



Is a purposeful renewable energy policy implemented in Latvia?



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Is a purposeful renewable energy policy implemented in Latvia?

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Dear Reader,

The State Audit Office offers you to familiarise with the results of combined (compliance/performance) audit “Is a purposeful renewable energy policy implemented in Latvia?” results.

The United Nations has called on the world to increase the share of renewable energy in the overall energy mix significantly by 2030 and to double the pace of improving energy efficiency by ensuring access to reliable, sustainable, and modern energy for all at an affordable price. The European Commission has praised Latvia for its high indicators in increasing the share of this so-called “green” energy in the energy consumption balance by pointing to the expensive support policy for renewable energy resources in the country at the same time.

In Latvia, the public discussion about the importance and impact of renewable energy lasts long, and its evaluation differs and is often critical or even biased.

In its assessment of the renewable energy policy implemented by the Ministry of Economics, the State Audit Office is harsh by outlining inefficient planning and implementation of that policy. Over the last decade, we have “looked backwards rather than forwards” in the implementation of the policy by focusing on mitigating the negative effects of the existing mandatory procurement support mechanism. However, the audit also criticizes the improved monitoring of mandatory procurement support by highlighting the untapped potential for recovering unduly paid compensation.

Public confidence in renewable energy policy must be restored because of not only the development and sustainability of the sector but also because many diligent and modern companies are working or perhaps are planning to start operating in the sector. For rebuilding the sector’s goodwill and facilitating its sustainability, the Ministry of Economics must take decisive action to recover unduly paid state aid, make informed decisions on the sector’s development in the future, and demonstrate the public benefits of using green energy.

We thank the employees of the Ministry of Economics, industry experts, and specialists for cooperation during the audit, including the Latvian Association of Electricians and Energy Builders, the Latvian Renewable Energy Federation, the Wind Energy Association, and Joint-stock Company *Sadales tīkls*. We would like to express our special gratitude to the management and specialists of the State Construction Control Bureau for the competent cooperation and support during the audit.

Respectfully
Ms Inese Kalvāne
Department Director

A handwritten signature in blue ink, appearing to read 'Inese Kalvane'.

Summary

Since 1997, the European Union (EU) has been working hard to reduce greenhouse gas emissions, diversify energy supplies, and reduce dependence on insecure and volatile fossil fuel markets, especially oil and gas. Renewable energy sources (RES) play an important role in achieving the goal. The use of RES has a positive impact on strengthening the energy independence of the EU Member States by developing the economies in the region and facilitating climate neutrality.

The EU Europe 2020 Strategy (hereinafter referred to as the Europe 2020 Strategy) and its **Directive 2009/28/EC**¹ included in the **Climate and Energy Package** set binding targets for the EU Member States to increase the share of RES in final consumption, which must be achieved by the end of 2020. The overall EU target defined in the RES Directive 2009/28/EC for 2020 is:

- Share of RES in gross final energy consumption of 20% (40% for Latvia);
- Share of RES in transport sector of 10% (10% for Latvia).

Accordingly, RES also plays an important role in the balance of primary energy resources in Latvia. In order to facilitate the achievement of the goals defined regarding RES, Latvia introduced a state support mechanism for the promotion of renewable energy, that is, **mandatory procurement and a guaranteed fee for the installed electric capacity** in 2005. In Latvia, all Latvian electricity end-users cover the costs arising from supporting electricity produced from RES or high-efficiency cogeneration in proportion to their electricity consumption, as the price includes a mandatory procurement component or MPC².

Between 2011 and the end of 2019, within the framework of the mandatory procurement (hereinafter - MP) support, five power plants received a fee for the installed electric capacity of **686.9 million euros** and more than 400 power plants received aid above the market price for MP sold electricity of **1,0156 billion euros**³. At the end of 2019, **359 power plants continued** to receive MP support as compensation above the market price for the produced and sold electricity.

The establishment of the MP support mechanism facilitated the construction of RES power plants and increased the intensity of RES use, thus contributing to the achievement of the share of RES in final energy consumption (at least 40%) as defined in the Europe 2020 strategy⁴. The



MP support contributed to the growth of “green” electricity share, but it cost **one billion euros** to the Latvian population and economy in nine years.

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share of RES in electricity generation increased from 44.69% in 2011 to 53.5% in 2018⁵.

The European Commission has concluded⁶ that the current Latvian RES energy support scheme has proved costly. However, MPC accounts for a relatively small share of the total electricity bill (from 13% for 1-phase connections to 18% for high-capacity 3-phase connections). Furthermore, opposite to the frequent public misconception that the cost of MPC is the price of “green” electricity, **RES power plants receive only 64% of the aid paid by electricity users through MPC** (wind farms, hydropower plants, and biogas or biomass cogeneration plants). The natural gas cogeneration plants receive remaining 36% of MPC support for the sold electricity, and four large-capacity natural gas cogeneration plants do so in the form of a guaranteed capacity payment.

Compared to Latvia, Lithuania and Estonia have had a much faster development of RES use in electricity generation since 2010 by ensuring a higher increase in RES electricity by 2018. The technologies chosen by Estonia and Lithuania for the development of RES electricity generation also differ from the Latvian RES development direction significantly. While cogeneration plants provided the largest increase in RES electricity in Latvia in the last decade (94% of the total 79.96 ktoe increase), which is also one of the most expensive technologies in the context of MP support, then, for example, in Lithuania, wind power plants ensured most of the capacity increase (66% of the total 129.79 ktoe increase) or currently the cheapest available RES electricity generation technology.

The MP support system and its monitoring have been savaged for several years. Rapidly growing MP support payments, rising electricity bills for consumers, public suspicions of inefficient management and fraud in RES and cogeneration plants, and initiated criminal proceedings for violations of MP support have reduced public confidence in and support for the established RES support system, the idea of using RES, and the EU Green Deal significantly.

In this audit, the State Audit Office has assessed whether the Ministry of Economics has ensured purposeful implementation of renewable energy policy and monitoring of implementation of renewable energy support measures, thus promoting appropriate use of mandatory procurement component (MPC) funds and achievement of Latvia’s targets on renewable energy use.

Main Conclusions

Although the energy policy planning documents developed by the Ministry of Economics define RES energy development goals, identify the measures to be implemented for meeting the goals and the necessary funding for their implementation, and the RES electricity generation support mechanism (MP) established by the Ministry of Economics have facilitated the achievement of the target of 40% share of RES in Latvia’s final energy consumption, the Ministry of Economics has not ensured the introduction of an economically justified RES electricity generation mechanism, because:

- The Ministry of Economics has not assessed the opportunities of alternative support mechanisms when implementing the MP support mechanism. The MP support

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mechanism chosen in Latvia does not promote the effective implementation of RES technologies, and the lowest increase in RES electricity has been achieved with higher MP costs than in Estonia and Lithuania (increase by 80 ktoe in Latvia from 2010 to 2018⁷, while increase by 130 ktoe in Lithuania and by 91 ktoe in Estonia in the same period);

- All activities the Ministry of Economics performed between 2011 and 2019 aimed at reducing the negative impact of the existing MP support mechanism, rather than introducing a new support mechanism. Thus, one has not eliminated the support of expensive and inefficient technologies, thus hindering the development of technologies that are more competitive in market conditions in the production of electricity from RES and the reduction of the MPC burden on electricity users.

The audit has concluded that the weak RES policy and shortcomings in monitoring its implementation have had specific consequences and real costs for the Latvian economy and all citizens proving that policy planning may not be a formal and bureaucratically insignificant process that can be abandoned. On the contrary, when making policy decisions, one must safeguard that their economic rationale is assessed and their long-term impact on the economy is projected.

The economic rationale and long-term efficiency of RES energy policy implementation measures

The Ministry of Economics has not been able to define economically justified support conditions for RES power plants from 2011. When providing explanations to the Constitutional Court, the Ministry of Economics agreed with the Cabinet of Ministers⁸ that the amendments⁹ suspending the issuance of new MP permits temporarily in 2011 were made to protect the right of electricity users to receive electricity at a predictable price and prevent disproportionate MPC impact on the total price of electricity and that the amendments made could be considered as a transitional regulation until the establishment of a new support mechanism¹⁰. Nevertheless, the MP support mechanism has not changed in essence in 2020 either.

The information compiled by the auditors shows that 81% of all MP support funding for RES power plants or 561.6 million euros were paid to cogeneration plants from 2011 to 2019, which were paid the highest premium above the market price of 0.1143 euro/kWh.

In addition, due to insufficient control of the use of net heat in cogeneration plants by the Ministry of Economics, according to the auditors' estimates, the calculation of the price of electricity purchased within the mandatory procurement does not take into account the annual unearned revenues of cogeneration plants from produced but unsold heat of at least 8.5 million euros. The state guaranteed payment for the electricity sold above the market price allowed such non-economic management of cogeneration plants, which was twice as high as for similar types of RES cogeneration plants in Estonia (0.1143 euro/kWh on average in Latvia, 0.0536 euro/kWh on average in Estonia).

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According to the auditors, the MP system is unreasonably expensive for electricity users in Latvia and does not provide incentives for the long-term efficient development of the RES sector, as 20 power plants out of 26 or 76% stopped producing electricity after withdrawal of the permit to sell electricity at an increased price under the MP whereas 47 power plants out of 49 or 96% did not start production at all after the withdrawal of the permit.

The Ministry of Economics has been reluctant to introduce a new technology-neutral RES support mechanism since 2012¹¹ although potential solutions for the introduction of a new support mechanism were identified in information reports prepared by the Ministry of Economics¹² and the development of a new RES electricity support mechanism has been on the political agenda of at least three governments¹³.

The effectiveness of the EU funds spent

When planning the use of EU funds for the 2014–2020 programming period, the Ministry of Economics has not observed the principles set out in the guidelines issued by the Ministry of Finance¹⁴ and allowed setting specific outcome indicators that did not characterise the impact of investments on planning results. Opposite to the expected result in the period from 2016 to 2019, investments of 35.8 million euros¹⁵ in improving energy performance of economic operators and increasing the additional capacities of RES energy production have not contributed to the increase of RES share in the energy consumption of manufacturing industry and the increase of total RES heat capacity, id est, the share of RES in energy consumption of manufacturing has decreased by 2% since 2016 (from 45% to 43%) while the total heat capacity of RES has decreased by 3% (from 1769 MW to 1723 MW)¹⁶.

Moreover, the Ministry of Economics had not determined the impact of the financial investments to be made under the measures of the specific support objective 4.1.1 “Promoting energy efficiency, reduction of energy consumption, and transition to RES in the manufacturing sector” correctly on the achievement of the output indicator and coherence of the output indicators with the planned funding, as the output indicator “Additional capacity from renewable energy sources” was exceeded by 167% at the end of 2019 while the output indicator “Energy savings for supported enterprises” was exceeded even by 1816% although only 40% of the planned funding had been used for the implementation of those measures¹⁷.

Such significant deviations of the performance indicators and the use of funding from the planned values indicate that the Ministry of Economics has not identified the most economical



81% of all MP support funding for RES power plants or 561.6 million euros were paid to cogeneration plants, which received **one of the highest premiums** above the market price by **“blowing up in the air”** cogeneration heat **totalling to 8.5 million euros** every year at the same time.

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way of using the funding available within the EU funds. Hence, it is also impossible to ascertain whether the Latvian economy has obtained the best possible result from each euro spent.

Supporting energy-intensive industries

Albeit the Cabinet Regulation envisaged support of 85%¹⁸ of the MPC paid by an economic operator to the six manufacturing sub-sectors¹⁹ in the previous year, the support objective is only partially achieved due to the existing support measure criteria, as entrepreneurs of one manufacturing industry sub-sector, namely, wood-processing operating in the relatively low value-added production segment have received 62% of the amounts of aid paid totalling to 16,793,237 euros from 2015 to 2019. In addition, only five enterprises have received almost 70% of all support paid to 30 enterprises.

Due to the selected eligibility criteria, the support measure is not available to enterprises operating in the supported sectors, whose cost structure does not meet the 20% electricity cost intensity criterion. Yet, support is not available to enterprises that produce high value-added products. In addition, the electricity cost intensity criterion does not encourage businesses to invest in improving their energy efficiency.

At the same time, the Ministry of Economics has not fully used the options at its disposal to differentiate the criteria for receiving support provided for in the European Commission Guidelines on State Aid for Environmental Protection and Energy 2014-2020²⁰ (hereinafter referred to as the EC Guidelines) by setting lower electricity cost intensity criteria for certain sectors (7% or 10%), thus denying support to enterprises that use a significant amount of electricity in their production, which does not reach 20%²¹ of their production costs.

Thus, the implementation of the support measure for energy-intensive industries has not used opportunities for supporting the increase of competitiveness and productivity of enterprises sufficiently despite the fact that it is one of the priorities of Latvia's National Development Plan 2027²² for business and economic development to create and sell high value-added exportable products and services in the result of innovation and to facilitate investment in the modernization of technology and machinery as well.

Implementing control over the MP support beneficiaries

The additional instruments introduced in the regulatory framework of the MP support system in 2018 (one-time on-site inspections by JSC “*Enerģijas publiskais tirgotājs*” (Public Energy Trader) and submission of principal scheme of power supply connection in power plants) to improve control of power plant operations facilitated compliance of MP beneficiaries with the requirements of the Electricity Market Law (hereinafter –referred to as the EML). The increase in the self-consumption of electricity indicated in the reports of cogeneration power plants regarding the operation of the power plant in 2019 included in the audit sample proves the latter.

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However, in cooperation with the involved experts in electrical power engineering²³, the auditors have concluded that, for determining the exact amount of self-consumption at a power plant and verifying that the power plant operates under the principle of self-consumption stipulated in the Electricity Market Law, the laws and regulations²⁴ valid at the moment of the audit lacked exact requirements for recording electrical and thermal energy in power plants and for the information to be reflected in the principal schemes of power supply connection. When examining the reports of the enterprises included in the audit sample regarding their activities in 2018 and 2019, one has:

- Identified weaknesses in the accounting of heat produced by cogeneration plants, which can play an important role in determining the MP price of electricity produced and the efficient use of energy resources. Namely, the heat produced in the cogeneration process was not used efficiently because 38% of the obtained heat energy was “blown into the air”, thus enterprises did not earn at least 660,000 euros according to conservative estimates of experts;
- Established that the principal schemes of power supply connection submitted by the power plants and coordinated by the Ministry of Economics do not provide the information necessary for the control of the power plants on the energy flows in the power plant itself currently. The laws and regulations do not set binding standards for drafting the principal schemes of power supply connection in power plants. One considers binding only the requirements for the establishment of measuring devices and connection to the grid specified in laws and regulations that ensure energy accounting at the border of power plant but do not provide information on energy flows in the power plant itself.



Evidence has been obtained for two companies that might have received unjustified aid within the framework of MP of at least **498,927 euros.**

The current laws and regulations²⁵ also do not safeguard precise regulation of the mentioned areas to provide the State Construction Control Bureau (hereinafter – SCCB) with an opportunity to identify incorrect indication of power plant self-consumption data in due time.

In the first eight months of 2020, the SCCB has started active supervision of MP beneficiaries, including the development of procedures and the identification of certain activities aimed at establishing a risk-based inspection system. They have set up a control group and carry out on-site inspections of power plants. The achievements of the SCCB show a significant improvement in the supervision of MP beneficiaries in 2020. However, the State Audit Office sees certain aspects where the procedure developed by the SCCB needs to be improved to provide for targeted and significant risk-based inspections. The SCCB must also establish a clear division of competences among the experts in the control group to reduce the risk of inadequate inspections.

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The checks on the solidity of the MP support granted and the recovery of the support unduly paid

Until the end of 2019, the officials of the Ministry of Economics have not assessed the reports submitted by enterprises on the operation of power plants substantially when supervising the activities of MP support beneficiaries, including the assessment of compliance of power plant electricity use with laws and regulations and the control of performance of functions specified in the department regulations at the level of the management of structural units. Due to the actions of the officials of the Ministry of Economics, allegedly incompliant sale of electricity within MP has not been identified in time by providing more support to enterprises than required by law, thus obliging the whole society to cover increased MPC costs.

For example, out of the eight enterprises included in the audit sample, the information provided in the reports of seven enterprises on the operation of power plants in 2018 points to the deficiencies in the accounting of electricity consumption, which poses a risk of receiving more MP support than required by law. Besides, the auditors consider that there is sufficient evidence obtained of possible unjustified support received under the MP of at least 498,927 euros.

Although, when representing the Republic of Latvia, the Ministry of Economics has been recognised as an injured party in six criminal proceedings, it has applied to the State Police concerning alleged illegal activities of enterprises in two cases only, and has submitted an application for damages just in one case since the beginning of 2018.

When evaluating the operation of the Ministry of Economics in supervising the activities of MP beneficiaries and considering the possible violations of electricity and heat accounting and determining the amount of electricity sold within the MP by enterprises, the auditors conclude that the Ministry of Economics has not ensured the assessment of the solidity of support disbursed before and has not acted enough to recover any MP support that has been granted unjustified.

Major recommendations

Based on the audit findings, there are six recommendations issued to the Ministry of Economics, as responsible for the development and implementation of RES energy policy, and to the SCCB, as responsible for the supervision and control of MP beneficiaries.

Aiming to prevent the negative impact of the implementation of RES energy policy on the Latvian economy and electricity end-users and to facilitate the development of long-term efficient and economically justified RES energy sector in Latvia, including targeted support for energy-intensive industries and promoting efficient use of EU funds, the recommendations of the State Audit Office to the Ministry of Economics shall:

- Facilitate informed and evaluation-based decision-making in the area of RES energy support measures for ensuring the technological neutrality of the support provided to the RES sector taking into account the interests of the national economy and the public;

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- Promote the compliance of the planning of the use of the EU funds support measures for the 2021–2027 programming period under the supervision of the Ministry of Economics with the principles of policy and financial coherence, thus providing an opportunity to assess the efficiency of investments;
- Advance the determination of the criteria for receiving support for energy-intensive industries, which will provide targeted support to exporting enterprises from energy-intensive manufacturing industries, thus promoting the achievement of the goals set in the Latvia's National Development Plan as well.

For improving the supervision of MP support beneficiaries and furthering actions of the Ministry of Economics and the SCCB in assessing the solidity of support granted to enterprises in previous periods and recovering unduly paid MP support, the State Audit Office provided recommendations that shall:

- Help streamlining the SCCB's power plant risk assessment algorithm by setting the electricity self-consumption risk threshold in accordance with the self-consumption characteristic of the power plant technological cycle and improving the control of heat production accounting produced by power plants;
- Upgrade the laws and regulations²⁶ by defining more precise requirements for the detailing of principal schemes of power supply connection, thus providing the controlling institutions with the information necessary for the performance of their functions regarding the operation of the power plants;
- Facilitate the re-evaluation of the data in the reports submitted by the MP support beneficiaries in previous years on the operation of the power plant and the recovery of unduly paid MP support.

References

- ¹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and repealing Directives 2001/77/EC and 2003/30/EC, Article 3 and Annex 1.
- ² Section 28.5 and 28.¹⁴ of the Electricity Market Law.
- ³ Summary by auditors based on the available information available on the website of the Ministry of Economics https://em.gov.lv/lv/nozares_politika/atjaunojama_enerģija_un_kogeneracija/informacija_par_izdotajiem_lemumiem_par_elektroenerģijas_obligato_iepirkumu/, the source viewed on 24 January 2020, and the information available on the website of the SCCB <https://bvkb.gov.lv/lv/content/lemumi>, the source viewed on 30 October 2020.
- ⁴ According to the updated Eurostat data on the progress of achieving RES targets as of 7 February 2020, Latvia provides the share of RES of 40.292% in 2018: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nrp_ind_ren&lang=en, the source viewed on 9 February 2020.
- ⁵ <https://ec.europa.eu/eurostat/web/energy/data/shares> Excel file “SHARES summary results 2018”, the source viewed on 9 February 2020.
- ⁶ European Commission Report on Latvia “European Semester 2020: Assessment of Progress in Implementing Structural Reforms, Preventing and Correcting Macroeconomic Imbalances and the Results of In-Depth Reviews under Regulation (EU) No 1176/2011” of 26 February 2020, page 55.
- ⁷ Ktoe - thousand tonnes of oil equivalent.
- ⁸ Sub-paragraph 4.1 of the judgment of the Constitutional Court of Latvia “On the compliance of Section 100 of Cabinet Regulation No 262 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices” of 16 March 2010 with Section 64 of the Constitution of the Republic of Latvia of 14 October 2015.
- ⁹ Cabinet Regulation No 365 amending Cabinet Regulation No 262 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices” of 16 March 2010” of 17 May 2011.
- ¹⁰ Sub-paragraph 4.3 of the judgment of the Constitutional Court of Latvia “On the compliance of Section 100 of Cabinet Regulation No 262 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices” of 16 March 2010 with Section 64 of the Constitution of the Republic of Latvia of 14 October 2015.
- ¹¹ Informative Report “On support mechanisms for electricity generation from renewable energy sources”, page 25, the source available at <http://tap.mk.gov.lv/mk/tap/?pid=40246892> and viewed on 27 September 2020.
- ¹² For instance, Informative Report “On support mechanisms for electricity generation from renewable energy sources”, page 25, the source available at <http://tap.mk.gov.lv/mk/tap/?pid=40246892> and viewed on 27 September 2020, and Informative Report “Latvian Energy Long-Term Strategy 2030: Competitive Energy for the Public” (reviewed by the Cabinet of Ministers on 28 May 2013).
- ¹³ Task 64 of Cabinet Order No 84 “On the government action plan for the implementation of the declaration on the intended activities of the Cabinet of Ministers led by Valdis Dombrovskis” of 16 February 2012; Task 58.2 of Cabinet Order No 78 “On the government action plan for the implementation of the declaration on the intended activities of the Cabinet of Ministers led by Laimdota Straujuma” of 16 February 2015, Measure 13.1 and 13.2 of Cabinet Order No 275 “On the government action plan for the implementation of the declaration on the intended activities of the Cabinet of Ministers led by Māris Kučinskis” of 3 May 2016.
- ¹⁴ Guidelines setting out the principles for the development of indicators to be included in the operational program of the EU funds for the 2014–2020 programming period, resource available at https://www.esfondi.lv/upload/14-20_gads/20131126_VI_Vadlinijas_raditaji_clean.pdf, the source viewed on 9 September 2020.
- ¹⁵ Progress in the implementation of EU funds for the 2014–2020 programming period until 31 December 2019, resource available at <https://www.esfondi.lv/finansu-un-raditaju-plani-to-izpilde>, the source viewed on 3 November 2020.
- ¹⁶ Indicators achieved in 2019, resource available at <https://www.esfondi.lv/2019.gads>, the source viewed on 3 November 2020.
- ¹⁷ Progress in the implementation of EU funds for the 2014–2020 programming period until 31 December 2019, resource available at <https://www.esfondi.lv/finansu-un-raditaju-plani-to-izpilde>, the source viewed on 3 November 2020.
- ¹⁸ Sub-paragraph 2.3 of Cabinet Regulation No 395 “Procedures by which energy-intensive manufacturing enterprises acquire the right to a reduced participation for the payment of the mandatory procurement component” of 14 July 2015.

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¹⁹ C16 Manufacture of wood, and wood and cork products, except furniture; manufacture of articles of straw and plaiting materials, C21 Manufacture of basic pharmaceutical products and pharmaceutical preparations, C22 Manufacture of rubber and plastic products, C23 Manufacture of non-metallic mineral products, C24 Manufacture of basic metals, C27 Manufacture of electrical equipment. Annex 1 to Cabinet Regulation No 395 “Procedures by which energy-intensive manufacturing enterprises acquire the right to a reduced participation for the payment of the mandatory procurement component of 14 July 2015.

²⁰ European Commission Guidelines on State Aid for Environmental Protection and Energy 2014-2020 (ES OV C/200, 28.06.2014).

²¹ Sub-paragraph 5.1 of Cabinet Regulation No 395 “Procedures by which energy-intensive manufacturing enterprises acquire the right to a reduced participation for the payment of the mandatory procurement component” of 14 July 2015.

²² Objective of the Latvian National Development Plan, Action Plan 2027 target “Productivity, Innovations, and Exports”, paragraph 189, resource available at <https://likumi.lv/ta/id/315879-par-latvijas-nacionalo-attistibas-planu-20212027-gadam-nap2027>, the source viewed on 13 November 2020.

²³ Agreement No 3.7.5.4/4 between the State Audit Office and the Latvian Association of Electricians and Power Engineers of 18 June 2020 on the provision of expert services in the area of business, competition, and good governance, activities of state-owned and municipal enterprises, in the area of sectoral policy (energy sector).

²⁴ Cabinet Regulation No 262 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices” of 16 March 2010” and Cabinet Regulation No 221 “Regulation on electricity generation and the procedure for determining prices in the production of electricity in cogeneration” in the wording in force until 9 September 2020.

²⁵ Cabinet Regulation No 560 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices and supervision” of 2 September 2020 and Cabinet Regulation No 561 “Regulation on electricity generation, supervision, and price determination in the production of electricity in cogeneration” of 2 September 2020.

²⁶ Cabinet Regulation No 560 “Regulation on electricity generation using renewable energy sources and the procedure for determining prices and supervision” of 2 September 2020 and Cabinet Regulation No 561 “Regulation on electricity generation, supervision, and price determination in the production of electricity in cogeneration” of 2 September 2020.