

The *Saeima*¹ has adopted and the President has proclaimed the following Law:

Energy Efficiency Law

Chapter I General Provisions

Section 1. Terms Used in this Law

(1) The following terms are used in this Law:

1) **obligated party** — a distribution system operator or an energy retailer, to which the State energy efficiency obligation scheme is binding;

2) **energy** — a product with a specific value — fuel, heat, renewable energy, electricity, or any other type of energy;

3) **final energy consumption** — energy consumption in industry, transport, households, services sector and agriculture. It does not include energy supply for the transformation sector and the energy sector itself;

4) **energy efficiency** — the efficiency level of the utilisation of energy resources manifested as a proportion of the type, quality and quantity of a final product, and the consumption of energy resources;

5) **energy efficiency improvement** — increase in energy efficiency as a result of technological measures, actions or operational activities of final customers;

6) **energy efficiency improvement measures** — such activities, as a result of which verifiable and measurable or estimable energy efficiency improvement is achieved;

7) **energy savings** — an amount of saved energy determined by measuring or estimating consumption before and after implementation of one or more energy efficiency improvement measures;

8) **energy audit** — activities performed to obtain information regarding energy consumption in buildings or groups of buildings, in processes or equipment, as well as to identify and evaluate cost-effective energy savings opportunities, and the results of which are summarised in a report;

9) **energy management system** — a set of related processes, establishing an action plan and setting energy efficiency targets, as well as the procedures to achieve these targets;

10) **energy retailer** — a merchant who sells energy to final customers;

11) **energy-efficiency policy measure** — a regulatory or voluntary financial, fiscal or information provision tool that has been established and is being implemented to establish a support system, requirement or incentive for market participants to provide and purchase energy efficiency services and to implement other energy efficiency improvement measures;

12) **primary energy consumption** — energy consumption in the transformation sector, energy sector, all sectors of the national economy and households, not including energy resources, which are used as raw material in different sectors and are not consumed as a fuel or transformed into another type of fuel;

13) **smart meter for the commercial accounting of energy (the metering system)** — an electronic device (electronic system), used to measure and monitor energy consumption, as well as transmit and receive data, using electronic communication.

(2) Other terms in this Law are used within the meaning of the Energy Law.

¹ The Parliament of the Republic of Latvia

Section 2. Purpose of this Law

The purpose of this Law is rational use and management of the energy resources to promote sustainable development of the national economy and restrict climate changes.

Section 3. Scope of the Application of this Law

The Law prescribes:

- 1) energy efficiency planning and monitoring requirements;
- 2) tasks of the ministry responsible for the achievement of the energy efficiency targets;
- 3) action of the State and local governments for the achievement of the energy efficiency targets;
- 4) tasks of the obligated party;
- 5) requirements for energy auditing;
- 6) efficiency conditions for energy production, transmission and distribution;
- 7) measures for the development of the energy efficiency services market;
- 8) responsibility for the non-fulfilment of the requirements of this Law.

Chapter II Planning and Monitoring of an Energy Efficiency Policy in the State and Local Government Sector

Section 4. Tasks of the Responsible Ministry

- (1) The Ministry of Economics (hereinafter — the responsible ministry) shall be responsible for the implementation of the energy policy.
- (2) The responsible ministry shall develop the State energy efficiency action plan for achieving the State energy efficiency targets.
- (3) The responsible ministry shall determine the final energy consumption savings target and develop the energy efficiency policy measure plan for achieving it. The plan shall provide for terms for the implementation of the measures, the responsible institutions and sources of financing, as well as determine the calculated annual final energy consumption savings.
- (4) The responsible ministry shall summarise all the information at its disposal on the implemented energy efficiency policy measures and the resulting energy savings, and based on this information, analyse the progress of the implementation of the State energy efficiency action plan and achievement of the energy efficiency targets.
- (5) Each year, by 30 April, the responsible ministry shall submit to the European Commission a report on the progress of achieving the State energy efficiency targets.
- (6) The responsible ministry shall elaborate measures to promote efficient use of energy in households and by other consumers, and shall provide the following information on its website:
 - 1) on energy efficiency improvement measures aimed at changing the behaviour of final customers to improve energy efficiency;
 - 2) on support programmes and other fiscal incentives for the improvement of energy efficiency;
 - 3) on cost-effective, easy to implement changes for more efficient use of energy;
 - 4) on the involvement of credit institutions in the financing of energy efficiency policy measures;
 - 5) on sources of financing available for energy efficiency service providers;
 - 6) on opportunities to put in place energy auditing and energy management systems at the final consumers, including small and medium-sized enterprises, and in the State and local government sector;

- 7) on opportunities for the activities of independent intermediaries (renewal project managers) in the energy efficiency services market;
 - 8) on local governments and State authorities, which have put in place the energy management system, by publishing and regularly updating a relevant list.
- (7) The responsible ministry shall publish the following on its website:
- 1) methodological recommendations for putting in place of the energy management system;
 - 2) methodological recommendations for the elaboration of an energy efficiency service contract;
 - 3) a model energy efficiency service contract for the public sector;
 - 4) a report on the best practice summary — the energy efficiency improvement measures performed, including energy efficiency service contracts.

Section 5. Rights and Obligations of State Authorities and Local Governments

- (1) State Authorities and local governments have the right to:
 - 1) develop and adopt an energy efficiency plan as a separate document or as a component of the spatial development programme of a local government, which includes energy efficiency targets and measures;
 - 2) separately or as a component of the implementation of its energy efficiency plan put in place an energy management system;
 - 3) use the energy efficiency services and enter into energy efficiency service contracts for the implementation of energy efficiency improvement measures.
- (2) Local governments of the cities shall put in place a certified energy management system.
- (3) Local governments of municipalities, the territory development index of which is 0.5 or more and the number of population is 10 000 or more, and State direct administration authorities in the ownership or possession of which there are buildings with the total heated area of 10 000 square metres or more shall put in place an energy management system. Local governments of municipalities and State direct administration authorities shall put in place the respective system within one year from the date of occurrence of the said conditions.
- (4) The procedures, by which a State authority or a local government shall report on putting in place of an energy management system, reporting terms, the content of the report and the documents to be annexed thereto, as well as the procedures by which the putting in place of an energy management system shall be verified and approved, shall be determined by the Cabinet.
- (5) A State authority or a local government which has put in place an energy management system shall each year inform the responsible ministry on the energy savings acquired as a result of the operation of the energy management system. The procedures, by which a State authority or a local government shall report on the achieved energy savings after an energy management system has been put in place, shall be determined by the Cabinet.
- (6) In evaluating the projects, which will be fully or partially implemented by using contributions from the State budget, State guarantees, loan interest rate subsidies or other financial assistance that has been granted or provided from the State or European Union budget funds and foreign financial assistance funds, for State authorities and local governments, which are obliged in accordance with the provisions of this Law to put in place an energy management system and which have fulfilled this obligation, the maximum number of points that can be obtained in accordance with the quality evaluation criteria shall be increased in accordance with the procedures laid down in the regulatory enactment regarding granting of the respective financing.

Chapter III Energy Efficiency Improvement Measures

Section 6. Energy Efficiency Obligation Scheme

(1) The mandatory final energy consumption savings target shall be achieved by the State or local government implementing energy efficiency policy measures in the final consumption or energy efficiency obligation scheme, or a simultaneous combination of both of the above-mentioned options.

(2) The goal for the establishment of the energy efficiency obligation scheme is to achieve the State mandatory final energy consumption savings target. Energy distribution and energy retail merchants shall be the obligated parties of the energy efficiency obligation scheme. The sectors to be included in the energy efficiency obligation scheme, the criteria for the selection of the obligated parties, the scope of duties of the obligated parties in breakdown by years and the methodology for determining thereof, the scope of savings obtained as a result of energy efficiency policy measures, as well as the verification system of the achieved energy savings shall be determined by the Cabinet.

(3) The energy efficiency obligation scheme shall be established and implemented by the responsible ministry. The obligated parties of the energy efficiency obligation scheme shall by 31 December 2020 achieve the part of the mandatory final energy consumption savings target in accordance with the breakdown by years referred to in Paragraph two of this Section.

(4) The part of the mandatory final energy consumption savings target of the energy efficiency obligation scheme to be achieved by the obligated parties shall be reduced in accordance with the final energy consumption savings achieved as a result of the measures implemented by the State and local governments.

(5) The obligated party shall report each year to the responsible ministry on the achieved energy savings. The reporting procedure shall be determined by the Cabinet.

(6) Costs incurred by the obligated party due to energy efficiency improvement measures at the final customer after the implementation thereof or the contribution to the State or local government energy efficiency fund referred to in Paragraph eight of this Section may be included in the payment for energy in accordance with the Cabinet Regulation. If the obligated party and the final customer have agreed on the implementation of the energy efficiency improvement measures and cost recovery, such costs incurred by the obligated party due to the energy efficiency improvement measures at the final customer after their implementation shall not be included in the tariffs, but may be included in the payment for energy.

(7) The procedures, by which the costs for energy efficiency improvement measures referred to in Paragraph six of this Section after their implementation and payment to the State or local government energy efficiency fund shall be distributed between final customers and their method of payment, shall be determined by the Cabinet.

8) The obligated party may fulfil its obligation, by making contributions at their own discretion in the State or local government energy efficiency fund in accordance with the scope of final energy consumption savings obligation determined for it (hereinafter — the scope of obligation). The scope of obligation determined for the obligated party shall be reduced in proportion to the amount of contributions made. The State or local government, in the fund of which the obligated party has paid its contribution, shall ensure energy savings in accordance with the scope of obligation of the obligated party, for which the contribution had been made. The payment procedure and the amount of the contributions shall be determined by the Cabinet.

(9) The obligated party shall pay its contribution to the State energy efficiency fund in the State basic budget for budget programme/sub-programme of the Ministry of Economics specially established for this purpose in the open State basic budget expenses account in the

Treasury, and it shall be accounted as other own revenue of the institution. The corresponding budgetary programme shall be administered by the Ministry of Economics.

Section 7. Energy Efficiency Funds

(1) The goal for establishing of the State or local government energy efficiency funds is to support initiatives in the area of energy efficiency.

(2) The Development Financial Institution shall establish the State energy efficiency fund.

(3) The source of financing of the State energy efficiency fund shall be:

1) the contributions of the obligated party referred to in Section 6, Paragraph eight of this Law;

2) at least 90 per cent of the revenue in the State budget of the duty laid down in Section 13 of this Law;

3) other revenue.

4) The Ministry of Economics shall ensure transfer of the contributions referred to in Paragraph three, Clause 1 of this Section to the State energy efficiency fund for the formation of the reserve capital of the Development Financial Institution within the meaning of the Law on the Development Financial Institution or for the implementation of the energy efficiency State support programmes.

(5) The resources of the State energy efficiency fund shall be used for the implementation of the State support programmes in the following areas:

1) for the achievement of the mandatory final energy consumption target;

2) for public awareness and education activities in the area of energy efficiency.

(6) The procedures by which the Development Financial Institution shall use the resources of the State energy efficiency fund and provide a report on the use thereof shall be determined by the Cabinet.

(7) The local government shall be the establisher and holder of the local government energy efficiency fund. The obligated party referred to in Section 6, Paragraph eight of this Law, which has made contributions to the local government energy efficiency fund, may not be the administrator of the local government energy efficiency fund.

(8) The source of financing of the local government energy efficiency fund shall be:

1) the local government budget;

2) the contributions of the obligated party referred to in Section 6, Paragraph eight of this Law, registered in the territory of the respective local government;

3) other sources of financing.

(9) The resources of the local government energy efficiency fund shall be used for the energy efficiency improvement measures in the following areas:

1) for the achievement of the mandatory final energy consumption savings target;

2) for the implementation of the energy efficiency policy measures provided for in the local government planning documents;

3) for putting in place and maintenance of an energy management system in the local government.

(10) The State and local government shall ensure compliance with the commercial activity support control framework in the operation of the energy efficiency fund.

Section 8. Voluntary Agreement on Energy Efficiency Improvement

(1) Organisations representing merchants, merchants and local governments are entitled to enter into a voluntary agreement with the State represented by the responsible ministry on energy efficiency improvement, including promotion of energy efficiency services.

- (2) The responsible ministry may provide support for energy audits and individual energy efficiency improvement measures that are performed in accordance with this agreement in accordance with the procedures laid down in the laws and regulations.
- (3) The provisions, content, terms and supervision of the implementation of the voluntary agreement shall be determined by the Cabinet.

Section 9. Conditions for Energy Auditing

- (1) In carrying out an energy audit, up-to-date and verified data on energy consumption, as well as on electricity load profiles shall be used.
- (2) An energy audit shall include a detailed report on:
 - 1) the energy consumption structure and energy efficiency of buildings or groups of buildings, processes or equipment, including transport;
 - 2) the energy efficiency improvement measures with the greatest estimated energy savings or economic return, if possible, based on the life-cycle cost analysis, as well as low-cost measures. Energy savings achieved as a result of each measure must be evaluated in the energy audit.
- (3) The performer of the energy audit shall store the data used in the energy audit for 10 years.
- (4) Upon request, the energy auditor has an obligation to transfer the energy audit results to the provider of energy efficiency services, which has entered into an energy efficiency service contract with the recipient of the energy efficiency service, except in cases where the contract between the energy audit performer and the energy audit contractor provides otherwise.
- (5) The Cabinet shall determine the competence requirements to be put forward for an enterprise auditor (legal person) and the procedure for the attestation of the competence, the procedure for the supervision of an enterprise energy auditor and its responsibility, the procedures, by which an enterprise energy audit shall be carried out, and the procedures, by which an energy audit report shall be registered in the information system under the supervision of the Ministry of Economics, as well as the content of this report and the procedure for the use thereof.

Chapter IV Energy Audit and Energy Management

Section 10. Energy Audit in Large Enterprises

- (1) A large enterprise is a merchant which employs more than 249 employees or whose turnover of the reporting year exceeds 50 million euros, and the annual balance in total — 43 million euros (hereinafter — the large enterprise).
- (2) A list of large enterprises shall be each year, by 1 December, created by the Central Statistical Bureau, using the data of the last approved reporting period of the enterprise. An enterprise shall be included in the list of large enterprises, if it complies with the criteria for the large enterprise for two consecutive years.
- (3) Energy audits in large enterprises may be carried out by an enterprise energy auditor, in compliance with the requirements of the laws and regulations.
- (4) An energy audit of the large enterprise shall cover at least 90 per cent of the total final energy consumption.
- (5) Large enterprises shall carry out an energy audit on a regular basis. The first energy audit shall be carried out within one year after the inclusion of the enterprise in the list referred to in Paragraph two of this Section. Regular energy audit must be carried out every four years.
- (6) The requirement referred to in Paragraph five of this Section does not apply to large enterprises if they have put in place and certified an energy management system or put in place and certified an environmental management system, and in this system a continuous energy consumption evaluation process is ensured in order to control and reduce energy

consumption, covering at least 90 per cent of the total final energy consumption, and energy consumption evaluation process has been ensured in compliance with Section 9, Paragraphs one and two of this Law. The energy management and environmental management standard that shall be applied for the fulfilment of the requirements of this Law, the procedures by which the environmental management system shall be supplemented and such environmental management system supplementation that ensures a continuous energy consumption evaluation process shall be certified, and the institutions entitled to certify the supplementation shall be determined by the Cabinet.

(7) The large enterprise shall report to the responsible ministry on the carrying out of an energy audit or on putting in place of the certified energy management system or certified environmental management system referred to in Paragraph six of this Section, the proposed energy efficiency improvement measures, as well as each year report on the implemented energy efficiency improvement measures and energy savings achieved as a result. The reporting procedure shall be determined by the Cabinet.

(8) The large enterprise shall implement at least three energy efficiency measures with the greatest estimated energy savings or economic returns proposed in the energy audit or within the framework of a certified energy management system or certified environmental management system referred to in Paragraph six of this Section.

Section 11. Energy Audit in Small and Medium-sized Enterprises

Energy audits in small and medium-sized enterprises shall be carried out by:

- 1) an independent expert in the area of energy performance of buildings;
- 2) an enterprise energy auditor.

Section 12. Energy Management System for Large Electricity Consumers

(1) A large electricity consumer is a merchant the annual electricity consumption of which exceeds 500 megawatt hours. The total energy consumption does not include the energy produced by the merchant which is transferred to other users.

(2) Large electricity consumers have an obligation to put in place and maintain a certified energy management system in accordance with the standard, covering at least 90 per cent of the total final energy consumption of the large electricity consumer and ensuring the compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law.

(3) The requirement of Paragraph two of this Section shall not apply to a large electricity consumer if it has put in place an environmental management system before the coming into force of this Law and has supplemented and certified it in order to control and reduce energy consumption within six months from the day of coming into force of this Law, covering at least 90 per cent of the total final energy consumption, and ensuring compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law.

(4) The energy management and environmental management standard that shall be applied for the fulfilment of the requirements of this Law, the procedures by which the environmental management system shall be supplemented and such environmental management system supplementation that ensures continuous energy consumption evaluation process shall be certified, and the institutions entitled to certify the supplementation shall be determined by the Cabinet.

(5) The requirements of Paragraphs two and three of this Section shall not apply to a large electricity consumer if it ensures an energy audit on a regular basis. An energy audit must be carried out every four years.

(6) A large electricity consumer shall report to the responsible ministry on the carrying out of an energy audit or on putting in place of the certified energy management system referred to in Paragraph two of this Section or on supplementing the certified environmental management system referred to in Paragraph three of this Section, the proposed energy efficiency improvement measures, as well as each year report on the introduced energy efficiency improvement measures and energy savings achieved as a result. The reporting procedure shall be determined by the Cabinet.

(7) A large electricity consumer within the framework of the energy management system or the supplemented environmental management system shall implement at least three of the energy efficiency improvement measures with the greatest estimated energy savings or economic returns proposed therein.

(8) The existence of a certified energy management system is a favourable qualifying criterion that is taken into account upon evaluating project applications of large electricity consumers, if the respective project will be implemented fully or partially, using such types of support as payments from the State or local government budget, State or local government guarantees, loan interest rate subsidies, as well as other financial assistance that is granted or provided from the State, local government or the European Union budget funds and foreign financial assistance funds.

9) The system operator has an obligation to provide each year the responsible ministry with the annual final energy consumption data of merchants compliant with the status of a large electricity consumer. Procedures, by which the system operator shall provide the responsible ministry with the annual final energy consumption data of merchants compliant with the status of a large electricity consumer, shall be determined within the framework of the energy efficiency monitoring system.

(10) If a large electricity consumer also complies with the criteria laid down in Section 10, Paragraph one, the provisions of Section 10 of this Law shall be applied.

Section 13. Energy Efficiency Duty

(1) The goal of the energy efficiency duty is to promote energy efficiency and ensure control of putting in place of an energy management system.

(2) The energy efficiency duty shall be paid by the large electricity consumer who has failed to fulfil the obligations laid down in Section 10, Paragraphs five, six and seven, as well as in Section 12, Paragraphs two, three and four of this Law.

(3) The amount, the procedures for the calculation, application and control of the energy efficiency duty shall be determined by the Cabinet. The energy efficiency duty shall be transferred to the State budget in accordance with Section 7 of this Law.

(4) The energy efficiency duty shall be administered by the Ministry of Economics.

(5) Revenue from the energy efficiency duty as a grant from the State basic budget general revenue shall be planned in the State basic budget in the programme/sub-programme of the budget of the Ministry of Economics specially established for this purpose in accordance with the planned (estimated) revenue of the State basic budget from the State duty and the contributions of the obligated party. The Ministry of Economics shall be responsible for ensuring that the expenditure does not exceed the payment amount of the State duty transferred to the State basic budget.

(6) The grant referred to in Paragraph five of this Section shall be used:

1) by The Ministry of Economics for monitoring of the achievement of the energy efficiency targets and ensuring reporting, as well as for maintaining the energy savings database;

2) for State energy efficiency fund.

(7) The Ministry of Economics shall ensure transferring of the contributions to the State energy efficiency fund.

Section 14. Energy Efficiency Services

(1) The energy efficiency services shall be provided in accordance with a written contract on the implementation of specific energy efficiency improvement measures, which shall be entered into between the recipient of the energy efficiency services and the provider of the energy efficiency services — a merchant, which provides energy efficiency services or performs other energy efficiency improvement measures at the final customer's facilities or premises. If the recipient of an energy efficiency service is the State or local government, the respective contract shall be entered into for a period not exceeding 20 years.

(2) At least the following information shall be included in an energy efficiency service contract:

1) a list of energy efficiency improvement measures to be implemented, implementation plan and cost estimate;

2) the guaranteed energy savings that must be achieved by implementing the energy efficiency improvement measures laid down in the contract, and the terms for the identification thereof;

3) the provisions for the achieved guaranteed savings measurements and their quality inspections;

4) the validity term of the contract and the terms for the submission of the interim report, conditions and terms of termination of the contract;

5) the obligations of the contracting parties, including the obligation of the energy efficiency service provider, upon entering into a subcontracting agreement with third parties, to include in the agreement requirements that are equivalent to the concluded energy efficiency service contract, and sanctions in cases of the non-fulfilment thereof;

6) the procedures, by which all changes in energy efficiency improvement measures, the implementation plan and cost estimate thereof made during the project shall be documented;

7) the distribution of the project's financial impact and the achieved money savings, including service provider's compensation, between the contracting parties;

8) conditions that explain how to act in cases when changes of the basic conditions affect the content and the outcome of the contract (if energy prices, use intensity of the equipment change).

(3) The energy efficiency service costs may not be included in public service tariffs (prices).

(4) Energy efficiency services shall be provided in compliance with the following conditions:

1) the energy efficiency service costs shall be covered with a part of the financial value of the energy efficiency improvement or energy savings that have arisen from the provision of the energy efficiency services;

2) the provider of the energy efficiency service shall bear the project's financial, technical and commercial risks.

(5) Upon announcing a public procurement for entering into an energy efficiency service contract, the customer shall set requirements aimed at ensuring compliance of energy efficiency service contract with Paragraphs one, two and four of this Section.

(6) Distribution operators and energy retailers shall comply with the principles of good commercial practice, including in relation to demand and provision of energy efficiency services or other energy efficiency improvement measures, and market development of such services or measures. The liability for anticompetitive practices shall be determined by the laws and regulations in the area of competition.

Chapter V Energy Efficiency Monitoring and Public Awareness

Section 15. Energy Efficiency Monitoring

(1) The responsible ministry shall establish and maintain an energy efficiency monitoring system (hereinafter — the system), as well as account energy savings. The procedure for the operation and structure of the system shall be determined by the Cabinet.

(2) The objective of the energy monitoring system is to collect and systematise information on all energy efficiency improvement measures that have been performed, using the types of support referred to in Paragraph four of this Section, and on the results thereof, as well as any other information related to energy efficiency improvement to control the achievement of the State energy savings indicative target or other energy efficiency targets and implementation of the State energy efficiency action plan.

(3) The authorities responsible for granting of the financing shall determine the evaluation criteria and the energy efficiency performance indicators for the activities under their responsibility or energy consumption indicators of the project for those activities which are not directly aimed at improving energy efficiency, but promote it.

(4) If a project is implemented fully or partially, using such types of support as payments from the State or local government budget, State or local government guarantees, loan interest rate subsidies, as well as other financial assistance that is granted or provided from the State, local government or the European Union budget funds and foreign financial assistance funds, and the evaluation criteria referred to in Paragraph three of this Section, performance indicators of energy efficiency improvement or the obligation to report project energy consumption readings have been determined in it, then for the next three years after the implementation of the project the recipient of the financing shall each year provide information to the responsible authority referred to in Paragraph three of this Section in accordance with the contract entered into between the recipient of the financing and the responsible authority on the energy consumption of the respective facility before and after project implementation, with the exception, when a different reporting period has been determined in the contract concluded between the recipient of the financing and the responsible authority. The responsible authority shall summarise the received information and inform the responsible ministry.

Section 16. Provision of Information to Final Customers, Accounting of Energy Consumption

(1) A trader of electricity, gas or heat shall provide the final customer with an opportunity to receive the following free of charge:

- 1) an invoice and information on invoices;
- 2) access to the energy consumption data of the final customer

(2) A person, who ensures preparation and sending of invoice information on heat consumption accounted or calculated in separate premises (hereinafter — the invoice information) of a non-residential building in which heat is provided from a common source of heat or from a district heating system, is entitled to request recovery of the costs related to the preparation of the invoice information insofar as such costs are reasonable. Upon the request of final customers the validity of these costs shall be verified by the Consumer Rights Protection Centre.

(3) The system operator, upon installing a smart meter for the commercial accounting of electricity, shall provide the energy users with information on the options of the meter reading management and energy consumption monitoring.

(4) The system operator, taking into account the needs of energy users and the potential benefits, shall determine the minimum function of the smart meter for the commercial accounting of electricity, including the option to obtain information on the actual energy consumption during a particular use period.

(5) According to the requirements of the Personal Data Protection Law the system operator shall ensure data safety of the system of smart meters for commercial accounting, as well as protection of the data of energy users.

Section 17. Administrative Liability for Violations of this Law

For non-performance or improper performance of the requirements of Section 6, Paragraph five, Section 10, Paragraph five, as well as Section 16, Paragraph one of this Law, the respective parties shall be held liable in accordance with the Administrative Violations Code of the Republic of Latvia.

Transitional Provisions

1. With the coming into force of this Law, the Energy End-use Efficiency Law (*Latvijas Vēstnesis*, 2010, No. 27; 2011, No. 148; 2013, No. 194) is repealed.

2. The Cabinet shall issue the Regulations referred to in Section 5, Paragraphs four and five, Section 6, Paragraphs two, five, six, seven and eight, Section 7, Paragraph six, Section 8, Paragraph three, Section 9, Paragraph five, Section 10, Paragraphs six and seven, Section 12, Paragraphs four, six and nine, Section 13, Paragraph three, Section 15, Paragraph one of this Law by 1 October 2016.

3. Until the day of coming into force of the Cabinet Regulation referred to in Clause 2 of these Transitional Provisions, but not later than by 30 September 2016, the following Cabinet Regulations shall be applied insofar as they are not in contradiction to this Law:

1) Cabinet Regulation No. 555 of 12 July 2011, Regulations Regarding the Procedures for Entering into and Supervision of an Agreement Regarding Energy Efficiency Improvement;

2) Cabinet Regulation No. 138 of 12 March 2013, Regulations Regarding Industrial Energy Audit;

3) Cabinet Regulation No. 923 of 30 September 2010, Procedures by Which State Energy End-use Savings Shall Be Measured and the Operation of the Energy Efficiency Monitoring System Shall Be Ensured.

4. The putting in place of the system referred to in Section 5, Paragraph two of this Law shall be ensured by 1 April 2017.

5. Authorities and local governments of municipalities which on the day of coming into force of this Law comply with the criteria referred to in Section 5, Paragraph three of this Law, shall ensure putting in place of the energy management system by 1 November 2017.

6. The requirements of Section 6, Paragraph six of this Law shall be applied as of 1 January 2017.

7. Until 1 July 2016 the Cabinet shall approve the policy measure plan referred to in Section 4, Paragraph three of this Law.

8. The large enterprise shall carry out the energy audit referred to in Section 10, Paragraph five of this Law by 31 March 2017.

9. The energy efficiency improvement measures referred to in Section 10, Paragraph eight of this Law shall be implemented by 1 April 2020, but the energy efficiency improvement measures referred to in Section 12, Paragraph seven — by 1 April 2022.

10. A large electricity consumer shall put in place the system referred to in Section 12, Paragraph two of this Law, shall supplement the system referred to in Paragraph three or carry out the first energy audit referred to in Paragraph five by 1 April 2018.

11. Registration of energy audit reports of enterprises in the information system under the responsibility of the Ministry of Economics shall be started not later than by 1 July 2017.

12. The enterprise energy auditor in accordance with the procedures determined by the Cabinet shall by 31 January 2017 submit to the Ministry of Economics information on the number of those energy audits of enterprises and energy audits of the large enterprise that have been carried out by 31 December 2016.

13. The responsible ministry shall prepare information on the State energy efficiency action plan and submit it to the European Commission by 30 April 2017 and by 30 April 2020.

Informative Reference to European Union Directives

This Regulation contains legal norms arising from Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC.

This Law has been adopted by the *Saeima* on 3 March 2016.

Acting for the President,
Chairperson of the *Saeima*

I. Mūrniece

Adopted 15 March 2016