

Regulations Regarding the Amount of Energy Efficiency Duty and the Procedures for Its Calculation, Application, Payment and Control

*Issued pursuant to
Section 13, Paragraph three of the Energy Efficiency Law*

1. The Regulation prescribes:
 - 1.1. the amount of the energy efficiency duty (hereinafter – the duty);
 - 1.2. the procedures for the calculation, application, payment and control of the duty.
2. The rate of the duty shall be seven per cent of the costs of the electricity consumed in the previous year. The relevant costs shall be calculated by multiplying the megawatt hours consumed in the respective year by the average electricity price in the industry in Latvia in the previous year published by Eurostat (EUR/MWh).
3. The duty shall be paid by the large electricity consumer who, on the basis of electricity consumption in the current year, corresponds to the definition of large electricity consumer specified in the Energy Efficiency Law:
 - 3.1. but has failed to conduct the first energy audit within a year, or subsequently has failed to conduct the energy audit once every four years, or has failed to introduce and maintain a certified energy management system, or has failed to supplement the introduced environmental management system according to the laws and regulations in the field of energy audit of enterprises by 1 April 2018;
 - 3.2. and has been included in the list of large enterprise drawn up by the Central Statistics Bureau according to the criteria for a large enterprise laid down in the Energy Efficiency Law but:
 - 3.2.1. has failed to conduct the first energy audit within a year after inclusion in the list of large enterprise, or subsequently has failed to conduct the energy audit once every four years, or has failed to introduce and maintain a certified energy management system, or has failed to supplement an environmental management system according to the laws and regulations in the field of energy audit of enterprises;
 - 3.2.2. upon receipt of the reminder referred to in Paragraph 7 of this Regulation:
 - 3.2.2.1. has failed to notify of the introduction of a certified energy management system and its re-certification, or supplementation of an environmental management system according to the laws and regulations in the field of energy audit of enterprises, or conduct of the energy audit;
 - 3.2.2.2. has failed to notify of the planned energy efficiency measures and the energy savings envisaged therein according to the the laws and regulations governing the monitoring of energy efficiency and the applicable standard for an energy management system;
 - 3.2.2.3. has failed to notify of the introduced energy efficiency measures and the energy savings achieved therein according to the laws and regulations

governing the monitoring of energy efficiency and the applicable standard for an energy management system.

4. For the large electricity consumer who, by 31 January of the current year, has submitted to the Ministry of Economics a balance sheet approved by an energy audit which shows the consumption of the electricity transferred to each sub-user above 500 MWh and the electricity consumed by the large electricity consumer itself, the energy efficiency duty shall be calculated from the electricity consumed by the large electricity consumer itself which is indicated in the balance sheet of the large electricity consumer.

5. The large electricity consumer need not to include electricity consumption of sub-users which it cannot affect in the certified energy management system or energy audit, or the supplemented environmental management system, provided that an electricity supply contract or a contract for rent or lease of premises has been concluded and the sub-user pays according to readings of control meters.

6. In the cases referred to in Paragraph 3 of this Regulation, the large electricity consumer shall pay the energy efficiency duty once a year by 1 May of the following year in the amount specified in a decision to apply the energy efficiency duty which has been determined in accordance with Paragraph 2 of this Regulation. The decision of the Ministry of Economics to apply the energy efficiency duty shall be notified to the large electricity consumer by 1 April of the relevant year.

7. Prior to taking the decision to apply the energy efficiency duty, the Ministry of Economics shall send a reminder to the large electricity consumer asking to provide information regarding the energy efficiency monitoring and the fulfilment of obligations specified in the laws and regulations governing the applicable standard for energy management system within 20 days upon receipt of the reminder.

8. When taking the decision to apply the energy efficiency duty to the large electricity consumer and determining the amount of the electricity used thereby, the Ministry of Economics shall take into account the information at its disposal regarding the amount of electricity which has been consumed by the specific large electricity consumer.

9. The duty shall be paid into the State basic budget income account through such a provider of payment services which has the rights to provide payment services within the meaning of the Law on Payment Services and Electronic Money.

10. The duty shall be transferred to the State basic budget.

11. The large electricity consumer shall indicate the following information in the payment order:

- 11.1. the name and registration number of the large electricity consumer;
- 11.2. the date when the decision to apply the energy efficiency duty under which it pays the duty was taken, and the number of the decision;
- 11.3. the amount of the payment.

12. The Ministry of Economics shall ensure the following:

- 12.1. control of the payment of the energy efficiency duty within the specified time limits;

12.2. in cases when the large electricity consumer has failed to pay the energy efficiency duty within the specified time limit, a late payment charge shall be calculated for it in accordance with the law On Taxes and Duties;

12.3. income from the energy efficiency duty shall be transferred to the State Energy Efficiency Fund.

13. The energy efficiency duty for the large electricity consumers referred to in Sub-paragraph 3.1 of this Regulation shall be calculated from 1 April 2018. The energy efficiency duty for the large electricity consumers referred to in Sub-paragraph 3.2 of this Regulation shall be calculated from 1 December 2017.

Prime Minister

Māris Kučinskis

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Arvils Ašeradens