



SABIEDRISKO PAKALPOJUMU REGULĒŠANAS KOMISIJA

UPDATE - LATVIA

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Public Utilities Commission of Latvia

***Baltic Electricity market mini-forum
May 10, 2013 Vilnius, Lithuania***

- ***GDP 2012 versus 2011 – increase by 5.6%***
- ***Electricity consumption:***
 - ***2011 versus 2010 – decrease by 1.9%***
 - ***2012 versus 2011 – increase by 4.8%***
- ***Gas consumption:***
 - ***2010 versus 2009 – increase by 19.3%****
 - ***2011 versus 2010 – decrease by 11.9%***
 - ***2012 versus 2011 – decrease by 6.3%***

** impact of cold winter*

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Dynamics of energy resource prices

	2009	2010	2011	2012
<i>wood chips</i>	1,00	1,03	1,14	1,28
<i>natural gas</i>	1,00	1,06	1,06	1,33

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Latest changes – Legal acts



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- ***From 1st January 2012 - registration of power and heat generation plants and traders has replaced the former licensing procedure***
- ***Draft of Electricity market law under discussion in Parliament commission – net metering***
- ***Draft of Electricity market law was under discussion in Government – full market opening, REMIT requirements on imposing of sanctions***
- ***Hot debate is taking place about elimination of support to the power production from renewable sources and gas in CHP***

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Market opening -1



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- ***All customers are free to choose their supplier from 2007.***
- ***Real market opening took place in 2009. All customers with fuses above 100A became market participants.***
- ***From April 1, 2012 additional 5000 electricity customers became market participants.***
- ***Further market opening took place from November 1, 2012.***

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- ***In March 2012 the Regulator has adopted standard agreements for licensees of distribution services***
- ***Revised standard contract for customers***
- ***Introduced institution of Last Resort supplier***
- ***Several meetings were held by the recently established Power Market Board***
- ***Initial plan of MoE was full market opening from September 1, 2013, now postponed***



- ***Latvia has chosen the unbundling model of independent system operator (ISO)***
- ***New company “Latvijas elektriskie tīkli” (LET) - owner of transmission assets - has been established in April 4, 2011***
- ***The final decision on transfer of ownership rights of ISO - JSC “Augstsprieguma tīkls” - has been taken in January 2012***
- ***At present the owner of ISO is the Ministry of Finance of Republic of Latvia***
- ***In May 2012 ISO has submitted an application for certification to Regulator***

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- ***The Regulator has issued respective provisions with regard to the ISO certification***
- ***Intensive consultations on certification were carried out during summer 2012 with stakeholders: ISO, LET, ministry, EC***
- ***The formal opinion of the EC on draft decision on ISO certification, issued in December 3, 2012, in general was positive***
- ***At the end of January 2013 the Regulator has adopted a final decision on ISO certification and sent the notification to EC***
- ***In April 2013 ISO has submitted a plan demonstrating an intention to fulfill the requirements of certification decision***



- ***In August 2012 the Regulator has adopted TSO's 10 year network development plan (TYNDP) with conditionality***
- ***In April 2013 TSO has submitted for informal consultations a draft cost benefit analysis of 3rd LAT – EST interconnection***
- ***After clarification the cost benefit analysis will be presented to the Board of Regulator***
- ***TSO is in the process of making changes to TYNDP***



- ***From April 1, 2012 new transmission tariffs are in force with average increase of ~ 21% (average transmission tariff 11,5 EUR/MWh)***
- ***Gas tariffs are in line with prices of oil/oil products in the world markets – small decrease of natural gas price from January 1, 2013 (~2%)***
- ***Set up of heat tariffs depends on the fluctuation of price of gas or wood chips (50 – 80 EUR/MWh)***
- ***From April 1, 2013 - a sharp increase of generation support fee***



- ***Expecting repeated review by administrative court of decision on electricity end user tariffs from April 2011***
- ***Supervision of implementation by TSO of certification decision***
- ***Adoption of amendments to TSO's TYNDP***
- ***Opening of Nord Pool Spot bidding zone in Latvia***
- ***Participation in drafting of legislative acts for 100% electricity market opening***
- ***Expected changes in the Grid Code under discussion***

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***THANK YOU
FOR ATTENTION !***

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