar PV.

11 countries were chosen to be assessed and scored on their performance regarding the development of rooftop solar PV within their country.

For the full report, follow the link below:
http://caneurope.org/rooftop-solar-pv-comparison-report