



2nd THEMATIC WORKSHOP and POLICY LAB OF LATVIA COUNTRY DESK ON 16th FEBRUARY 2022

Date: 28.02.2022

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 953040. The sole responsibility for the content of this document lies with the COME RES project and does not necessarily reflect the opinion of the European Union.

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THE HORIZON 2020 PROJECT COME RES

The Horizon 2020 project COME RES aims to facilitate the market development of renewable energies in the electricity sector through the dissemination of renewable energy communities (RECs) in eight EU countries and Norway. The project is coordinated by the Environmental Policy Research Centre (FFU) of Freie Universität Berlin (FUB) and the project consortium comprises 16 European partner organisations. COME RES partners in Latvia are Environmental Investment Fund (LEIF) and Institute of Physical Energetics (IPE).

THE LATVIA COUNTRY DESK

Country or target region stakeholders' desks have been set up in COME RES partner countries. They serve as informal dialogue forums where, in addition to COME RES project results, current topics such as barriers, drivers and policies and opportunities for development of RECs are regularly discussed with relevant actors and stakeholders.

In Latvia, the COME RES project does not limit its focus on selected target regions but considers all of Latvia. For the time being there are no RECs in Latvia. However, several examples of citizen (flat-owners of multi-apartment building or owners of row house sections) cooperation on using rooftop solar PV and solar thermal installations can be found as the first pilots, which might provide important lessons for the development and promotion of RECs.

The Latvian Stakeholder Desk is composed of a core group of 15 stakeholders which is widened up to 30-40 stakeholders to be invited to the thematic workshops and policy labs. The core partners of the Stakeholder Desk are ministries (Ministry of Economics; Ministry of Environmental Protection and Regional Development), planning regions, energy agencies, municipalities, the Latvian Association of Local Governments, as well as local partnerships and NGOs. The work of the Stakeholder Desk is coordinated by the LEIF in cooperation with the IPE.

Currently the transposition of REDII¹ and IEMD² provisions regarding energy communities are ongoing in Latvia. Draft legislative framework is in harmonisation stage. The Desk supports the transposition of the provisions by input to the drafts of the national regulations and policy documents.

To provide valuable input for a REC enabling framework and viable REC models, the Desk organises solution-oriented stakeholder dialogues, disseminates the COME RES results and

¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

² Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU.

promotes their adaptation in Latvia, as well as promotes REC recognition in national renewable energy investment co-financing programmes.

PURPOSE of the 2nd THEMATIC WORKSHOP and POLICY LAB

The combined second Thematic Workshop and Policy Lab of the Latvian Stakeholder Desk was held on 16th February 2022. The purpose of the combined event was multifold:

1. In the first part (Thematic Workshop) the event had took a closer look to the Good Practice Portfolio of RECs (COME RES Deliverable 5.2) by emphasising the diversity of the models for RECs. Afterwards the REC pilot projects 'implementation practice in Latvia and the relevant lessons concluded had been presented. Thus, the Thematic Workshop served as an interface between COME RES identified good practices and actual REC development activities in Latvia and facilitated a dialogue on it.
2. The second part of the event (Policy workshop) had dealt with the drivers and barriers for RECs development in Latvia, particularly the role of local municipalities and the ways in which municipalities might support and participate in the REC, had been discussed.

Particular objectives of the event were:

- to present the COME RES project – objectives, work packages and tasks, results achieved so far, particularly, in the period after 1st Thematic workshop/Policy Lab held in June 2021;
- to present, in details, selected REC practices of the COME RES Good Practice Portfolio³ and to discuss the adaptability and transfer possibilities of them;
- to present, in details, and discuss the implementation practice and lessons of REC pilot projects' in Mārupe local municipality;
- to inform on and learn on the relevant policy development in COME-RES partners countries⁴;
- to present the draft results on REC drivers and barriers in Latvia, as the contribution to the COME RES Task 2.3 "Case-studies of barriers and drivers for RES community energy in selected target regions";

³ COME RES Deliverable 5.2 (25.01.2022) „Good Practice Portfolio of Renewable Energy Communities“: https://come-res.eu/fileadmin/user_upload/Resources/Deliverables/Del_5.2_Good_Practice_Portfolio.pdf

⁴ for this event the experience of Italy in both legislation development and development of first RECs had been chosen.

- to introduce legislative aspects on local governments to get involved in REC; to discuss the role of local municipalities and ways in which municipalities might support the REC;
- to plan the further steps and to promote the next Desk's event, planned in June 2022.

The event was organized by the LEIF and IPE. The extended group of stakeholders was invited to participate in the event. In total, **33** participants had made the registration for the on-line event.

The presentation slides, in Latvian, as well as the presentation of experience of Italy (in English), can be found in the LEIF website section devoted to the COME RES project:

http://www.lvif.gov.lv/?object_id=33736

AGENDA

TIME	PRESENTATION
09:45 – 10:00	Opening of on-line event Participant's registration, on-line connections
10:00 – 10:10	Opening of event. Aija Zučika, Latvian Environmental Investment Fund, project manager
10:05 – 10:15	Where we are in the COME RES project course. Objectives of the day. Aija Zučika, Latvian Environmental Investment Fund, project manager
PART I. Thematic workshop Good practices in the implementation of renewable energy communities in COME RES project countries	
10:15 – 10:40	The good practice of RECs gathered by COME RES project (D.5.2.) Ivars Kudrenickis and Gaidis Klāvs, Institute of Physical Energetics, project experts
10:40 – 11:00	Project: "Co2mmunity - Co-producing and co-financing renewable community energy projects" Ilvars Francis, Riga planning region, project coordinator
11:00 – 11:30	COME-RES partners experience: GECO project on Transposition of the Renewable Energy Directives in Italy and the first practice of introducing renewable energy communities. (Presentation in English). Gianluca D'Agosta, ENEA, Geco project Coordinator

11:30 – 11:50	Discussion: The transfer possibilities for the good practice of RECs gathered by COME RES project Moderated by COME-RES Latvia partners
11:50 – 12:10	Break
PART II. Policy lab Driving factors and barriers for renewable energy communities	
12:10 – 12:35	Driving factors and barriers for renewable energy communities. COME RES countries and Latvia (D.2.3) Ivars Kudrenickis, Institute of Physical Energetics, COME RES expert
12:35 – 12:50	Legislative aspects of renewable energy communities - local governments possibilities to get involved in RES community projects as participants Māris Pūķis, the Latvian Association of Local and Regional Governments, Dr. phys., Dr. oec., Senior advisor Exchange of views between the participants
12:50 – 13:20	Final discussion: Promoting the development of renewable energy communities in Latvia. How to build driving forces and reduce obstacles Moderated by COME-RES Latvia partners
13:20 – 13:30	Closing the meeting

LIST of STAKEHOLDERS of the EVENT

Level	Type	Organisation
National level	state authority	Ministry of Economics;
National level	state authority	Ministry of Environmental Protection and Regional Development
National level	parliament	Deputy of national Parliament
National level	national-wide association	Latvia Association of Local and Regional Governments:
National level	national energy association	Latvian Renewable Energy Federation
National level	national energy association	Latvian Wind Association
National level	energy policy expert	High level energy policy advisor

National level	nationally active NGO	The association “Green Liberty” (“Zaļā brīvība”)
Regional level	regional authority	Riga planning region
Regional level	regional authority	Zemgale planning region
Regional level	regional energy agency	Zemgale region energy agency
Local	capital city Riga	Riga city Energy Agency;
Local	neighbourhoods	Riga city’s neighbourhoods alliance
Local	cities & municipalities	two cities & eight municipalities (<i>novadi</i>)
Local	LEADER group	Aizkraukle sub-region partnership The association “Jūras zeme”,
Local	civic society	three stakeholders
	power grid operator	“Augstsprieguma tīkli Ltd”
COME RES partner	research and academia	Institute of Physical Energetics
COME RES partner	public authority	Latvian Environmental Investment Fund
COME RES partner		ENEA, Italy

THEMATIC WORKSHOP

In the **Introductory part** of the event, the COME RES partners had explained that COME RES particularly seeks to support the transposition and implementation of the REDII provisions related to RECs and to promote the establishment of RECs enabling framework. In such a sense, the COME RES activities in Latvia are in time. COME RES has good possibility to provide the input for on-going transposition of REDII, particularly regarding operationalization of rights and duties of REC as well as to provide input on such challenges as organisational and business models of RECs. Afterwards COME RES project – objectives, work packages and overall results achieved so far, particularly, in the period after 1st Thematic workshop/Policy Lab held in June 2021, had been presented.

Thematic workshop had included 3 presentations followed by the interactive discussion.

In the first presentation Ivars Kudrenickis (IPE), as one of the lead authors of the Deliverable 5.2, had provided more detailed **insights in six REC practices, included in the COME RES Good Practices Portfolio:**

1. energy co-operative “Zuidtrant” (Flanders, Belgium),
2. Energy Gardens (the Netherlands),
3. citizen wind farm “de Spinder” (the Netherlands),
4. energy community “Condomínio da Torre” (Portugal),
5. Røverkollen housing cooperative (Norway), and
6. Grenzland Pool of citizen wind parks (Northern Friesland, Germany).

These good practices had been pre-selected for the presentation in the Thematic Workshop by COME RES Latvian team, taking into account the following considerations: (i) contentual aspects, (2) REC technological and business aspects, (3) citizens (households) – municipalities –SMEs cooperation aspects, (4) membership/geographical coverage by particular practice. Based on these considerations, the noted six practices had been selected as the most exciting ones and having higher adaptation and transfer possibility (compared to another ones). Each of practices had been presented in the same manner: creation and short history, legal form, business aspects, technologies and activities in the energy system, membership aspects, main drivers for REC development. In addition to them, Italian REC practice (“Energy City Hall”) had been presented by invited ENEA expert as well.

The 2nd presentation had a closer look to and drawn lessons from the implementation of the first pilot projects of energy communities in Latvia (in Jaunmārupe, Mārupa local municipality). The joint portrait of these two pilot projects, each of them covering an apartment building, is included in the COME RES Good Practice Portfolio as well. The implementation of the pilot projects had been supported, including financing, by the Co2mmunity/ Energize Co2mmunity projects⁵. The Riga planning region was the partner of these projects in Latvia; in its turn, Mārupe municipality and national Ministry of Economics were involved as the associated partners. The presentation was delivered by the representative of Riga planning region. The overall start-up of the noted projects in Mārupe municipality was in 2018, the roof-top solar technologies in two apartment buildings were installed in 2020. Not going into the details of the pilot projects, below the main conclusions and challenges drawn are shortly characterised.

The real-life pilot projects allowed to identify the actors and the stakeholders for REC development in Latvia and understand their role/contribution. The local self-government is the only

⁵ „Co2mmunity: co-producing and co-financing renewable community energy projects” and its follow-up extension “Energize Co2mmunity: real-life implementation of renewable community energy projects” which are the projects within the framework of EU Interreg Baltic region programme

administration level that has a possibility to directly contact and communicate with local people, the challenge is whether local governments want to do it also for the promotion of RECs. Mārupe municipality is an ambitious, innovative and green-minded municipality and the answer was clear “yes”. The process of implementation of presented pilot projects had been strengthened both by Mārupe local government and highly qualified energy sector experts. It is important to involve the expertise of qualified specialists of energy sector to promote the RECs. In Mārupe municipality, as the edge municipality of capital city Riga, a number of qualified experts lives, which had provided selfless contribution for real-life implementation of the pilot projects, in its turn, the self-government provided high leadership for involving all parties in the discussion to use the expertise of high-level professionals, NGOs and others. Thus, the citizens and stakeholders trust to local government is highly important issue. The pilot projects show that understanding of technical issues and principles of energy market operation is very important for the REC project development, Thus, for the success of the project, it should be led by an energy specialist. Important is to involve also the state authorities, responsible for the national energy policy, in the implementation of the first RECs projects in Latvia.

Although the noted Interreg programme’s project is finished, the Riga planning region cooperation with local communities continue. The meetings with the representatives of both pilot project communities take place to identify new ideas for cooperation. Real-time monitoring of produced power in the pilot project sites is provided in the website of the municipality. The concept of REC is actively disseminated during the annual Green Energy Week of Mārupe municipality. The Riga planning region co-operation with state authority (national Ministry of Economics) to promote the following REC demonstration projects is on-going.

Thus, the presented REC practices cover wide range of business models. The REC business models are analysed in more details in the COME RES Deliverable 4.1. The publication of this deliverable had been referenced during the thematic workshop.

The **final presentation by ENEA** demonstrated the REC legislative framework development process in Italy by drawing important conclusions. In the introduction it was presented the shared energy⁶ as the essential concept of REC. Following, Italian energy market had been characterized as the partially opened one for the time being. Continuing the presentation, the development of Italian REC legislative framework had been presented in the detailed manner. Namely, in February 2020 the first experimental phase had started, however with a lot of limitations, such as: a limit of 200 KW of peak power, geographical dimension under to the same building or under the same Medium to Low voltage cabin, collective self-consumption under the same building or

⁶ Namely, the shared energy is defined as the minimum between the amount of energy produced by sources and the amount of energy consumed by the whole community, at the same time.

condominium, not allowed direct selling. These limitations forced the creation of very small, localised RECs (instead of two communities, the law forces the creation of tens of communities), often leaded by public entities (as municipalities) and strongly impacted both management and economic performance of REC. For example, a smaller and localised REC contains, probably, consumers having the same consumption profile, reducing, by this way, the whole shared energy. Also, for small communities, costs related to management can be simply too large. The new Italian Law, November 2021, decreased the limitations of the 1st phase by: the geographical dimension is extended to the high voltage cabin, leading to larger and complex communities; the maximum installed power, for each of power plants, is increased to 1MW peak; each community can have more than one power plant; direct energy sell (prosumer to consumer) is allowed. However, the technical rules are not yet available. Finally, information of some REC experience in Italy – GECO project, RECs in Magliano Alpi (Piedmont region), San Giovanni a Teduccio (Naples), Berchidda & Benetutti (two small towns in the Sardinia) – was presented. The presentation of ENEA has high success in the audience. Explanation of disadvantages of small REC had been very important for Latvian audience when discussing the geographical dimension of REC. Latvian audience raised also such questions as the investment co-financing and risk capital availability for REC, the ratio between (on-site) electricity production cost and grid cost, application of smart tools for electricity sharing and cost of them, involvement of power distribution systems operators. All three presentations, clearly demonstrating the role of municipalities in REC development, had provided the good bridge to the theme of Policy Workshop – access the perspectives of municipalities as the supporters and participants of the RECs.

POLICY LAB

The Policy Lab aimed to provide non-biased information to stakeholders and critically access the perspectives of RECs development in Latvia. Particularly the role of local governments as the supporters and perspective participants of a REC had been in the focus, also taking into account that new Law on Local Governments is on-going adoption process in the Parliament.

At first, the draft results on REC drivers and barriers in Latvia had been presented, as the milestone of the COME RES Task 2.3 “Case-studies of barriers and drivers for RES community energy in selected target regions“. The draft results are based on the interviews with the range of the stakeholders held in December 2021.

The presentation focused on the following issues: (i) potential parties (stakeholders) which might be the initiators for REC establishment, (2) willingness of citizens to co-operate in joint projects, (3) role of local leadership, (4) interest of municipalities to initiate the REC, (5) prioritization of

motivation to join RECs. As the national level (external) factors for REC development were presented: (6) potential impact of stating the quantitative target for RECs during the revision of Latvia's NECP2030, (7) role of information, training and capacity building to be provided by the state authorities and (8) role of availability of national financial instrument. The issues presented were further discussed in the policy discussion as well.

The presentation had been continued by the sharing points of view on the role and rights of municipalities. To lead this policy discussion, the senior advisor of the Latvian Association of Local Governments was invited. During the discussion it had been concluded when adopting the general legislative framework for local governments, among others the REC legislation should be considered as well thus allowing the enough flexibility for municipalities to support and participate in a REC, taking into account the variety of REC legal forms and business models. ***The most important conclusions regarding the involvement of municipalities for promotion of RECs are included in the final section "Summary".***

Policy Lab included also the discussion on the overall system for REC financial support. Particularly following aspects of this discussion should be underlined:

- the upfront cost of REC project,
- it is important to ensure the financial stabilizing instrument for REC, operating in the changing conditions of power market, is provided,
- regarding RES investment co-financing programmes, it is important to decide whether the REC is the particular type of the beneficiaries or there should be equal support conditions for all beneficiaries.

In line with the need to develop the advice system for a REC establishment and development, there would be welcome the development of advice focused to the particular groups of stakeholders – potential participants of REC (land owners, SMEs, etc.).

SUMMARY

- Aija Zučika (LEIF) on behalf of all Latvia COME-RES team thanked participants for their highly active participation and expressed strong conviction on the continuing fruitful cooperation in the frame of COME RES and on participants contribution to the success of the project with their impulses.
- Aija Zučika particularly thanked COME-RES partner in Italy - ENEA. The exchange of experience with ENEA had provided basis to compare the legislative framework implementation process. The Italian experience on REC legislative framework

development well demonstrated the “doing (making development) by learning”. This was particularly fruitful contribution providing important lessons adaptable for Latvian conditions.

- Non-adopted REC legal framework is one of the key-barriers.
- As the citizens willingness to cooperate is rather low in average, the focused communication is crucial. At the same time there are active people and their groups who would like to take part in joint energy project. Thus especially real-life examples of good practice are needed – there are still very few success stories in Latvia.
- Multi-apartment buildings have significant potential to become the sites for RECs projects, at the same time the definition of the principles for the management of RECs projects and co-operation between community members play a significant role.
- Participation of the municipality can serve as a REC consolidating force.
- The event had revealed local government involvement in and leadership as one of the critical challenges for RECs development in Latvia and, at the same time, marked range of important clues to meet this.
- The ability of the municipal authorities to provide the expertise is highly important factor, however it is not the only one which need to be considered.
- Municipal authorities need to act as consultants explaining citizens legal, planning and/or technical aspects, but also developing financial support mechanism and being directly involved in building and strengthening the RECs.
- It is important to ensure that a legislative framework allows for municipal authorities (for instance, energy agencies) to be one of the founders of a REC as well as to be member of a REC in its development stage⁷,
- Coordinated co-operation between national, regional and local authorities and local citizens communities is one of the key-points.
- There is clear need for providing the specific technical expertise, related to grid services and other grid issues, for a REC. The DSO should be involved in the providing of this type of technical assistance.
- The national roadmap for REC development, establishment of financial support instruments and the Handbook for REC development and operation are crucial ones.
- As a range of good practices note the role of volunteers in the operation of the REC, it is desirable to provide in the national legislation that also energy communities have the right to organize volunteer service.

⁷ In its turn, in a maturity stage of REC, a municipal authority could also withdraw, as one of alternatives,

Letter of Thank You for participants was sent by Aija Zučika, with the link to LEIF web-page containing summary of the event and links to presentations.

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 953040. The sole responsibility for the content of this document lies with the COME RES project and does not necessarily reflect the opinion of the European Union.