*[Data that has been automatically pre-filled in the templates for the cover notes is based on the operational arrangements which have last been updated on 2024-03-22. Should the respective CID and/or operational arrangements have been amended in the meantime, please reach out to ECFIN-RECOVER.]*

*[DATE]*

*[AUTHOR (Organisation, not name)]*

**LV-C[C7]-R[7-1-r-] Transforming the national energy sector**

**LV-C[C7]-R[7-1-r-]-M[216] Legislation amending norms on electricity trade and consumption**

**Date of completion:** **Q1 2024**

**1) Context: description of the measure and relevant context from the CID annex** [text in full from the English version]

The objective of this measure is to reduce overall reliance on fossil fuels and to advance Latvia’s goal of becoming a green energy exporting country. The reform aims at i) introducing a regulatory framework laying down the conditions and procedures for the registration and operation of energy communities, and supporting vulnerable groups of society; ii) introducing amendments to norms on electricity trade and consumption promoting selfconsumers and owners of micro-generator facilities; iii) laying down conditions for a more optimised use of existing transmission and distribution networks; and iv) laying down conditions for increasing the uptake of sustainable biomethane to be injected into existing natural gas network. The reform shall cover the following elements. 1. The reform shall create a regulatory framework for energy communities by i) setting the conditions and procedures for registering and operating the energy communities, ii) introducing an obligation for electricity traders to offer at least one product for the purchase of electricity from energy communities, and iii) introducing an obligation for local and regional authorities to channel part of the electricity produced within an energy community, or of the economic benefit derived from it, to vulnerable groups. 2. The reform shall i) introduce the possibility of using the electricity generated on the facility of one electricity user to cover the consumption needs of another facility of the same user, with the only restriction that the facilities shall be located in the national territory and connected to the national grid; ii) create an obligation for electricity traders to offer at least one product for the purchase of electricity from self-consumers operating a micro-generator facility; and iii) introduce the condition that energy sharing be possible beyond the multi-apartment building without the need to create an energy community. 3. The reform is expected to contribute to the optimisation of the use of grid capacity by electricity generation and storage facilities. It shall i) allow access to a grid connection point for power plants that might use different generation technologies and whose combined generating capacity exceeds the capacity of the grid connection point, and ii) provide conditions for the operation of such combined generating capacities and for turning on and off certain generation facilities. 4. The reform shall lay down the conditions under which sustainable biomethane transported outside the natural gas transmission and distribution networks is injected into the natural gas network. The implementation of the measure shall be completed by 31 December 2025.

**2) Copy of the milestone/target wording** [text in full from the English version]

| Seq.num | Measure (reform or investment) | Milestone/Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timetable for completion | | Reporting and implementation responsibility | Description of each milestone and target |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Unit of measure | Baseline | Goal | Quarter | Year |
| 216 | C7.7-1-r- Transforming the national energy sector | Milestone | Legislation amending norms on electricity trade and consumption | Legal provisions indicating the entry into force of the legislation amending the norms on electricity trade and consumption |  |  |  | Q1 | 2024 | Ministry of Climate and Energy | Entry into force of amendments to the norms on electricity trade and consumption, which shall introduce:   - the condition that energy sharing be possible beyond the multi-apartment building without the need to create an energy community;   - the possibility to use the amount of electricity produced in the facility of one electricity user to cover the consumption needs of another facility of the same user, regardless of the location of the facilities. The only limitations are that the facilities shall be i) located in the territory of the Republic of Latvia and ii) switched on for the existing electricity transmission and distribution system in the Republic of Latvia.   - the obligation for electricity traders to introduce at least one product for the purchase of electricity from self-consumers operating a micro-generator facility. |

Verification mechanism:

Copy of the publication in the Official Journal, accompanied by a summary document duly justifying how the milestone has been satisfactorily fulfilled. This summary document shall include a reference to the relevant provisions indicating the entry into force and the provisions which fulfil the consitutive elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID Annex.

Further specification: (if relevant)

**3) List of key evidence provided in FENIX**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Identifier [same as in FENIX] | Name of the evidence.  For legal acts please provide the full legal reference and date of entry into force | Short description | Link to the requirements below |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |

**4) Detailed justification**

*[Explain clearly how the achievement of the milestone/target is demonstrated by the evidence provided,* ***covering ALL elements of the milestone/target and the elements of the measure description that are directly or indirectly linked to the milestone/target’s requirements.***  *(e.g. the fact that (i) a certain institution had (ii) to accomplish something (iii) in a certain way in order (iv) to achieve a certain goal (v) by a certain date). Please provide* ***a clear link between all the below elements and the one or more evidence items listed above.***

Requirement 1: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 2: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 3: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

[…]

Contribution to the achievement of other elements from the measure description: [evidence related to the elements that are not directly addressing the M/T but in the measure, where relevant]