



The translation of this document is outdated.

Translation validity: 29.04.2014.–22.12.2015.

Amendments not included: 15.12.2015., 05.07.2016., 10.04.2018.

Text consolidated by Valsts valodas centrs (State Language Centre) with amending regulations of:

17 May 2011 (No. 365) [shall come into force from 20 May 2011];

29 November 2011 (No. 913) [shall come into force from 3 December 2011];

28 August 2012 (No. 606) [shall come into force from 8 September 2012];

30 July 2013 (No. 465) [shall come into force from 21 August 2013];

5 November 2013 (No. 1271) [shall come into force from 1 January 2014];

22 April 2014 (No. 209) [shall come into force from 29 April 2014].

If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 262

Adopted 16 March 2010

Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price

*Issued pursuant to
Section 29, Paragraphs two and four and
Section 29.¹, Paragraph two of the
Electricity Market Law*

[29 November 2011]

I. General Provisions

1. This Regulation prescribes:

1.1. the conditions for the production of electricity, using renewable energy sources existing in the territory of the Republic of Latvia or acquired in the Republic of Latvia;

1.2. the criteria according to which a producer which produces electricity from renewable energy sources may acquire the right to sell the produced electricity as the volume of electricity to be mandatorily procured;

1.3. the criteria according to which a producer which produces electricity in power plants with the installed electric capacity above 1 MW, using biomass or biogas, may acquire the right to receive a guaranteed payment for the electric capacity installed in a power plant;

1.4. the procedures for determining, implementing and monitoring the mandatory procurement amount of electricity produced from renewable energy sources;

1.5. what part of the total consumption of the electricity end users in Latvia shall be mandatorily covered by the

electricity, which is produced from renewable energy sources, determining it for each type of renewable energy sources;

1.6. the procedures for determining the price for electricity, which is produced from renewable energy sources, depending on the type of energy sources;

1.7. the procedures for waiving the right to sell the produced electricity within the scope of mandatory procurement;

1.8. [29 November 2011];

1.9. the measures for promotion of the production of electricity from biomass;

1.10. [29 November 2011];

1.11. the procedures for determining the guaranteed payment for the electric capacity installed in a power plant, and the procedures for monitoring thereof and amount of payment; and

1.12. the procedures by which a merchant may waive the right to receive the guaranteed payment for the electric capacity installed in a power plant.

[29 November 2011; Sub-paragraphs 1.3, 1.7, 1.8 and 1.9 shall come into force from 1 January 2012]

2. The part of the total consumption of the electricity end users in Latvia that shall be mandatorily covered by such electricity, which is produced from renewable energy sources, for the time period until 31 December 2010 and subsequent years arranged by years and types of the renewable energy sources, is specified in Annex 1 to this Regulation.

3. Such merchants may qualify for the acquisition of the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement, which produce or are planning to produce electricity from renewable energy sources in a power plant in the territory of the Republic of Latvia, using the following:

3.1. hydropower;

3.2. biogas;

3.3. any other type of solid or liquid biomass;

3.4. wind power if the installed electric capacity of a power plant does not exceed 0.25 MW and it is connected to the 0.4 kV side of the transformer of a 20/0.4 kV electricity distribution system operator;

3.5. wind power if the electricity is or will be produced in power plants which are not referred to in Sub-paragraph 3.4 of this Regulation;

3.6. solar power.

[28 August 2012]

4. The following merchants may qualify for the qualification of the sale of electricity within the scope of mandatory procurement or the receipt of a guaranteed payment for installed electric capacity if the power plants thereof have not been introduced or are not planned to be introduced in accordance with the procedures laid down in Section 23 of the Electricity Market Law:

4.1. a merchant, which owns or uses a power plant which uses renewable energy sources to produce electricity;

4.2. a merchant, which plans to increase the capacity of the power plant in the ownership or use thereof, if the referred to power plant uses renewable energy sources to produce electricity;

4.3. a merchant, which plans to build a power plant which will use renewable energy sources to produce electricity.

5. The power plant indicated in the submission for the acquisition of the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement or for the receipt of a guaranteed payment for installed electric capacity (Annex 2) shall not exceed the capacity indicated in the permit issued by the Ministry of Economics (hereinafter - Ministry) for increasing the capacity of electricity production or the introduction of new production installations, but the volume of electricity produced from renewable energy sources which the merchant wishes to sell within a year within the scope of mandatory procurement - the volume, which is calculated by multiplying the capacity indicated in the submission with the following periods of use of the capacity:

5.1. for hydroelectric power plants - by 5000 hours per year;

5.2. for wind power plants - by 3500 hours per year;

5.3. for power plants not referred to in Sub-paragraphs 5.1 and 5.2 of this Regulation - by 8000 hours per year.

6. If in a power plant that produces electricity from renewable energy sources other types of fuel are also used, the power plant shall be equipped with a system of metering devices, which allows the individual recording of the consumption of each type of fuel. If the electricity produced from renewable energy sources forms at least 90% of the fuel volume consumed in the power plant then it is assumed that all the electricity produced in the power plant is produced from renewable energy sources. The merchant may acquire the right to sell electricity within the scope of mandatory procurement only for the electricity which is produced from renewable energy sources. The volume thereof shall be determined by using the following formula:

$$E_{AER} = E \times \frac{B_{AER} \times q_{AER}}{\sum(B_i \times q_i)}, \text{ where}$$

E_{AER} - is the volume of electricity produced from renewable energy sources within a year (MWh);

E - is the total volume of electricity produced in a power plant within a year (MWh);

B_{AER} - is the volume of renewable energy sources consumed in a power plant within a year (t) or (m³);

q_{AER} - is the calorific power of renewable energy sources (MWh/t) or (MWh/m³) consumed in a power plant;

B_i - is the volume of one certain type of fuel (t) or (m³) consumed in a power plant within a year; and

q_i - is the calorific value of one certain type of fuel (MWh/t) or (MWh/m³) consumed in a power plant.

II. Criteria in Order to Qualify for Selling Electricity Produced in Hydroelectric Power Plants within the Scope of Mandatory Procurement

7. In order to qualify for the right to sell electricity produced in hydroelectric power plants within the scope of mandatory procurement, a merchant shall submit the relevant submission (Annex 2) to the Ministry. The merchant shall submit the submission to the Ministry from 1 April of the respective year.

8. The submission referred to in Paragraph 7 of this Regulation shall be drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents. If the submission is submitted in the form of an electronic document, it shall be drawn up in accordance with the laws and regulations regarding the drawing up of electronic documents.

9. The following documents shall be appended to a submission:

9.1. a description of the hydroelectric power plant (in free form) in which electricity is produced or planned to be produced, justifying the indicators included in the submission and indicating the most significant information regarding the power plant - the location, the installed or planned electric capacity and the technologies to be used;

9.2. a merchant which is planning to build a hydroelectric power plant - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies the ownership or the right of use for the territory on which construction is planned;

9.3. a merchant wishing to acquire the right to sell electricity produced in a power plant in the ownership or use thereof within the scope of mandatory procurement - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies that the relevant power plant is in the ownership or use of the merchant;

9.4. a merchant, which plans to build a power plant which will use hydropower for production of electricity or to increase the capacity of an existing hydroelectric power plant - an opinion of the relevant regional environmental board of the State Environmental Service that the intended project conforms to the requirements of Cabinet Regulation No. 27 of 15 January 2002, Regulations Regarding Rivers (Sections of Rivers) Where, for the Purposes of Protection of Fish Sources, it is Prohibited to Build and Restore Hydroelectric Dams and to Make Any Kind of Mechanical Obstacles.

10. The Ministry shall examine the submission referred to in Paragraph 7 of this Regulation within one month from the receipt thereof. The Ministry is entitled to verify the authenticity of the documents referred to in Paragraph 9 of this Regulation and the identity of the issuers thereof. If the submission does not contain all the information indicated in Annex 2 to this Regulation or has not been drawn up in accordance with the requirements referred to in Paragraph 8 of this Regulation, or if not all the documents have been appended to the submission in accordance with Paragraph 9 of

this Regulation, or if the information indicated in the documents appended to the submission is false, the Ministry shall request that the missing information or documents are submitted within one month. If the merchant has not submitted the requested information or documents within the specified period of time, the Ministry shall take a decision to reject the submission and shall inform the merchant regarding such decision by sending the respective decision to the merchant.

11. If the submission and the documents appended thereto comply with the requirements of this Regulation, the Ministry shall verify the conformity of the submission of the merchant with the requirements referred to in Paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Regulation on the basis of the information provided in the submission within one month after receipt of all the necessary information. If a merchant and the submission thereof comply with the requirements, the Ministry shall take a decision to grant the merchant the right to sell the produced electricity within the scope of mandatory procurement and shall issue the respective decision thereof to the merchant.

12. The decision referred to in Paragraph 11 of this Regulation shall be issued by the Ministry to the merchant in three copies. In addition to that laid down in the Administrative Procedure Law, the following shall be indicated in the decision:

12.1. the firm name, registration number and legal address of the merchant;

12.2. the registration number and date of issue of the electricity producer, if the necessity thereof for the relevant power plant is determined by laws and regulations;

12.3. the address or location of the power plant;

12.4. the fact that the merchant has acquired the right to sell the electricity produced in the relevant power plant from renewable energy sources within the scope of mandatory procurement;

12.5. the volume of electricity to be procured in a calendar year within the scope of mandatory procurement;

12.6. if different types of energy sources are used in different installations for the production of electricity in a power plant - the operational designations of the installations in which renewable energy sources are used;

12.7. the terms which a merchant should observe in accordance with Paragraphs 47 and 54 of this Regulation.

[29 November 2011; 28 August 2012]

13. The Ministry shall take a decision not to grant the right to a merchant to sell the electricity produced from renewable energy sources in the relevant power plant within the scope of mandatory procurement in the following cases:

13.1. the submission of the merchant does not comply with the requirements specified in Paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Regulation;

13.2. the data provided in the submission or the documents appended thereto is contradictory or is not justified, or such arithmetical errors have been made which do not provide a possibility to ascertain the conformity with the requirements laid down in Paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Regulation and the merchant has not rectified the deficiencies established within the time period referred to in Paragraph 10 of this Regulation;

13.3. in the case referred to in Paragraph 46 of this Regulation;

13.4. the installed electric capacity of a power plant has been introduced or is planned to be introduced in accordance with the procedures laid down in Section 23 of the Electricity Market Law;

13.5. the submission of the merchant is in contradiction with the provisions of the Electricity Market Law.

13.¹ The time period referred to in Sub-paragraph 75.7 of this Regulation may not be extended.

[30 July 2013]

III. Criteria in Order to Qualify for the Sale of Electricity Produced in Biomass, Biogas, Solar or Wind Power Plants within the Scope of Mandatory Procurement

14. In order to qualify for the acquisition of the right to sell electricity produced in biomass, biogas, solar or wind power plants within the scope of mandatory procurement, the merchant shall participate in tenders organised by the Ministry, by submitting the relevant submission to the Ministry (Annex 2). The submission shall be submitted after publication of the invitation for tender referred to in Paragraph 17 of this Regulation.

15. The submission referred to in Paragraph 14 of this Regulation shall be drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents.

16. Each year from 1 to 31 October the Ministry shall organise individual tenders for the acquisition of the right to sell electricity produced in biomass, biogas, solar or wind power plants within the scope of mandatory procurement, if the value E_n to be calculated in accordance with the procedures laid down in Paragraph 46 of this Regulation for the relevant type of power plant on 15 September of the relevant year is less than the volume of the mandatory procurement of electricity published in accordance with the procedures laid down in Paragraph 93 of this Regulation. The tender shall be organised for such volume of the mandatory procurement of electricity, which is determined as the difference between the value E_n calculated in accordance with the procedures laid down in Paragraph 46 of this Regulation and the volume of the mandatory procurement of electricity published in accordance with Paragraph 93 of this Regulation.

17. The Ministry shall publish an invitation to participate in the tenders referred to in Paragraph 16 of this Regulation (hereinafter - invitation) in the official gazette *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia] and on the website thereof. The invitation shall be prepared in conformity with Annex 3 to this Regulation. The following shall be indicated in the invitation:

17.1. the subject-matter of the tender - the volume of electricity regarding the sales right of which within the scope of the mandatory procurement a tender is being held;

17.2. the deadline submitting the submission;

17.3. the address of the acceptance place of the submission;

17.4. other information which may be necessary for the participants of the tender in order to take a decision for participation in the tender.

[30 July 2013]

18. If electricity is produced or planned to be produced in biomass or biogas power plants, a merchant shall append the following documents to the submission:

18.1. a description of the biomass or biogas power plant. The type of energy sources to be used for the production of electricity, the location of the power plant, the production capacity installed or planned to be installed in the power plant and the heating production capacity and planned volume of produced energy, the technology to be used in the power plant, as well as the time periods for when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when electricity production was commenced, shall be indicated in the description;

18.2. a merchant which is planning to build a biomass or biogas power plant - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies the ownership or the right of use for the territory on which construction is planned;

18.3. a merchant wishing to acquire the right to sell electricity produced in a power plant in the ownership or use thereof within the scope of mandatory procurement - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies that the respective power plant is in the ownership or use of the merchant;

18.4. a declaration in conformity with Annex 4 to this Regulation.

19. If electricity is produced or planned to be produced in wind power plants, a merchant shall append the following documents to the submission:

19.1. a description of the wind power plant. The parameters, capacity, number and dimensions of the installed turbines or turbines to be installed, the number of wind turbines and the layout thereof in the territory of the power plant, the map of the territory, the location of the power plant and the time periods when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when the production of electricity was commenced, shall be indicated in the description;

19.2. a merchant which is planning to build a wind power plant - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies the ownership or the right of use for the territory on which construction is planned;

19.3. a merchant wishing to acquire the right to sell electricity produced in a wind power plant in the ownership or use thereof within the scope of mandatory procurement - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies that the respective power plant is in the ownership or use of the merchant;

19.4. a merchant which is planning to install the installations referred to in Sub-paragraph 3.5 of this Regulation for

the production of electricity - a certified copy of the planning and architectural tasks for the planned construction of the power plant issued in accordance with the procedures laid down in the laws and regulations regulating construction;

19.5. a declaration in conformity with Annex 4 to this Regulation.

20. If electricity is produced or planned to be produced in solar power plants, a merchant shall append the following documents to the submission:

20.1. a description of the solar power plant. The location of the power plant, the production capacity installed or to be installed in the power plant and the planned quantity of electricity to be produced, the technology to be used in the power plant and the time periods for when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when the production of electricity was commenced, shall be indicated in the description;

20.2. a merchant which is planning to build a solar power plant - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies the ownership or the right of use for the territory on which construction is planned;

20.3. a merchant wishing to acquire the right to sell electricity produced in a solar power plant in the ownership or use thereof within the scope of mandatory procurement - a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies that the relevant power plant is in the ownership or use of the merchant;

20.4. a declaration in conformity with Annex 4 to this Regulation.

21. When preparing a submission, a merchant shall observe the administrative assessment criteria referred to in Annex 5, 6 or 7 to this Regulation, and append all the documents referred to in Paragraph 18, 19 or 20 of this Regulation, which are applicable to the merchant.

22. If the submission does not conform with any of the administrative assessment criteria or if none of the documents referred to in Paragraph 18, 19 or 20 of this Regulation have been appended, which are applicable to the merchant, or if any of the documents is recognised as non-compliant with the requirements of this Regulation, the submission shall not be evaluated and the merchant may not qualify for the acquisition of the right for mandatory procurement of electricity. The appending of the documents referred to in the quality assessment criteria is not mandatory.

23. Submissions for a tender shall be submitted at the location indicated in the invitation. A submission may be submitted in personal or sent by post.

24. The merchant shall affix a seal on the submission and insert it in an envelope. The envelope shall be inserted in an outer envelope which shall be sealed. The name and address of the merchant shall be indicated on the internal envelope. The following information shall be indicated on the internal and outer envelopes:

24.1. the name of the Ministry and the address indicated in the invitation;

24.2. the name of the tender indicated in the invitation, with the annotation "Do not open before (date)" (the last day for submitting submissions referred to in the invitation shall be indicated).

25. If the information referred to in Paragraph 24 of this Regulation has not been indicated on the outer envelope and the envelope has not been sealed, the Ministry shall not take responsibility for the submission which has been incorrectly inserted in the envelope or opened prematurely. If the outer envelope reveals the identity of the participant, the Ministry cannot guarantee anonymity of the submission, but it shall not be grounds for rejection of the submission.

26. After expiry of the deadline for submitting submissions the Ministry shall notify all participants of the tender regarding the day, time and place of the meeting of the tender commission (hereinafter - commission) for the opening of submissions. Participants of the tender have the right to participate at the meeting of the opening of submissions.

27. The envelopes with submissions shall be opened only after expiry of the deadline for submitting submissions. If a submission is submitted after the date specified in the invitation, the submission shall be sent back unopened.

IV. Evaluation of Submissions for the Right to Sell Electricity Produced in Biomass, Biogas, Solar and Wind Power Plants within the Scope of Mandatory Procurement and Taking of Decisions

28. The submissions referred to in Paragraph 14 of this Regulation and the documents appended thereto shall be evaluated by the commission:

28.1. the commission shall be composed of four representatives from the Ministry of Economics, one representative

from the Ministry of Agriculture, one representative from the Ministry of Environmental Protection and Regional Development and one representative from the Public Utilities Commission (hereinafter - the Regulator);

28.2. the administrative head of the Ministry shall approve the Chair of the commission and the members of the commission with the right to vote;

28.3. representatives of non-governmental organisations may participate in meetings of the commission in the status of observer without the right to vote, by prior application to the Ministry;

28.4. the commission is entitled to take decisions if more than half the commission members are present at the meeting.

[28 August 2012]

29. The commission shall evaluate the compliance of submissions with the requirements referred to in this Regulation and with the administrative assessment criteria referred to in Annex 5, 6 or 7 to this Regulation and the quality assessment criteria respectively.

30. The order of criteria assessment shall be as follows:

30.1. firstly, the conformity of a submission and the documents appended thereto with the administrative assessment criteria shall be evaluated;

30.2. if a submission and the documents appended thereto do not conform to any of the administrative assessment criteria, evaluation of the submission shall be discontinued and the commission shall take a decision not to grant the right to the merchant to sell electricity produced from renewable energy sources within the scope of mandatory procurement;

30.3. if a submission does not conform to the requirements referred to in Paragraphs 3 and 4 of this Regulation or if the volume of electricity produced from renewable energy sources indicated in the submission does not comply with the volume referred to in Paragraph 5 of this Regulation, assessment of the submission in conformity with the quality assessment criteria shall not be continued and the commission shall take a decision not to grant the merchant the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement;

30.4. if a submission conforms to the administrative assessment criteria, assessment of the submission shall be continued in accordance with the quality assessment criteria, with a specific number of points being awarded for each conformity;

30.5. if two or more submissions receive an equal number of points, the following principles shall be observed upon taking a decision:

30.5.1. the preference shall be given to the submission which has received the number of points for conformity to those quality assessment criteria which are given highest ranking (the quality assessment criteria referred to in Annexes 5, 6 and 7 to this Regulation placed in order of priority);

30.5.2. if in accordance with Sub-paragraph 30.5.1 of this Regulation it cannot be determined which of the submissions should be given preference, preference shall be given to that submission which has a shorter time period specified in the appended description of the power plant, in which it is planned to commence the production of electricity;

30.6. if the information required is not in the submission or the documents appended thereto, or if it is incomplete, in order to assess the conformity of the submission to one or several criteria, or if the information referred to is illegible or is not submitted in the official language, it shall be considered that the submission does not conform to the respective criteria.

31. If the submission complies with the administrative assessment criteria and the requirements referred to in this Regulation, and has received the appropriate number of points in accordance with the quality assessment criteria, the commission shall take a decision to grant the merchant the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement.

32. The commission shall take a decision to grant the right to sell electricity produced from renewable energy sources for the volume of electricity for which the tender was organised. The volume of electricity to be procured in a calendar year within the scope of mandatory procurement shall be indicated in the decision.

[28 August 2012]

33. If the total volume of electricity produced from renewable energy sources indicated in the submissions which conform to the administrative assessment criteria and the requirements referred to in this Regulation exceeds the volume of electricity for which a tender has been announced, the commission shall take a decision to grant the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement to those

merchants whose submissions have obtained the most points in accordance with the assessment criteria.

34. If the volume of electricity available to the tender exceeds the total volume of energy indicated in the submissions of merchants referred to in Paragraph 31 of this Regulation, the commission shall grant the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement to the merchant whose submission has received the most points after putting submissions in order of priority. If the volume of electricity indicated in the submission of the referred to merchant exceeds the available volume of electricity, he or she shall be invited to reduce the volume of electricity produced from renewable energy sources indicated in the submission. The merchant shall, within 15 days, inform the commission of the decision in writing.

35. If, upon organising the submissions in accordance with the criteria and the conditions included in this Regulation in order of priority, starting with the submission which have obtained the most points and taking into account the conditions of Paragraphs 31 and 34 of this Regulation, the volume of electricity to be granted within the scope of mandatory procurement is insufficient, the commission shall take a decision not to grant the right to the respective merchant to sell electricity produced from renewable energy sources within the scope of mandatory procurement.

36. On the basis of the decisions taken by the evaluation commission, the Ministry shall take the final decision to grant or not grant the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement by 31 November of the respective year, and send the relevant decision to the merchant. The volume of electricity to be procured within the scope of mandatory procurement shall be indicated in the decision.

[28 August 2012]

V. Procedures for Determination of the Price for Electricity Produced from Renewable Energy Sources

37. The merchants who, in accordance with the procedures laid down in this Regulation, have acquired the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement, shall calculate the selling price of the volume of electricity, which they are entitled to sell within the scope of mandatory procurement, using the following formulae:

37.1. for the wind power plants which comply with the conditions of Sub-paragraph 3.4 of this Regulation - for 10 years beginning with the date of commencement of operation of the power plant:

$$C = 147 \times k;$$

37.2. for the wind power plants which comply with the conditions of Sub-paragraph 3.4 of this Regulation - for 10 years after the time period referred to in Sub-paragraph 37.1 of this Regulation:

$$C = 147 \times k \times 0,6;$$

37.3. for the wind power plants which comply with the conditions of Sub-paragraph 3.5 of this Regulation - for 10 years beginning with the date of commencement of operation of the power plant:

$$C = 120 \times k;$$

37.4. for the wind power plants which comply with the conditions of Sub-paragraph 3.5 of this Regulation - for 10 years after the time period specified in Sub-paragraph 37.3 of this Regulation:

$$C = 120 \times k \times 0,6;$$

37.5. for the biomass power plants with the installed electric capacity up to 4 MW and for the biogas power plants with the installed electric capacity up to 2 MW or more - for 10 years beginning with the date of commencement of operation of the power plant:

$$C = \frac{T_g \times k}{9,3} \times 4,5;$$

37.6. for the biomass power plants with the installed electric capacity up to 4 MW and for the biogas power plants with the installed electric capacity up to 2 MW or more - for 10 years after the time period referred to in Sub-paragraph 37.5 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 3,4;$$

37.7. for the biomass power plants with the installed electric capacity, exceeding 4 MW - for 10 years from the date of commencement of operation of the power plant:

$$C = \frac{T_g \times k}{9,3} \times 3,6;$$

37.8. for the biomass power plants with the installed electric capacity, exceeding 4 MW - for 10 years after the time period referred to in Sub-paragraph 37.7 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 3;$$

37.9. for the biogas power plants with the installed electric capacity, less than 2 MW - for 10 years from the date of commencement of operation of the power plant:

$$C = 188 \times k;$$

37.10. for the biogas power plants with the installed electric capacity less than 2 MW - for 10 years after the time period referred to in Sub-paragraph 37.9 of this Regulation:

$$C = 188 \times k \times 0,8;$$

37.11. for hydroelectric power plants with the installed electric capacity up to 5 MW - for 10 years from the date of taking of the decision referred to in Paragraph 11 of this Regulation:

$$C = 159 \times k;$$

37.12. for the hydroelectric power plants with the installed electric capacity up to 5 MW - for 10 years after the time period referred to in Sub-paragraph 37.11 of this Regulation:

$$C = 159 \times k \times 0,8;$$

37.13. for the solar power plants - for 20 years from the date of commencement of operation of the power plant:

$$C = 427;$$

37.14. for the biomass power plants with the installed electric capacity up to 4 MW and for the biogas power plants with the installed electric capacity up to 2 MW or more - for 10 years beginning with the date of commencement of operation of the power plant in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 3,6;$$

37.15. for the biomass power plants with the installed electric capacity up to 4 MW and for the biogas power plants with the installed electric capacity up to 2 MW or more - for 10 years after the time period referred to in Sub-paragraph 37.5 of this Regulation in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 2,72;$$

37.16. for the biogas power plants with the installed electric capacity less than 2 MW - for 10 years from the date of commencement of operation of the power plant in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = 188 \times k \times 0,8;$$

37.17. for the biogas power plants with the installed electric capacity less than 2 MW - for 10 years after the time period referred to in Sub-paragraph 37.9 of this Regulation in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = 188 \times k \times 0,64;$$

37.18. for the biomass power plants with the installed electric capacity, exceeding 4 MW - for 10 years from the date of commencement of operation of the power plant in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 2,88;$$

37.19. for the biomass power plants with the installed electric capacity, exceeding 4 MW - for 10 years after the time period referred to in Sub-paragraph 37.7 of this Regulation in the case referred to in Sub-paragraph 61.2 of this Regulation:

$$C = \frac{T_g \times k}{9,3} \times 2,4$$

, where

C - the price without value added tax for which a public trader purchases electricity produced from renewable energy sources (EUR/MWh) from the power plant;

k - the price differentiation coefficient laid down in Annex 8 to this Regulation; and

T_g - the final tariff for trade of natural gas approved by the Regulator without value added tax, which has been specified for the consumption of natural gas from 126 thousand n.m³ up to 1260 thousand n.m³ per year (EUR/thousand n.m³), with the actual calorific value.

[29 November 2011; 5 November 2013]

37.¹ The final tariff for trade of natural gas approved by the Regulator indicated in Sub-paragraphs 37.5, 37.6, 37.7, 37.8, 37.14, 37.15, 37.18 and 37.19 of this Regulation without value added tax, which has been specified for the consumption of natural gas from 126 thousand n.m³ up to 1260 thousand n.m³ per year (EUR/thousand n.m³), according to the actual calorific value, shall not exceed the sum which has been calculated, if the trade price for natural gas is 277.46 EUR/ thousand n.m³.

[22 April 2014 / Paragraph shall come into force from 1 May 2014]

37.² If the trade price for natural gas is lower than 277.46 EUR/ thousand n.m³, the final tariff for trade of natural gas approved by the Regulator indicated in Sub-paragraphs 37.5, 37.6, 37.7, 37.8, 37.14, 37.15, 37.18 and 37.19 of this Regulation without value added tax, according to the actual calorific value, (EUR/thousand n.m³) is determined according to the relevant trade price for natural gas.

[22 April 2014 / Paragraph shall come into force from 1 May 2014]

38. If the electricity in a power plant is produced not only from renewable energy sources but also from other types of energy sources, the price in conformity with Paragraph 37 of this Regulation shall be determined only to that part of electricity which is obtained from renewable energy sources, but a merchant shall enter into an agreement with any participant of the electricity market regarding the price and conditions for sale of the remaining electricity produced.

39. For the volume of electricity produced from renewable energy sources, which merchants do not sell within the scope of mandatory procurement, the price and conditions of sale shall be determined, upon the merchant reaching and agreement with any participant of the electricity market.

40. If merchants have commenced the production of electricity from renewable energy sources prior to the coming into force of the Electricity Market Law, such purchase price shall be maintained to such electricity as it was on the day when the Electricity Market Law came into force until the time periods which had been specified in the legal acts at the time when these merchants commenced the production of electricity.

VI. Implementation and Supervision of Mandatory Procurement

41. The right to sell electricity produced from renewable energy sources within the scope of mandatory procurement acquired by a merchant shall not be transferred to another person, sold, given as a gift or otherwise alienated.

42. A merchant which produces electricity from renewable energy sources, but which has not acquired the right to sell it within the scope of mandatory procurement, has the right to sell it to any market participant upon mutual agreement regarding the conditions of sale.

43. A merchant is entitled to waive the right of mandatory procurement of electricity by submitting a relevant submission to the Ministry. The Ministry shall, within one month after receipt of the submission, take a decision to revoke the decision referred to in Paragraph 11 or 36 of this Regulation and send it to the merchant, system operator or public trader.

44. The public trader shall suspend the procurement of electricity produced from renewable energy sources within the scope of mandatory procurement within six months from the day when the merchant has informed regarding waiving of the right to sell electricity produced from renewable energy sources.

45. The Ministry shall register and list all the issued decisions referred to in Paragraphs 11 and 36 of this Regulation. The Ministry shall publish the following information on its website:

45.1. the list of all the decisions according to which the merchant has been granted the right to sell the electricity produced in a power plant within the scope of mandatory procurement or the right to receive a guaranteed payment for the installed electric capacity, indicating the date of issue of decisions, the firm name of the merchant, the type of the power plant, the installed capacity and the volume of electricity per year, which the merchant is entitled to sell within the scope of mandatory procurement;

45.2. the volume E_n specified in Paragraph 46 of this Regulation;

45.3. information regarding the balance of the volume of electricity to be procured within the scope of mandatory procurement for each relevant type of renewable energy resource;

45.4. until 1 March of each year - the sum, which has been disbursed to the merchant in the preceding year within the scope of mandatory procurement of electricity or guaranteed payment.

[28 August 2012]

46. The Ministry shall suspend the issuance of the decision referred to in Paragraph 11 of this Regulation for power plants, as well as not organise tenders in accordance with Paragraph 16 of this Regulation accordingly, if the value E_n for the relevant type of energy sources reaches the volume of the mandatory procurement of electricity produced from the relevant energy resource published in accordance with the procedures laid down in Paragraph 93 of this Regulation. The value E_n shall be calculated, using the following formula:

$$E_n = E_n^{fakt} + E_n^{lam} - E_n^{atc}, \text{ where}$$

E_n^{fakt} - the total volume of electricity which was produced in the previous calendar year from renewable energy resource type n and sold to a public trader;

E_n^{lam} - the total volume of electricity specified in decisions issued in accordance with Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, or Paragraph 11 or 36 of this Regulation and which have been issued to power plants which are intended for using the renewable energy resource type n, but which have not commenced the production and sale of electricity to a public trader or have commenced after the beginning of the previous calendar year;

E_n^{atc} - the total volume of electricity specified in the decisions referred to in Paragraph 11 or 36 of this Regulation, which have been issued to power plants intended for using a renewable energy source type, but have been suspended during a calendar year in accordance with Paragraph 43, 49, 54, 61 or 63 of this Regulation, as well as the total volume of electricity specified in decisions which have been issued in accordance with Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, but suspended in accordance with Paragraph 43, 49, 54, 61, 63 or 98 of this Regulation.

47. The merchant referred to in Sub-paragraph 4.2 or 4.3 of this Regulation who has acquired the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement:

47.1. together with a submission or within two months after receipt of the decision referred to in Paragraph 11 or 36 of this Regulation, shall submit an irrevocable statement of a credit institution regarding granting of credit, if credit is to be taken for the implementation of a project. If the merchant is planning to invest private or other funds into the implementation of the project, the merchant shall submit a statement of the credit institution, which certifies that the funds necessary for the implementation of the project are available to the merchant and the funds of the merchant are saved in a term deposit or a special purpose savings account for a time period which is not shorter than three months from the date of submitting the project to the Ministry. If the merchant has submitted the referred to documents together with the submission referred to in Paragraph 14 of this Regulation, they need not be resubmitted;

47.2. within 12 months after receipt of the decision referred to in Paragraph 11 or 36 of this Regulation, shall receive a building permit for the construction of a power plant and submit a copy of the building permit made in accordance with the procedures laid down in laws and regulations to the Ministry. If the merchant has already submitted the

building permit together with the submission referred to in Paragraph 14 of this Regulation, they need not be resubmitted;

47.3. within 12 months after receipt of the decision referred to in Paragraph 11 or 36 commences building a power plant in which the renewable energy sources referred to in Sub-paragraph 3.2, 3.3 or 3.6 of this Regulation will be used for electricity production, or the capacity thereof increased, or commences building a power plant within 18 months from taking of the decision referred to in Paragraph 11 or 36 of this Regulation in which the renewable energy sources referred to in Sub-paragraph 3.1, 3.4 or 3.5 of this Regulation will be used or the capacity thereof increased. The merchant shall inform the Ministry regarding the commencement of building a power plant or the increase in capacity thereof in writing, by the deadline referred to, and shall submit a confirmation of the main building contractor that construction or the increase in capacity has been commenced.

48. The Ministry has the right to check the authenticity of the documents referred to in Paragraph 47 of this Regulation submitted by the merchant and to check whether the building of the relevant power plant or the increase in the capacity thereof has been commenced.

49. If the merchant does not fulfil the duties referred to in Paragraph 47 of this Regulation, the Ministry shall, within one month, take a decision to revoke the decision referred to in Paragraph 11 or 36 of this Regulation, except cases where the merchant has submitted a submission to the Ministry with a request to extend the deadline for a time period not longer than eight months, indicating the due date for the fulfilment of the duties referred to in Paragraph 47 of this Regulation. The merchant which is planning to produce electricity using the energy sources referred to in Sub-paragraph 3.2, 3.3, 3.4, 3.5 or 3.6 of this Regulation, shall indicate the relevant information in the referred to decision and append such documents to the submission which certify conformity with all or some of the assessment criteria referred to in Annex 5, 6 or 7 to this Regulation respectively.

50. If the merchant is planning to use the energy sources referred to in Sub-paragraph 3.1 of this Regulation for the production of electricity and has submitted a submission to the Ministry with a request to extend the deadlines referred to in Paragraph 47 of this Regulation, the Ministry shall evaluate the abovementioned submission on the basis of the information indicated therein, and take a decision to reject the request for extension of the deadline, to extend the deadline for a shorter period of time or to extend the deadline indicated in the submission.

51. If the merchant is planning to use the energy sources referred to in Sub-paragraph 3.2, 3.3, 3.4, 3.5 or 3.6 of this Regulation, the Ministry shall evaluate the submission referred to in Paragraph 49 of this Regulation in accordance with the quality assessment criteria included in Annex 5, 6 or 7 to this Regulation. The Ministry shall take a decision to extend the deadline, which is not longer than eight months, if the submission of the merchant has received at least 50 points in re-evaluation according to the quality assessment criteria.

52. The decision referred to in Paragraphs 50 and 51 of this Regulation shall be sent to the merchant, public trader and system operator.

53. In order to sell electricity produced from renewable energy sources within the scope of mandatory procurement, the power plant shall be connected to a network of a licensed system operator and equipped with electricity meters for recording the electricity produced, transferred to the electricity network and received from the network, which comply with the technical requirements specified and published by the operator of the relevant electricity system on the website. A deed regarding installation and sealing of the accounting meters shall be drawn up by the system operator and signed by the representatives of the power plant and the system operator.

[29 November 2011; 28 August 2012]

54. A merchant which has acquired the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement:

54.1. within 24 months from the receipt of the decision referred to in Paragraph 11 or 36 of this Regulation, shall commence the production of electricity in power plants in which the renewable energy sources referred to in Sub-paragraph 3.2 or 3.3 of this Regulation are used for the production of electricity, and the sale of electricity to a public trader;

54.2. within 36 months from the receipt of the decision referred to in Paragraph 11 or 36 of this Regulation, shall commence the production of electricity in power plants in which the renewable energy sources referred to in Sub-paragraph 3.1, 3.4, 3.5 or 3.6 of this Regulation are used for the production of electricity, and the sale of electricity to a public trader;

54.3. shall commence the production of electricity and sale thereof to a public trader within the time period which has been indicated in the description of the power plant appended to the submission, if the deadline specified by the merchant is shorter than the deadline referred to in Sub-paragraph 54.1 or 54.2 of this Regulation;

54.4. within 20 days shall inform the Ministry regarding the commencement of electricity production within the scope of mandatory procurement in writing. If the Ministry has not received the relevant information within the deadline referred to, it shall, within one month, take a decision to revoke the decision referred to in Paragraph 11 or 36 of this

Regulation. The decision of the Ministry shall be sent to the merchant, public trader and system operator.

55. Electricity producers, which have acquired the right to sell the produced electricity within the scope of mandatory procurement, shall sell the produced electricity to the public trader:

55.1. according to recorded schedules of intervals of trade if the electric capacity installed by the producer of electricity is 15 MW or more;

55.2. according to recorded schedules of intervals of trade if the electricity is produced in a wind power plant, referred to in Sub-paragraph 3.5 of this Regulation. The procedures for the co-ordination of recorded schedules of intervals of trade shall be stipulated in the contract by the electricity producer and the public trader in accordance with the requirements of the Network Code. The producer of electricity shall co-ordinate the final schedules of intervals of trade with the public trader at least one working day prior to the commencement of trade. The producer of electricity may change the previously co-ordinated recorded schedules of intervals of trade, co-ordinating it with the public trader at least two hours before the beginning of the trade interval. When purchasing electricity in accordance with the recorded schedules of intervals of trade, the public trader shall purchase electricity from the producer of electricity, which has been transferred to the network and exceeds that specified in the schedule, for the price specified in Paragraph 37 of this Regulation, multiplied by the coefficient 0.8, as well as sell the missing electricity to the electricity producer for the price specified in Paragraph 37 of this Regulation, multiplied by the coefficient 1.2;

55.3. according to the actual generation if the electric capacity installed by the producer of electricity is less than 15 MW.

[28 August 2012]

56. A mandatory procurement shall be implemented on the basis of a contract between a public trader and a merchant or an authorised person thereof. Before entering into the contract the merchant shall submit to the public trader one of the copies of the decision of the Ministry referred to in Paragraph 11 or 36 of this Regulation. The day when the power plant is put into service and a deed of the system operator has been received regarding recognition of the power plant as suitable for parallel work with the system shall be deemed the date of the coming into effect of the contract for the planned power plant of the merchant.

[28 August 2012]

57. During the period when the electricity produced in the power plant is less than is consumed for personal needs, or is not produced, it shall purchase electricity from a trader in accordance with the conditions of the laws and regulations governing the trade of electricity.

[28 August 2012]

58. The period of time for the settling of the accounts regarding the sale and purchase of electricity within the scope of mandatory procurement shall be one calendar month.

59. The costs of the mandatory procurement of electricity produced in accordance with the procedures of mandatory procurement shall be covered by all end users of electricity in proportion to the volume of electricity consumption. The abovementioned costs shall be covered as follows:

59.1. the Regulator shall determine the procedures for calculating the component of mandatory procurement and shall approve the component that compensates the public trader for the additional expenses caused by mandatory procurement, in comparison to the same volume of purchase of electricity in the electricity market;

59.2. the captive consumer in proportion to the volume of electricity consumed thereby shall pay the component of the mandatory procurement to a public trader or to the relevant system operator together with the final tariff of electricity trade;

59.3. end users - electricity market participants - in proportion to the volume of electricity consumption shall pay for a component of the mandatory procurement to the relevant electricity transmission or distribution system operator together with the payment for the service of transmission or distribution;

59.4. system operators shall record the component of mandatory procurement conforming with the consumption of electricity in each period of the settlement of payments for the end user - market participant - connected to the systems thereof, shall provide the necessary information to the public trader for the performance of payments and shall settle payments with the public trader for the relevant component of the consumption of electricity of the end user - market participant - connected to the system thereof.

60. A merchant, which produces electricity from renewable energy sources, shall submit a report to the Ministry by 1 March each year regarding the utilisation of the electricity which has been used, the volume of the electricity and thermal energy which has been produced and the technology which has been used in conformity with Annex 9 to this Regulation. The data provided in the report shall be confirmed by the responsible official of such system operator to the electrical network of which the power plant is connected. Documents which substantiate the information indicated in

Annex 9, Part II, Paragraph 3 to this Law shall be appended to the report. The data provided in the report on the efficiently used thermal energy shall be approved by an independent accredited auditor.

[28 August 2012; 30 July 2013]

60.¹ In assessing the report referred to in Paragraph 60 of this Regulation, the Ministry has the right to request that the merchant submits detailed information in order to assess the conformity with the conditions referred to in Paragraph 60.² of this Regulation. The merchant has a duty, within 20 days after request of the Ministry, to submit the requested information to the Ministry. The Ministry is entitled to request that the State Revenue Service and the State Social Insurance Agency prepares a statement regarding non-existence of debts of taxes, fees or other mandatory payments of the merchant into the State budget, if the referred to information cannot be obtained in the public database, for the time period, for which the last annual report was submitted.

[28 August 2012]

60.² The Ministry shall assess the report referred to in Paragraph 60 of this Regulation, including ascertain that in the relevant period of the annual report:

60.² 1. the merchant conforms with the requirements of the laws and regulations regulating construction and the operation of structures;

60.² 2. the merchant has not had tax debts, including debts of mandatory payments of State social insurance.

[28 August 2012]

60.³ The auditor referred to in Paragraph 60 of this Regulation shall be a legal person, which has been accredited with the Latvian National Accreditation Bureau and conforms to the accreditation requirements, taking into account the standard LVS EN ISO/IEC 17020:2012 "Conformity assessment - Requirements for the operation of various types of bodies performing inspection". The Latvian National Accreditation Bureau shall publish the list of accredited auditors in its website.

[28 August 2012]

60.⁴ The Ministry is entitled to establish a control group, which checks the conformity of a power plant, as necessary, with the criteria referred to in Paragraph 60.² of this Regulation and the credibility of information and data provided in the annual report to the merchant or in the application for the acquisition of the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement or for the receipt of guaranteed payment for the electric capacity installed in a power plant (Annex 2). The control group may survey the power plant throughout the period of time for the settling of the accounts. The merchant has a duty, within 10 days after receipt of a request from the Ministry, to determine the day of surveying the power plant, which is not later than within 20 days from the receipt of the request from the Ministry. Within the scope of the survey the control group shall request the information necessary for implementing supervision, as well as written and oral explanations from the merchant.

[30 July 2013]

60.⁵ If after survey of the control group the Ministry establishes that the power plant does not conform to the criteria referred to in Paragraph 60.² of this Regulation or the merchant has provided false information in the annual report evaluated by the Ministry or in the relevant application (Annex 2), on the basis of which the Ministry took a favourable decision, the Ministry shall warn the merchant regarding non-conformity of the power plant and the possibility of losing the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement or to receive guaranteed payment for the electric capacity installed in a power plant by sending a relevant notification. The Ministry shall send a copy of the warning to the trader and system operator.

[30 July 2013]

60.⁶ If the merchant has provided false information in the annual report evaluated by the Ministry or in the relevant application (Annex 2), the merchant shall submit a report to the Ministry on the relevant period of time according to the form indicated in Annex 9 to this Regulation within six months after receipt of the warning referred to in Paragraph 60.⁵ of this Regulation.

[30 July 2013]

60.⁷ If the merchant has not submitted a report to the Ministry on the relevant period within the time period laid down in Paragraph 60.⁶ of this Regulation or the data of the report show that after submission of the certification by the merchant there is non-conformity with the criteria referred to in Paragraph 60.² of this Regulation, the Ministry shall, within a month from expiry of the time period referred to in Paragraph 60.⁶ of this Regulation, take a decision to revoke

the decision referred to in Paragraph 11 or 36 of this Regulation. The decision shall be notified to the merchant, trader and system operator.

[30 July 2013]

61. If, upon evaluating the annual reports submitted by the merchant referred to in Paragraph 60 of this Regulation, the Ministry determines that:

61.1. from the power plant of the merchant, in which electricity is produced in accordance with the conditions of Sub-paragraph 3.4 or 3.5 of this Regulation in the relevant power plant for a time period of three years, or from the power plant of the merchant, in which electricity is produced in accordance with the conditions of Sub-paragraph 3.1 of this Regulation in the relevant power plant for a time period of seven years, or from the power plant of the merchant, in which electricity is produced in accordance with the conditions of Sub-paragraphs 3.2, 3.3 and 3.6 of this Regulation in the relevant power plant for a time period of one calendar year, in no year such volume of electricity has been transferred to the system of a system operator which conforms to at least 90% of the purchase volume of electricity in one year specified in the decision referred to in Paragraph 11 or 36 of this Regulation, and the merchant has not proved or the Ministry has not determined an objective reason for this, the Ministry shall revoke the decision referred to in Paragraph 11 or 36 of this Regulation. Concurrently the Ministry shall issue a new decision in which the procurement volume of electricity per year shall be determined in accordance with the maximum volume of electricity recorded during a period of time of one, three or seven years transferred during the relevant year multiplied by 1.1. The relevant year shall mean the first full calendar year after the year when the contract of the merchant and public trader regarding the transfer of electricity has been entered into;

61.2. the information provided in the annual report does not conform with the results obtained in the assessment according to the quality assessment criteria results of the submission of the merchant for the acquisition of the right to sell electricity produced in a biomass or biogas power plant within the scope of mandatory procurement and the merchant, upon submitting the submission, has certified the conformity of the information indicated in the submission and the documents appended thereto with the quality assessment criteria No. 2, 5 and 8 of Annex 5 to this Regulation and has received the appropriate number of points, the Ministry shall express a warning to the merchant. If, after a year, the Ministry repeatedly determines the non-conformity of the information provided in the annual report of the merchant with results obtained in the assessment according to the quality assessment criteria results of the submission for the acquisition of the right to sell electricity produced in a biomass or biogas power plant within the scope of mandatory procurement, the Ministry shall inform the public trader thereof. The public trader, upon receipt of the information provided by the Ministry, shall apply the formula for the calculation of the price of electricity referred to in Sub-paragraph 37.14, 37.15, 37.16, 37.17, 37.18 or 37.19 of this Regulation;

61.3. the merchant or the power plant of the merchant does not conform to the criteria referred to in Paragraph 60.² of this Regulation, the Ministry shall send a warning to the merchant regarding the non-conformity and a possibility of losing the right to sell the produced electricity as the volume of electricity to be mandatorily procured or to receive a guaranteed payment for the electric capacity installed in a power plant. Within six months after sending of the warning the merchant, which has acquired the right to sell the produced electricity as the volume of electricity to be mandatorily procured or which has acquired the right to receive a guaranteed payment for the electric capacity installed in a power plant, shall ensure the conformity of the merchant and of the power plant with the criterion referred to in Paragraph 60.²¹ of this Regulation and submit a relevant confirmation to the Ministry. The merchant shall ensure the conformity with the criterion referred to in Paragraph 60.²² of this Regulation within nine months after sending of the warning. If after the confirmation of the merchant is submitted a non-conformity with the criteria referred to in Paragraph 60.² of this Regulation is established, the Ministry shall, within 20 days, take a decision to revoke the decision referred to in Paragraph 11 or 36 of this Regulation. The decision shall be sent to the merchant, the public trader and the system operator.

[28 August 2012]

62. If the merchant has not submitted the annual report referred to in Paragraph 60 of this Regulation, the Ministry shall, within one month, send a warning to the merchant.

63. If the merchant does not submit the annual report referred to in Paragraph 60 of this Regulation within one month after receipt of the warning from the Ministry, the Ministry shall, within 20 days, issue a decision to revoke the decision referred to in Paragraph 11 or 36 of this Regulation and send it to the merchant and system operator.

VI¹. Conditions for the Performer of Accreditation of the Annual Report

[30 June 2013]

63.¹ The Latvian National Accreditation Bureau, upon accrediting an institution which approves the data provided by a merchant in the annual report (Annex 9) regarding efficiently utilised thermal energy, shall certify the conformity of the institution with the requirements laid down in the standard LVS EN ISO/IEC 17020:2012 "Conformity assessment -

Requirements for the operation of various types of bodies performing inspection".

63.² The Latvian National Accreditation Bureau shall perform annual supervision of each accredited institution.

63.³ If in the annual report approved by an accredited institution the Ministry detects substantial non-conformities of information or data with the existing information or data and the auditor has not detected such non-conformities or has not taken them into account, the Ministry shall notify the findings to the Latvian National Accreditation Bureau. The following information shall be included in the report:

63.³ 1. the name of the relevant accredited institution and information regarding the auditor;

63.³ 2. the non-conformities detected;

63.³ 3. the consequences of non-conformity of information or data.

63.⁴ The Ministry is entitled to submit a complaint to the Latvian National Accreditation Bureau regarding the institution accredited in Latvia. The Latvian National Accreditation Bureau shall examine the complaint in accordance with the procedures laid down in the standard LVS EN ISO/IEC 17020:2012 "Conformity assessment - Requirements for the operation of various types of bodies performing inspection".

63.⁵ In accordance with the procedures laid down in the laws and regulations regarding evaluation, accreditation and supervision of conformity assessment institutions the Latvian National Accreditation Bureau shall take a decision to revoke or suspend accreditation of an institution or to decrease the scope of accreditation in the following cases:

63.⁵ 1. upon performing approval of the reports referred to in Paragraph 60 of this Regulation, the auditor of an accredited institution has not conformed to the requirements laid down in the standard LVS EN ISO/IEC 17020:2012 "Conformity assessment - Requirements for the operation of various types of bodies performing inspection";

63.⁵ 2. upon evaluating the report of the Ministry referred to in Paragraph 63.³ of this Regulation, an essential violation in the operation of an accredited institution is detected.

63.⁶ The Latvian National Accreditation Bureau shall notify the decision referred to in Paragraph 63.⁵ of this Regulation to revoke or suspend accreditation of an institution or to decrease the scope of accreditation to the addressee and shall publish information on taking of the decision on its website.

63.⁷ The Latvian National Accreditation Bureau shall renew accreditation of an institution, which has been suspended in accordance with the decision referred to in Paragraph 63.⁵ of this Regulation, if:

63.⁷ 1. the accredited institution has eliminated non-conformities and performed the necessary activities in order to prevent them repeating;

63.⁷ 2. the Latvian National Accreditation Bureau has ascertained that the accredited institution conforms to all the requirements laid down for an accredited auditor in the standard LVS EN ISO/IEC 17020:2012 "Conformity assessment - Requirements for the operation of various types of bodies performing inspection".

VII. Issuance of a Proof of Origin to the Merchant which Produces Electricity from Renewable Energy Sources

[29 November 2011]

VIII. Qualification Criteria for the Receipt of the Guaranteed Payment for the Electric Capacity Installed in a Power Plant, as well as the Procedures for the Determination, Monitoring and Payment of the Guaranteed Payment

69. Merchants, which produce or are planning to produce electricity in the territory of the Republic of Latvia from biogas or any type of biomass in a power plant, the electric capacity of which exceeds 1 MW and the number of hours of the use of the installed electric capacity of which exceeds 8000 hours, may qualify for the acquisition of the right to receive a guaranteed payment for the installed electric capacity. It shall be calculated, using the following formula:

$$T_{MAX} = \frac{E_{AER}}{P}, \text{ where}$$

T_{MAX} - the number of hours of use of the installed electric capacity of the power plant;

E_{AER} - the volume of electricity produced from renewable energy sources in the power plant per year (MWh), which is determined in accordance with Paragraph 6 of this Regulation; and

P - the electric capacity installed in the power plant, which complies with the gross volume of capacity specified by the producer of the installations producing electricity installed in the power plant (MW).

70. In order to qualify for the acquisition of the right to receive a guaranteed payment for the installed electric capacity, a merchant shall submit a relevant submission (Annex 2) to the Ministry.

71. The submission referred to in Paragraph 70 of this Regulation shall be drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents. If the submission is submitted in the form of an electronic document, it shall be drawn up in accordance with the laws and regulations regarding the drawing up of electronic documents.

72. The following documents shall be appended to the submission:

72.1. a description of the relevant biogas or biomass power plant (in free form), substantiating the indicators comprised in the submission and indicating the most important information regarding the power plant - the types of energy sources to be used, the location, as well as the installed or planned electric capacity;

72.2. a merchant, which is planning to build a power plant in which renewable energy sources will be used for the production of electricity - a document prepared in accordance with the procedures laid down in laws and regulations, which certifies the ownership or the right of use for the territory on which building is planned; and

72.3. a merchant, which wants to acquire the right to receive the guaranteed payment for the installed electric capacity of an existing power plant - a document or a copy prepared in accordance with the procedures laid down in laws and regulations, which certifies that the respective power plant is in the ownership or use of the merchant.

73. The Ministry shall examine the submission referred to in Paragraph 70 of this Regulation within one month from the receipt thereof. The Ministry is entitled to verify the conformity of the documents referred to in Paragraph 72 of this Regulation and the identity of the issuers thereof. If the submission does not contain all the information indicated in Annex 2 to this Regulation or has not been drawn up in accordance with the requirements referred to in Paragraph 71 of this Regulation, or if not all the documents have been appended to the application in accordance with Paragraph 72 of this Regulation, or if any of the documents appended to the submission is to be declared invalid, the Ministry shall request that the missing information or documents are submitted within one month. If the merchant has not submitted the requested information or documents within the specified period of time, the Ministry shall take a decision to reject the submission and shall inform the merchant thereof by sending the relevant decision to the merchant.

74. If the submission and the documents appended thereto comply with the requirements of this Regulation, on the basis of the information provided in the submission, the Ministry shall, within one month after receipt of all the necessary information, take a decision to grant the right to the merchant to receive a guaranteed payment for the capacity installed in the power plant. The Ministry shall issue the relevant decision to the merchant.

75. The Ministry shall issue the decision referred to in Paragraph 74 of this Regulation to the merchant in three copies. In addition to that specified in the Administrative Procedure Law, the following shall be indicated in the decision:

75.1. the firm name, registration number and legal address of the merchant;

75.2. the registration number and date of issue of the electricity producer, if the necessity thereof for the relevant power plant is determined by laws and regulations;

75.3. the address or location of the power plant;

75.4. the fact that the merchant has obtained the right to receive the guaranteed payment for the capacity installed in the power plant;

75.5. the capacity installed in the power plant, for which this right was obtained, and the number of hours of use of the installed electric capacity per year which is calculated in accordance with Paragraph 69 of this Regulation;

75.6. if different types of energy sources are used in the different installations for the production of electricity in the power plant - the designations of the equipment in which renewable energy sources are used;

75.7. the deadline by which the merchant should commence the production of electricity from renewable energy sources.

[29 November 2011]

76. The Ministry shall take a decision not to grant the right to a merchant to receive a guaranteed payment for the electric capacity installed in a power plant, if:

76.1. the submission of the merchant does not conform with the requirements referred to in Paragraphs 69, 70, 71 and 72 of this Regulation;

76.2. the data provided in the submission or in the documents appended thereto are contradictory or are not substantiated, or if arithmetic errors have been made which do not provide a possibility to ascertain the conformity to the requirements referred to in Paragraphs 69, 70, 71 and 72 of this Regulation;

76.3. it is planned to introduce the installed electric capacities of the power plant in accordance with the procedures laid down in Section 23 of the Electricity Market Law;

76.4. the submission of the merchant is in contradiction with the provisions of the Electricity Market Law.

77. The merchant which has acquired the right to receive a guaranteed payment for the installed electric capacity:

77.1. shall, within eight months after receipt of the decision referred to in Paragraph 74 of this Regulation, submit to the Ministry in writing an irrevocable statement of a credit institution regarding granting of the credit if a credit is to be taken for the implementation of a project. If the merchant is planning to invest private or other funds into the implementation of the project, the merchant shall submit a statement of a credit institution, which certifies that the funds necessary for the implementation of the project are available to the merchant and the funds of the merchant have been saved in a term deposit or a special purpose savings account for a time period which is not shorter than three months from the date of project submission to the Ministry;

77.2. shall, within 12 months after receipt of the decision referred to in Paragraph 74 of this Regulation, receive a building permit and submit a copy of the building permit to the Ministry prepared in accordance with the procedures laid down in laws and regulations;

77.3. shall, not later than within 24 months from the issuance of the decision referred to in Paragraph 74 of this Regulation, ensure that the installed electric capacity of a power plant has been put into service and is operational.

78. If a merchant does not fulfil the duties referred to in Paragraph 77 of this Regulation or if the Ministry determines during an inspection that the construction or capacity increase of the relevant power plant has not commenced or the installed electric capacity of the power plant has not been put into service and is not operational, the Ministry shall, within one month, take a decision to revoke the decision referred to in Paragraph 74 of this Regulation, except the case where the merchant has submitted a submission to the Ministry with a request to extend the deadline. The Ministry shall take a decision to extend the deadline, which does not exceed eight months. The referred to decision shall be sent to the merchant and system operator.

79. In order to receive a guaranteed payment for installed electric capacity, the power plant shall be equipped with electricity meters for recording the electricity produced in the power plant, transferred to the electricity network and received from the network, which comply with the technical requirements specified and published by the operator of the relevant electricity system on the website thereof. The installation and sealing deed of the meters shall be drawn up by the system operator and signed by the representatives of the power plant and system operator.

80. The payment for the installed electric capacity per month shall be calculated, multiplying the payment for a unit of the electric capacity installed in a power plant (EUR224 459) by the electric capacity installed in the power plant and dividing by 12 months:

$$M = \frac{224459 \times P}{12}, \text{ where}$$

M - the guaranteed payment for the installed electric capacity in a power plant (EUR per month); and

P - the installed electric capacity of a power plant, which conforms to the net volume of capacity specified by the producer (MW) for the electricity production installations which use biogas or any type of biomass.

[5 November 2013]

81. The payment for the installed electric capacity in a power plant shall be paid on the basis of a contract between the system operator and the merchant or the authorised official thereof, 15 years from the date of the coming into effect of the contract. Before entering into the contract, the merchant shall submit one of the copies of the decision of the Ministry referred to in Paragraph 74 of this Regulation to the transmission system operator. The day when the power plant is put into service shall be deemed the date of the coming into effect of the contract for the planned power plant of

the merchant.

82. The system operator shall pay the payment for the electric capacity installed in a power plant to the merchant once a month.

83. The system operator shall discontinue payments for the electric capacity installed in a power plant if the power plant is not operational for more than six months. From the day when the merchant proves that the power plant is operational, the system operator shall renew payments for the electric capacity installed in the power plant, withholding the payment paid to the merchant for the capacity installed in the power plant which the system operator had paid at the time when the power plant was not operational.

84. A merchant which produces electricity from renewable energy sources and has obtained the right to receive the guaranteed payment for the electric capacity installed in a power plant, shall, by 1 March each year, submit a report to the Ministry regarding the utilisation of the energy sources used, the volume of the electricity produced and the technology used in conformity with Annex 9 to this Regulation. The data provided for in the report shall be confirmed by the responsible official of such system operator, to the electrical network of which the power plant is connected.

85. If, upon evaluation of the annual reports submitted by a merchant referred to in Paragraph 84 of this Regulation, the Ministry determines that the power plant of the merchant which receives the guaranteed payment for the installed electric capacity, does not conform with the requirements of Paragraph 69 of this Regulation, the Ministry shall send a warning to the merchant regarding the non-conformity of the power plant and the possibility of losing the right to receive the guaranteed payment for the electric capacity installed in the power plant.

86. After receipt of the warning referred to in Paragraph 85 of this Regulation, the merchant shall, within three months, ensure the compliance of the power plant with the requirements of Paragraph 69 of this Regulation and shall repeatedly submit a report which complies with Paragraph 84 of this Regulation.

87. If, upon evaluation of the report repeatedly submitted by the merchant referred to in Paragraph 86 of this Regulation, the Ministry determines that the power plant of the merchant, which receives the guaranteed payment for the installed electric capacity, still does not conform with the requirements of Paragraph 69 of this Regulation, the Ministry shall, within 20 days, take a decision to revoke the decision referred to in Paragraph 74 of this Regulation and send it to the merchant and system operator.

88. A system operator shall discontinue the operation of the contract referred to in Paragraph 81 of this Regulation on the basis of the decision referred to in Paragraph 60.⁷ or 87 of this Regulation.

[30 July 2013]

89. The right acquired by a merchant to receive a guaranteed payment for the installed electric capacity of a power plant shall not be transferable to another person, sold, given as a gift or otherwise alienated.

90. The merchant is entitled to waive the right to receive the guaranteed payment for the installed electric capacity. The merchant shall submit a submission to the public trader, the Ministry and the system operator regarding such decision. The Ministry shall, within one month after receipt of the submission, take a relevant decision to revoke the decision referred to in Paragraph 74 of this Regulation and send it to the merchant, system operator and public trader.

91. The operation of the contract referred to in Paragraph 81 of this Regulation may be terminated within six months from the day when the merchant has informed regarding the decision to waive the right to receive the guaranteed payment for the installed electric capacity.

IX. Closing Provisions

92. Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price (*Latvijas Vēstnesis*, 2009, No. 41, 87, 189, 203), is repealed.

93. Each year by 1 March the public trader shall calculate and publish the updated volume of electricity produced from renewable energy sources for the current year, taking into account the actual indicators of the previous year and the updated forecasts of the consumption of electricity by end users, and the forecasts of the volume of electricity to be mandatorily procured for subsequent years. On the same date when the volume of the electricity produced from renewable energy sources to be mandatorily procured has been published, the public trader shall inform the Ministry and the Regulator regarding the calculated volumes of electricity produced from the renewable energy sources in writing.

94. From such merchants, which produce electricity in the power plants which comply with the conditions of Sub-paragraph 3.1 or 3.5 of this Regulation and the operation of which had been commenced prior to the coming into force of the Electricity Market Law, the public trader shall procure electricity in conformity with the same conditions of the pricing, operation mode and procurement terms, which were in force on the day of entry into force of the Electricity

Market Law. The average electricity sales tariff in this case shall mean the average electricity trade tariff applied for captive customers. For the public trader the Regulator shall accept the abovementioned tariff, which is calculated in accordance with the actual data of electricity trade by the public trader for a half-year and income from the trade of electricity to captive customers, and which comes into effect three months after each half-year. In this case, half-year is the period of time from January to June or from July to December. The referred to merchants have the right, without changing other conditions of procurement, to change to the formula of the calculation of the sale price of electricity to the formula specified in Paragraph 37 of this Regulation, informing the public trader thereof in writing three months prior to each half-year.

95. The public trader shall continue to purchase electricity from merchants, which have been granted the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement with decisions which the Ministry has issued in accordance with Cabinet Regulation No. 503 of 24 July 2007, Regulations Regarding Electricity Production from Renewable Energy Sources, or Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, observing the conditions included in the relevant decisions.

96. The public trader shall continue to purchase electricity from merchants which have been granted the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement with decisions which the Ministry has issued in accordance with Cabinet Regulation No. 503 of 24 July 2007, Regulations Regarding Electricity Production from Renewable Energy Sources, or Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, from the day of the coming into force of this Regulation, for prices which have been determined in accordance with the price formulae specified in Paragraph 37 of this Regulation.

97. Merchants, which have received the right of mandatory procurement of electricity in accordance with Cabinet Regulation No. 503 of 24 July 2007, Regulations Regarding Electricity Production from Renewable Energy Sources, and Cabinet Regulation No. 198 of 24 February 2009, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, shall fulfil the requirements which have been specified in the Cabinet regulations on the basis of which they have been granted the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement.

98. If the merchants referred to in Paragraph 40 of this Regulation choose to apply for the right to sell electricity produced from renewable sources within the scope of mandatory procurement in accordance with the requirements of this Regulation, they shall submit a submission and other documents necessary in accordance with the requirements of this Regulation. The merchants referred to in Paragraph 40 of this Regulation, which have submitted a submission in accordance with the requirements of this Regulation and have received the decision referred to in Paragraph 11, 36 or 74 of this Regulation, shall lose the right thereof for the production of electricity from renewable energy sources and the sale thereof, which they had obtained prior to the coming into force of this Regulation, from the time of the issuance of the referred to decision.

99. This Regulation shall come into force on 1 April 2010.

100. From 26 May 2011 until 1 January 2016 the Ministry shall not organise tenders for the acquisition of the right to sell electricity produced in biomass, biogas, solar or wind power plants within the scope of mandatory procurement, and the producer may not qualify for selling electricity within the scope of mandatory procurement and for acquisition of the right to receive a guaranteed payment for the installed electric capacity.

[17 May 2011; 28 August 2012]

101. The requirements referred to in Paragraph 60 of this Regulation regarding approval of an accredited auditor for the data provided in the report in relation to the useful thermal energy sold shall be applied from 1 January 2013.

[28 August 2012]

102. The Ministry of Economics may propose to revise the justification and conformity of the formulas included in this Regulation with the situation in the electricity market.

[28 August 2012]

Informative Reference to European Union Directive

This Regulation contains legal norms arising from Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

Prime Minister V. Dombrovskis

Acting for the Minister for Economics,

Part of the Total Consumption of Electricity End Users in Latvia to be Mandatorily Covered by Such Electricity, which is Produced from Renewable Energy Sources

No.	Type of renewable energy resource and power plant	In 2010 and the subsequent 10 years
1.	Hydroelectric power plants with capacity exceeding 5 MW	34.31 %
2.	Hydroelectric power plants with capacity of 5 MW and less	1.98 %
3.	Wind power plants in conformity with Sub-paragraph 3.4 of Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price	0.27 %
4.	Wind power plants in conformity with Sub-paragraph 3.5 of Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price	5.10 %
5.	Biogas power plants	7.93 %
6.	Biomass power plants and power plants in which biomass is used in combination with fossil fuel heating	4.97 %
7.	Solar power plants	0.01 %
Total		54.57 %

Acting for the Minister for Economics,
Minister for Finance E. Repše

[29 November 2011; 5 November 2013]

Submission for the Acquisition of the Right to Sell Electricity within the Scope of Mandatory Procurement or for the Receipt of the Guaranteed Payment for the Installed Capacity of the Power Plant

On the basis of Paragraph 7, 14 or 20 of Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price

(firm name of merchant)

submits a submission for the acquisition of the right (mark the appropriate with an X):

to sell electricity produced from renewable energy sources within the scope of mandatory procurement;

to receive a guaranteed payment for the installed electric capacity of the power plant using renewable energy sources

1. Information regarding the submitter

- 1.1. Registration number in the Commercial Register _____
- 1.2. Legal address _____
- 1.3. Authorised official _____
(given name, surname, position, telephone number)

(signature¹)

- 1.4. Contact person _____
(given name, surname, position, telephone number)
- 1.5. Fax number (if any) _____
- 1.6. E-mail address (if any) _____

2. Information regarding the power plant that will use renewable energy sources

2.1. Date and No. _____ of the permit issued by the Ministry of Economics for increasing the capacity of electricity production or introduction of new production installations²

2.2. Registration No. _____ for electricity production if the necessity of registration has been specified in legal acts

2.3. Location of the power plant

(administrative territory)

(address or cadastre number of the land parcel)

2.4. The river (river section) on which the hydroelectric power plant has been built or it is planned to build it _____, river code: _____³

2.5. The system operator, to whose networks the power plant is connected or is planned to be connected to

2.6. The type of power plant/the type of technology (mark the appropriate with an X)

Hydroelectric power plant	
Biogas power plant/ Internal combustion engine	
Biogas power plant/Gas turbine	
Biogas power plant/Steam turbine	
Biomass power plant/Internal combustion engine	
Biomass power plant/ Gas turbine	
Biomass power plant/Steam turbine	
Wind power plant	
Solar power plant	
Other type/technology	

If "other type/technology" is marked, indicate the type of the power plant/technology

2.7. Installed capacities of the power plant

2.7.1. Electric capacity

Generating unit and operational designation thereof (information regarding each generating unit shall be indicated individually)	Currently installed ⁴	Planned after capacity increase ⁵	Planned ⁶
	MW	MW	MW
...			
In total			

2.7.2. Thermal energy production capacity⁶

Generating unit and the operational designation thereof (information regarding each generating unit shall be indicated individually)	Currently installed ⁴	Planned after capacity increase ⁵	Planned ⁶
	MW	MW	MW
...			
In total:			

2.7.3. Purpose of use of the thermal energy produced in the power plant and the anticipated volume for efficient use (MWh)⁷

2.8. The basic technological installations selected⁸

Name of installation	Capacity (t/h, MW)	Producer/supplier (name, address)

3. Information regarding the heating fuel to be used⁹

3.1. Renewable energy sources to be used¹⁰

		Instructions for filling out the table
Type of heating fuel		Indicate - solid, liquid or gaseous
Name of the heating fuel		Indicate, for example, chips, granules, biogas
Source of origin		Indicate, for example, wood processing waste, household waste, food processing waste, specially grown biomass cultures
Composition of the solid heating fuel		Indicate, for example, wood, shavings, straw
Average moisture content of the solid heating fuel	_____ %	
Calorific value (for solid heating fuel, if average moisture content is known)	_____ MWh/___	Use the unit of measurement corresponding the type of heating fuel: MWh/t; MWh/m ³ ber; MWh/m ³
Density for types of bulk heating fuel	_____ kg/m ³ ber	kg/m ³ ber

3.2. Fossil energy sources to be used¹¹

		Solid	Liquid	Gaseous
Type of the heating fuel	Mark with an "X"			
Name of the heating fuel				
Calorific value	MWh/t or MWh/m ³			

of mandatory procurement, for an existing power plant by increasing the capacity is wanted.

⁶ Shall be completed only for a planned new power plant.

⁷ Shall be completed if thermal energy is produced or is planned to be produced in the power plant.

⁸ Shall be completed, if the acquisition of the right to sell electricity produced within the scope of mandatory procurement for a planned new power plant or for an existing power plant by increasing the capacity is wanted.

⁹ Shall not be completed for hydroelectric power plants, wind power plants and solar power plants.

¹⁰ If several types of renewable energy sources are used or are planned to be used in the power plant, information regarding each type shall be provided.

¹¹ Shall be completed if fossil fuel energy sources are also used in the power plant.

¹² Shall not be completed for hydroelectric power plants, wind power plants and solar power plants. Information shall be provided according to the sample provided for all types of heating fuel which a power plant consumes or is planning to consume.

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 3
Cabinet Regulation No. 262
16 March 2010

Invitation to Participate in Tender for the Acquisition of the Right to Sell Electricity Produced in a Wind, Biomass, Biogas or Solar Power Plant within the Scope of Mandatory Procurement

The statement of the Ministry of Economics:

1. In accordance with Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, the Ministry of Economics announces a tender for the acquisition of the right to sell electricity produced in a wind, biomass, biogas or solar power plant within the scope of mandatory procurement.

2. Subject of the tender - volume of electricity which may be produced in a biomass, biogas, solar or wind power plant and for the selling right of which a tender is taking place. The volume of electricity procurement within the scope of mandatory procurement in ___(year) is _____

3. Submissions shall be submitted to the Ministry of Economics of the Republic of Latvia (address - Brīvības iela 55, Riga, LV-1519).

4. Tender submissions shall be submitted by ___(hours) on _____ (date).

5. Contact person:

_____ (given name, surname)

_____ (office)

_____ (telephone)

_____ (e-mail)

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 4
Cabinet Regulation No. 262
16 March 2010

Declaration

I,

_____ (office)

_____ (given name, surname)

certify with my signature that on the day of submitting the submission on _____ (date):

1. The submitter of the submission has become acquainted with all the legal acts of the Republic of Latvia regulating the energy industry in force and undertakes to observe the requirements comprised within.

2. All the documents appended to this submission correspond to the truth.

3. The submitter of the submission does not know any reason why this biomass, biogas, solar or wind power plant project could not be implemented or the implementation thereof could be delayed if the submitter of the submission receives the right to sell the produced electricity within the scope of mandatory procurement.

4. The submitter of the submission is aware that the submission may be recognised as invalid if the submission form is not filled out completely or does not comply with the requirements specified in Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price.

5. The submitter of the submission:

5.1. has not been declared insolvent, the economic activities thereof have not been terminated and are not in a similar situation due to a similar procedure, determined by legal acts of the Republic of Latvia;

5.2. is not in the process of insolvency recognition, liquidation and is not in a similar situation due to a similar procedure, determined by legal acts of the Republic of Latvia;

5.3. has fulfilled the duties related to tax payments that arise from laws and regulations;

5.4. has fulfilled the duties related to the mandatory contributions of social insurance specified in legal acts;

5.5. upon submitting the submission, has provided true information; and

5.6. has not tried to obtain confidential information regarding the tender process or to influence the Ministry of Economics or the tender commission.

Official	
Given name, surname	
Position	
Telephone number	
Fax number (if any)	
E-mail address (if any)	
Signature ¹	
Date	

The seal of the submission submitter

Notes.

¹ If instead of the head of the institution submitting the submission, the submission is signed by a person authorised by him or her, the document which authorised such person to sign the submission of the project shall be submitted therewith.

Acting for the Minister for Economics,
Minister for Finance E. Repše

Criteria for Assessment of the Submission for the Acquisition of the Right to Sell Electricity Produced in a Biomass or Biogas Power Plant within the Scope of Mandatory Procurement and the Documents Appended thereto

I. Administrative assessment criteria		Assessment system
		Yes/No
1.	The submission has been prepared in accordance with the submission form and all parts of the submission form, which relate to the merchant, have been completed	
2.	The merchant has submitted a description of the power plant, together with the submission, in which electricity is produced or is planned to be produced from renewable energy sources. The following information has been indicated in the description: 2.1. the types of energy sources to be used 2.2. the location of the power plant 2.3. the production capacity of electricity and thermal energy installed or planned to be installed in the power plant and the planned volume of electricity to be produced 2.4. the technology used in the power plant 2.5. the time periods when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when the production of electricity was commenced	
3.	The submission and documents appended thereto have been drawn up in computer typing	
4.	The submission has been submitted within the deadline specified in the invitation for tender	
5.	The submission has been prepared and drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents	
6.	The capacity of the power plant indicated in the submission does not exceed the capacity for the production of electricity indicated in the permit issued by the Ministry of Economics for increasing the capacity of electricity production or the introduction of new production installations	
7.	A merchant which is planning to build a biomass or biogas power plant has submitted a document or a certified copy thereof, which certifies the ownership or the right of use for the territory on which construction is planned	
8.	A merchant wishing to acquire the right to sell electricity produced in a biomass or biogas power plant in the ownership or use thereof within the scope of mandatory procurement has submitted a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations, which certifies that the respective power plant is in the ownership or use of the merchant	
9.	The merchant has submitted a declaration together with the submission in accordance with Annex 4 to Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price	
II. Quality Assessment Criteria		Assessment system
		Number of points to be obtained
1.	The merchant has submitted a submission regarding a power plant which has been put into service, however, has not received the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement	110
2.	Within the scope of the project it is planned to produce electricity in the process of cogeneration and it is planned to use efficiently at least 50% of the produced volume of thermal energy left over from the use thereof for the personal needs of the power plant. The merchant has submitted a certified copy of the contract of sale of thermal energy or of the notice of intent for the sale of thermal energy together with the submission, for the efficient use of thermal energy In order for the submission of the merchant to comply with the conditions of these quality criteria and to receive the appropriate number of points, the technological self-consumption of the cogeneration unit shall not exceed 30% of the thermal energy produced in the cogeneration unit	26
3.	The merchant has submitted an irrevocable statement of a credit institution regarding granting of the credit, if a credit has been taken for the implementation of the project, together with the submission If the merchant is planning to invest private or other funds into the implementation of the project, the merchant shall submit a statement of the credit institution, which certifies that the funds necessary for the implementation of the project are available to the merchant and the funds of the merchant have been saved in a term deposit or special purpose savings account for a time period which is not shorter than three months from the date of submitting the project to the	18

	Ministry	
4.	The merchant has received and submitted the following together with the submission:	
	4.1. a building permit for the entire project	14
	4.2. a building permit for zero cycle works (if the merchant has not received and submitted a building permit for the entire project together with the submission submitted to the tender)	7
5.	The merchant has submitted documents together with the submission, which certify the existence or supply of the basic raw materials necessary for the production of electricity, and the distance for the supply of raw materials does not exceed 50 km	11
6.	A merchant, which is planning to increase the capacity of the biomass or biogas power plant in the ownership or use thereof, or which is planning to build a biomass or biogas power plant, has appended a technical project of the electric connection co-ordinated with the system operator	8
7.	A merchant, which is planning to increase the existing capacity of a power plant in the ownership or use thereof or which is planning to build a power plant in which electricity is produced using renewable energy sources, has received and appended to the submission the technical regulations issued by the system operator for the installation of the system connection for the connection of the new power plant to the system or for the transformation of the existing system connection	3
8.	The merchant is planning to use or uses the following materials as raw materials for the production of biogas in a biogas production installation:	
	8.1. by-products of food waste and waste of other organic origin and production:	
	8.1.1. in the amount of 1-20% of the total raw materials which may be used (in tons or m ³)	2
	8.1.2. in the amount of 21-40 % of the total raw materials which may be used (in tons or m ³)	4
	8.1.3. in the amount of 41-60 % of the total raw materials which may be used (in tons or m ³)	6
	8.1.4. in the amount of 61-80 % of the total raw materials which may be used (in tons or m ³)	8
	8.1.5. in the amount of 81-100 % of the total raw materials which may be used (in tons or m ³)	10
	8.2. stock-farming and poultry-farming by-products (manure), and wastewater and by-products of the production of food industry undertakings (in percentage by weight in relation to the total amount of raw materials used):	
	8.2.1. in the amount of 1-20% of the total raw materials which may be used (in tons or m ³)	2
	8.2.2. in the amount of 21-40 % of the total raw materials which may be used (in tons or m ³)	4
	8.2.3. in the amount of 41-60 % of the total raw materials which may be used (in tons or m ³)	6
	8.2.4. in the amount of 61-80 % of the total raw materials which may be used (in tons or m ³)	8
	8.2.5. in the amount of 81-100 % of the total raw materials which may be used (in tons or m ³)	10
	The merchant shall indicate the raw materials used or planned to be used in a biogas production installation for the production of biogas, together with the submission in the description of the power plant to be submitted	

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 6
Cabinet Regulation No. 262
16 March 2010

Criteria for Assessment of the Submission for the Acquisition of the Right to Sell Electricity Produced in Wind Power Plants within the Scope of Mandatory Procurement and the Documents Appended Thereto

I. Administrative assessment criteria		Assessment system
		Yes/No
1.	The submission has been prepared in accordance with the submission form and all parts of the submission form, which relate to the merchant, have been completed	
2.	The merchant has submitted a description of the power plant, together with the submission, in which electricity is produced or is planned to be produced from wind power. The following information is indicated in the description:	

	2.1. the parameters, capacity, number and dimensions of the turbines installed or planned to be installed 2.2. the number of wind turbines, the layout thereof in the territory of the power plant and a map of the power plant 2.3. the location of the power plant 2.4. the time periods when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when the production of electricity was commenced	
3.	The submission and documents appended thereto have been drawn up in computer typing	
4.	The submission has been submitted within the deadline specified in the invitation for tender	
5.	The submission has been prepared and drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents	
6.	The capacity of the power plant indicated in the submission does not exceed the capacity for the production of electricity indicated in the permit issued by the Ministry of Economics for increasing the capacity of electricity production or the introduction of new production installations	
7.	A merchant which is planning to build a wind power plant has submitted a document or a certified copy thereof which certifies the ownership or the right of use for the territory on which construction is planned	
8.	A merchant wishing to acquire the right to sell electricity produced in a wind power plant in the ownership or use thereof within the scope of mandatory procurement has submitted a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations which certifies that the respective power plant is in the ownership or use of the merchant, together with the submission	
9.	A merchant which is planning to install the installations referred to in Sub-paragraph 3.5 of Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, for the production of electricity, has submitted a certified copy of the planning and architectural tasks for the planned construction of the power plant, which has been issued in accordance with the laws and regulations governing construction	
10.	The merchant has submitted a declaration together with the submission in accordance with Annex 4 to Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price	
II. Quality Assessment Criteria		Assessment system
		Number of points to be obtained
1.	The merchant has submitted a submission regarding a power plant which has been put into service, however, has not received the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement	100
2.	The merchant has received and submitted a building permit for the entire project together with the submission	25
3.	A merchant which is planning to produce electricity in the power plant referred to in Sub-paragraph 3.5 of Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price, shall submit information regarding the wind resource measurements which have been taken at a height not lower than 50 metres and not further than 10 km from the planned location of the power plant, and shall prove that they have been taken:	
	3.1. for less than one year	5
	3.2. for more than one year	10
4.	The merchant has submitted an irrevocable statement of a credit institution regarding granting of the credit in the amount of 100% of the costs of the construction project of the power plant, if a credit has been taken for the implementation of the project, together with the submission. If the merchant is planning to invest private or other funds in the implementation of the project, the merchant shall submit a statement of a credit institution, which certifies that the funds necessary for the implementation of the project are available to the merchant and the funds of the merchant have been saved in a term deposit or special purpose savings account for a time period which is not shorter than three months from the date of submitting the project to the Ministry.	20
5.	A merchant, which is planning to increase the existing capacity of the power plant in the ownership or use thereof, in which electricity is produced using wind energy, has received a technical project for the electric connection co-ordinated with the system operator and has appended it to the project submitted	10
6.	A merchant, which is planning to increase the existing capacity of the power plant in the	10

	ownership or use thereof, or which is planning to build a power plant in which electricity is produced using wind energy, has received and submitted, together with the submission, technical regulations of the regional environmental board or an environmental impact assessment approved by the Environment State Bureau for the installation of a wind power plant	
7.	A merchant, which is planning to increase the existing capacity of a power plant in the ownership or use thereof or which is planning to build a power plant in which electricity is produced using wind power, has received and appended to the submission the technical regulations issued by the system operator for the installation of the system connection for the connection of the new power plant to the system or for the transformation of the existing system connection	5
8.	The merchant has submitted, together with the submission, a declaration issued by the supplier of the electricity production installations to be installed in the power plant regarding the supply of electricity production installations in such time period, counting from the closing date of the tender	
	8.1. < 24 months	10
	8.2. > 24 months	5

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 7
Cabinet Regulation No. 262
16 March 2010

Criteria for Assessment of the Submission for the Acquisition of the Right to Sell Electricity Produced in Solar Power Plants within the Scope of Mandatory Procurement and the Documents Appended Thereto

I. Administrative assessment criteria		Assessment system
		Yes/No
1.	The submission has been prepared in accordance with the submission form and all parts of the submission form, which relate to the merchant, have been completed	
2.	The merchant has submitted a description of the power plant, together with the submission, in which electricity is produced or is planned to be produced from renewable energy sources. The following information has been indicated in the description: 2.1. the location of the power plant 2.2. the electric capacity installed or planned to be installed in the power plant and the planned volume of electricity to be produced 2.3. the technology to be used in the power plant 2.4. the time periods when it is planned to commence the production of electricity, or, if the power plant has already been put into service, the date when the production of electricity was commenced	
3.	The submission and documents appended thereto have been drawn up in computer typing	
4.	The submission has been submitted within the deadline specified in the invitation for tender	
5.	The submission has been prepared and drawn up in accordance with the requirements of the laws and regulations regarding the development and drawing up of documents	
6.	The capacity of the power plant indicated in the submission does not exceed the capacity for the production of electricity indicated in the permit issued by the Ministry of Economics for increasing the capacity of electricity production or the introduction of new production installations	
7.	A merchant, which is planning to build a solar power plant, has submitted, together with the submission, a document or a certified copy thereof which certifies the ownership or the right of use for the territory on which construction is planned	
8.	A merchant wishing to acquire the right to sell electricity produced in a solar power plant in the ownership or use thereof within the scope of mandatory procurement has submitted, together with the submission, a document or a copy of the document prepared in accordance with the procedures laid down in laws and regulations which certifies that the relevant power plant is in the ownership or use of the merchant	
9.	The merchant has submitted a declaration together with the submission in accordance with Annex 4 to Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the	

Price		
II. Quality Assessment Criteria		Assessment system
		Number of points to be obtained
1.	The merchant has submitted a submission regarding a power plant which has been put into service, however, has not received the right to sell electricity produced from renewable energy sources within the scope of mandatory procurement	100
2.	The merchant has received and submitted a building permit for the entire project together with the submission	20
3.	The merchant has submitted an irrevocable statement of a credit institution regarding granting of the credit, if a credit has been taken for the implementation of the project, together with the submission If the merchant is planning to invest private or other funds in the implementation of the project, the merchant shall submit a statement of the credit institution, which certifies that the funds necessary for the implementation of the project are available to the merchant and the funds of the merchant have been saved in a term deposit or special purpose savings account for a time period which is not shorter than three months from the date of submitting the project to the Ministry	20
4.	A merchant, which is planning to increase the existing capacity of the power plant in the ownership or use thereof, in which electricity is produced using solar energy, has received a technical project for electric connection co-ordinated with the system operator and has appended it to the project submitted	10
5.	A merchant, which is planning to increase the existing capacity of a solar power plant in the ownership or use thereof or which is planning to build a solar power plant, has received and appended to the submission the technical regulations issued by the system operator for the installation of the system connection for the connection of the new power plant to the system or for the transformation of the existing system connection	5
6.	The merchant has submitted, together with the submission, a declaration issued by the supplier of the electricity production installations to be installed in the power plant regarding the supply of the electricity production installations in such time period, counting from the closing date of the tender	
	6.1. <24 months	10
	6.2. > 24 months	5

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 8
Cabinet Regulation No. 262
16 March 2010

[28 August 2012]

Values of Coefficient k Ratio Depending on the Electric Capacity Installed in the Power Plant

No.	Electric capacity installed in the power plant	Value of coefficient k
1.	Not exceeding 0.08 MW	1.240
2.	Greater than 0.08 MW, but not exceeding 0.15 MW	1.231
3.	Greater than 0.15 MW, but not exceeding 0.20 MW	1.202
4.	Greater than 0.20 MW, but not exceeding 0.40 MW	1.131
5.	Greater than 0.40 MW, but not exceeding 0.60 MW	1.086
6.	Greater than 0.60 MW, but not exceeding 0.80 MW	1.072
7.	Greater than 0.80 MW, but not exceeding 1.00 MW	1.055
8.	Greater than 1.00 MW, but not exceeding 1.50 MW	1.035
9.	Greater than 1.50 MW, but not exceeding 2.00 MW	1.008
10.	Greater than 2.00 MW, but not exceeding 2.50 MW	0.992

11.	Greater than 2.50 MW, but not exceeding 3.00 MW	0.982
12.	Greater than 3.00 MW, but not exceeding 3.50 MW	0.974
13.	Greater than 3.50 MW, but not exceeding 10.00 MW	0.965
14.	Greater than 10.00 MW, but not exceeding 20.00 MW	0.950
15.	Greater than 20.00 MW, but not exceeding 40.00 MW	0.920
16.	Greater than 40.00 MW, but not exceeding 60.00 MW	0.890
17.	Greater than 60.00 MW, but not exceeding 80.00 MW	0.860
18.	Greater than 80.00 MW, but not exceeding 100.00 MW	0.830
19.	Greater than 100.00 MW	0.800

Note. The electric capacity installed in the power plant shall be determined according to the technical documentation of the power plant, complying with the gross capacity of the installations producing electricity installed on the specific day.

Acting for the Minister for Economics,
Minister for Finance E. Repše

Annex 9
Cabinet Regulation No. 262
16 March 2010

[29 November 2011; 28 August 2012; 5 November 2013; 22 April 2014]

Annual Report on the Utilisation of the Energy Sources Used, the Amount of Electricity Produced and the Technology Used in Power Plants Using Renewable Energy Sources for the Production of Electricity

I. General Information Regarding the Power Plant

Location of the power plant (address or cadastre number of the land parcel)	
Registration number in the register of electricity producers (if the necessity thereof has been specified in legal acts)	
System operator to the network system of which the power plant is connected	
Merchant (firm name, legal address, registration number)	
Total electric capacity (MW) of the generating units installed in the power plant	
Technology used	
Renewable energy sources used (water, wind, biomass, biogas, solar)	
Number of employees	
Merchant shall indicate the person who in accordance with Section 1, Clause 5, Sub-clause "a" or "b" of the Law On the Prevention of Money Laundering and Terrorism Financing is deemed the beneficial owner of the capital company, and the data allowing to unequivocally identify such person ⁵	
User of the efficiently utilised (usefully used) thermal energy (name or firm name, legal address, registration number) ⁶	

II. Information Regarding the Operation of the Power Plant in _____ (year)

1. Information regarding the heating fuel consumed in the power plant¹

No.	Unit of measurement	Months												Total per year	
		1	2	3	4	5	6	7	8	9	10	11	12		
	Name of the heating fuel														

1.	Consumption in natural terms	(t/m ³)														
	Calorific value	MWh/t or MWh/m ³														
	Consumption in energy terms	MWh														
	Price	EUR/t; EUR/m ³														

2. Information regarding electricity and thermal energy produced and consumed in the power plant

	Unit of measurement	Months												Total per year		
		1	2	3	4	5	6	7	8	9	10	11	12			
Electricity produced	MWh															
Thermal energy produced	MWh															
Thermal energy efficiently used	MWh															
Electricity transferred to the network	MWh															
incl. electricity sold within the scope of mandatory procurement	MWh															
incl. electricity sold in the electricity market	MWh															
Electricity purchased	MWh															

3. Information regarding the supply distance of the heating fuel used during the accounting period²

4. Information regarding the basic raw materials used or planned to be used in the biogas production installation during the accounting period for the production of biogas³

Authorised official of the merchant

_____ (office) _____ (given name, surname) _____ (signature⁴)

_____ (date⁴)

Declaration of the responsible official of the system operator

(office)

(given name, surname)

(signature⁴)

(date⁴)

Prepared by

_____ (given name, surname)

_____ (telephone)

_____ e-mail

Notes.

¹ Information regarding each type of heating fuel used in the power plant shall be indicated. Table need not be completed for hydroelectric power plants, wind power plants and solar power plants.

² Shall be completed by the merchant, which has been awarded 11 points from the 5th quality assessment criteria of Annex 5 to Cabinet Regulation No. 262 of 16 March 2010, Regulations Regarding the Production of Electricity Using Renewable Energy Sources and the Procedures for the Determination of the Price.

³ Shall be completed by the merchant, which produces electricity in a biogas power plant.

⁴ The details "signature" and "date" of the document shall not be filled in if the electronic document has been drawn up in conformity with the laws and regulations regarding drawing up of electronic documents.

⁵ If due to objective reasons the merchant is not able to ascertain the person to be deemed as the beneficial owner of the capital company or is not able to obtain individual information regarding the referred to person, or if there is no such person, the merchant shall indicate the reason, due to which information regarding beneficial owners of the capital company is not provided.

⁶ Shall be completed by the owner of the cogeneration plant, which has certified the information indicated in the application regarding the acquisition of the right to sell electricity produced in biomass or biogas power plants within the scope of mandatory procurement as regards efficiently utilised thermal energy and has received a corresponding number of points for it in accordance with the 2nd quality assessment criterion of Annex 5 to this Regulation.

Acting for the Minister for Economics,
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