



Advancing Renewable
Energy Communities



KICK-OFF MEETING OF THE LATVIAN COUNTRY DESK ON 27 JANUARY 2021

Date: 23.02.2021

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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 and Institute of Physical Energetics.

THE LATVIA COUNTRY DESK

So-called country stakeholders' desks have been set up in Latvia and the other partner countries. The country desks serve as informal dialogue forums where, in addition to project results, current topics such as barriers, drivers and development opportunities for RECs are regularly discussed with 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 renewable energy communities in Latvia. However, several examples of citizen (flat-owners of multi-apartment buildings) cooperation on using solar PV and solar thermal installations can be found, 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 Latvian Environmental Investment Fund (LEIF) in cooperation with the Institute of Physical Energetics (IPE).

To provide valuable input for an REC enabling framework and viable REC models, the Desk organises solution-oriented stakeholder dialogues, disseminates the project results and promotes their adaptation in Latvia, supports the transposition of RED II by input to the drafts of the policy documents and regulations, as well as promotes REC recognition in national renewable energy investment co-financing programmes.

PURPOSE of the KICK-OFF MEETING

The purpose of the kick-off meeting was multifold:

- to present the COME RES project – objectives, work packages and tasks, planned key deliverables and results achieved so far,
- to initiate the first discussion regarding provisions of the renewable energy community's legal framework, based on the Draft of the Amendments to the Law on Energy
- to initiate the first discussion regarding definition and interpretation of key criteria, defined by REDII for REC, in Latvia
- to present the citizens (flat owners of apartment buildings) co-operation examples for common solar PV technologies at Mārupe municipality, and, based on this experience, to draw and conclude on the lessons and challenges relevant for the RECs development in Latvia
- to elicit possible topics of the thematic workshops for 2021 and to plan further steps.

The kick-off meeting was organized by the LEIF and IPE. The core group of stakeholders was invited to participate in the event. In total, the event gathered 19 participants.

The date of the kick-off meeting had coincided in time with the open public discussion on the Draft Amendments to the Law on Energy. Thus, the responsible person of the Ministry of Economics could use the kick-off meeting also as the platform to activate the discussion among interested in REC development stakeholders.

The presentation slides, in Latvian, can be found in the Full report on the kick-off meeting.

AGENDA

Time	Topic
09:30 – 10:00	Registration of participants, technical connection to the meeting
10:00 - 10:30	<p>Welcome</p> <p>COME-RES project: objectives; work packages, tasks and expected results; implementation time frame.</p> <p>Role of the Country Desk.</p> <p>Aija Zučika, Latvian Environmental Investment fund, project COME RES leader</p>
10:30 – 10:50	<p>The European legal framework for energy communities.</p> <p>Renewable Energy Community in EU 2018/2001 (11 December 2018) Directive on the promotion of the use of energy from renewable energy sources (recast, RED II).</p> <p>Ivars Kudreņickis, Institute of Physical Energy, COME RES project expert</p>
10:50 – 11:20	<p>Transposition of the provisions of the ED II Directive in Latvia: planned changes in the legal framework and the planned timetable for transposition.</p> <p>Einārs Cilinskis, Ministry of Economics, Sustainable Energy Policy Department</p>
11:20 – 11:30	Questions and Answers
11:30 – 11:40	Break
11:40 – 12:00	<p>Project "Co-creation and co-financing of Community renewable energy projects: Experience and lessons in Mārupe municipality"</p> <p>Ilgvars Francis, Riga planning region, project coordinator</p>
12:00 – 13:30	<p>Discussion: How the key aspects for Renewable Energy Community (REC) model should look like in Latvia: legal forms of REC, application of proximity criterion, effective control, sources for financial support of REC</p> <ul style="list-style-type: none"> • Introduction on noted key aspects, by Gaidis Klāvs, Institute of Physical Energetics, COME RES project expert • Discussion • What could the COME-RES project provide for enabling framework. Recommendations on the issues to be discussed in the planned thematic seminars
13.30 – 13.40	Summary, Aija Zučika, Latvian Environmental Investment fund,

LIST of PARTICIPATING ORGANISATIONS

Level	Type	Organisation
National level	state authority	Ministry of Economics: Sustainable Energy Policy Department
National level	state authority	Ministry of Environmental Protection and Regional Development: Regional Development Planning Division
National level	state authority	Ministry of Environmental Protection and Regional Development: Investments Policy Department
National level	national-wide association	Latvia Association of Local and Regional Governments: <ul style="list-style-type: none"> • advisor on business development • advisor in energy sector
National level	energy policy expert	High level energy policy advisor
Regional level	regional authority	Riga planning region
Regional level	regional authority	Zemgale planning region
Regional level	regional energy agency	Zemgale region energy agency
sub-regional level	NGO	NVO "Ziemeļkurzemes biznesa asociācija" (NGO "North-Kurzeme business association")
sub-regional level	LEADER	Biedrība "Partnerība laukiem un jūrai" (society "Partnership for rural areas and the sea")
Local	municipality	Mārupe municipality
Local	municipality	Valmiera city municipality
Local	civic society	Land owner at Grobiņa municipality
COME RES partner	research and academia	Institute of Physical Energetics
COME RES partner	public authority	Latvian Environmental investment Fund

RESULTS of DISCUSSION

COME RES as input provider for RECs legal and enabling framework in Latvia

- The COME RES partners in Latvia (LEIF and IPE) had explained that COME RES particularly seeks to support the transition and implementation of the recast Renewable Energy Directive (REDII) provisions related to renewable energy communities. In such a sense, the COME RES activities in Latvia are just in time. Namely, the Draft Amendments to the Law on Energy are published for public discussion. In its turn, the Draft Amendments to the Electricity Market Law have to be published for public discussion. Evidently, the transposition process in Latvia will not be finished on 30 June 2021. Thus COME RES has good possibility to provide the input for transposition of REDII, particularly regarding legal framework and operationalization of rights of REC,
- The responsible person of the Ministry of Economics was very interested on the COME RES potential inputs and highly encouraged the participants to officially submit their points of view regarding the Draft Amendments.
- The COME RES partners underlined that most project outputs will be generated after June 2021. Therefore, the thematic workshop, combined with the policy lab, in June 2021 will discuss provisions and challenges of implementation of transposition process. On the other hand, the results of the all project deliverables can be used in due time for the better input to both policy formulation and policy implementation process.

LEGAL FORMS of RECs. PROXIMITY

- Active discussion was raised on the legal forms of REC. Before the discussion the COME RES partner (IPE) representative had presented the options for legal forms for REC. It was underlined several options:
 - (1) only those existing legal forms, which fully corresponds to REC criteria and the goal (“the primary purpose of REC is to provide environmental, economic or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits“), are stated as eligible for REC;
 - (2) establishment of new particular legal form for REC;
 - (3) all legal forms are eligible. In its turn, the normative regulation defines particular provisions which shall be fulfilled by legal person to ensure compatibility with criteria of RED II.

- The representative of the Ministry of Economics had underlined that current Draft does not limit the legal forms, at the same time this is very topical issue and discussion on it, evidently, will be continued in the following round of public discussion on Draft Amendments to Law on Energy.
- The participants had not common point on legal forms of REC. It was noted that the “most easy way” can be to state as eligible only those legal forms which by themselves ensure compatibility with REC criteria – society, cooperative, social business company. There was also opinion expressed that non-limitation regarding legal forms could be the best option at the Law. In its turn, the option to develop new particular legal form for REC had not been expressed.
- Several participants underlined the necessity to define clear proximity criteria to ensure the local people are engaged in the REC and they can provide effective control. In relation to this, the IPE representative referred to the experience of some EU countries regarding definition of citizens control, particularly Lithuania provisions as neighbor of Latvia.
- In this sense, the results of COME RES WP4 on REC legal forms and business models will be highly valuable for Latvia.

FINANCIAL SUPPORT FORMS for RECs

- It was recognized the establishment of new feed-in-premium based support scheme in Latvia for renewable energy communities is practically impossible. Such schemes lack public acceptance and thus are not politically feasible.
- Thus the efforts should be focused to include the RECs as the beneficiaries of investment co-financing programmes. (1) Currently, National Development Plan 2021-2027 envisages investment co-financing programme for solar PV. The representative of the Ministry of Economics noted that the RECs might be included here as one of beneficiaries, however the risk factor might be non-existence of REC in Latvia on the moment of approval of this programme. (2) the representative of the Ministry of Economics characterized the on-going work on different other investment support schemes and encouraged meeting participants to be active in public discussion on national policy and national regulations on investment co-financing schemes to advocate the RECs specificities and interests. The COME RES Latvia partners plan to be active in the public discussion of investment support schemes.
- Important, the necessity of seed money fund for REC establishment and start-up (preparation of technical documentation) is necessary

SOCIO FACTORS for RECs

- To initiate discussion on existing citizens cooperation experience in energy production, the representative of Riga planning region had presented the two projects implemented in apartment buildings (18-apartment house and 6 sections row-house).in Mārupe municipality for use of solar energy.
- The presenter had concluded that there were two highly important factors of the success to organize citizens cooperation – (1) existence of local leaders (“local champions”) and (2) the interest of local municipality in promotion of such cooperation. It was underlined also the time factor - it had taken a year “to break ice” and to agree on these two citizens cooperation projects. Important conclusion was also that within these projects the economic factor was not dominating one, high importance was that the local leaders were able to underline the role of the environmental factors.
- Riga planning region plans to prepare the economical background for community solar PV projects and, in cooperation with the Ministry of Economics, to implement first pilot projects in multi-apartment buildings. This activity coincides with the expressed by meeting participants proposal that it should be supported the establishment of pioneer RECs in Latvia serving as an example and taken the actions to widely inform on these pilot projects.
- Meeting participants, particularly local level representatives, had stressed the importance of high quality information and guidance regarding REC and different aspects of its operation. It was noted that highly valuable tool can be the REC roadmap – what is on-gong in Latvia, what can do local leaders, how to disseminate the information to local people. It is necessary to have good guidance – how to start the process and finish it with operating REC.
- COME-RES partners have noted that important goal of COME RES is to identify the good/best practices and to initiate the transfer of them. The presentation of selected good practices will be included in one of the thematic workshops. Even the good practices models certainly cannot be fully transferable to Latvia, definitely key concepts/activities and common challenges can be found.

TIMETABLE and POSSIBLE TOPICS 2021

Aija Zučika (LEIF) presented the desk activities which are planned in 2021. Participants’ proposals for topics, expressed during the kick-off meeting, will be taken into account.

- thematic workshop will be organised in June, 2021 about D.2.1. selected key starting conditions and practices in partner countries and about RED II transposition/implementation in Latvia.
- country desk will be organized in September, 2021 about organisational and legal forms and business models for RECs and about development of financing instruments in Latvia

SUMMARY

- The kick-off meeting has revealed the critical challenges for REC development in Latvia and, at the same time, marked range of important clues to meet them.
- The participants noted other energy communities' projects in which they participate. COME RES Latvia partners will look for mutually beneficial cooperation. For instance, Zemgale Region Energy Agency currently participates in the project on energy community as the instrument to reduce energy poverty (H2020 project POWERPOOR). Zemgale planning region envisages the renewable energy communities in the wider frame of citizens cooperation and community's development in the region.
- Aija Zučika (LEIF) on behalf of all Latvia COME-RES team thanked participants for their highly active participation, especially the representatives of the Ministry of Economics and Riga planning region and Marupe municipality, and expressed strong conviction on the following fruitful cooperation in the frame of COME RES and on participants contribution to the success of the project with their impulses
- The representative of the Ministry of Economics had once more encouraged to provide comments and proposals for the Draft Amendments to the Law on Energy. The link where to submit the proposals was sent by Aija Zučika to participants just after the meeting.
- Letter of Thank You for participants was sent by Aija Zučika in 08.02.2021, with the link to LEIF web-page containing summary of the event and links to presentations.

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