



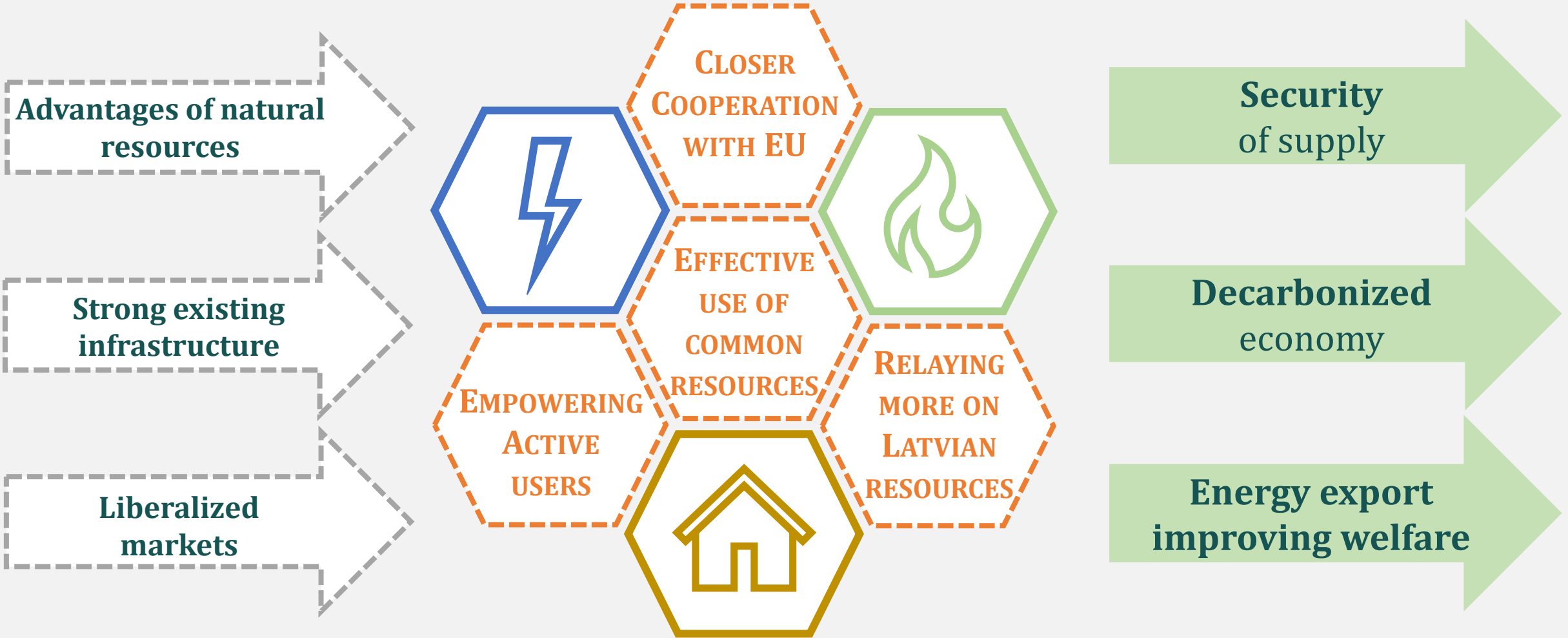
# GREEN TRANSITION IN LATVIA AND POLICY FRAMEWORK FOR OFFSHORE WIND AND HYDROGEN DEVELOPMENT



MINISTRY OF CLIMATE AND ENERGY

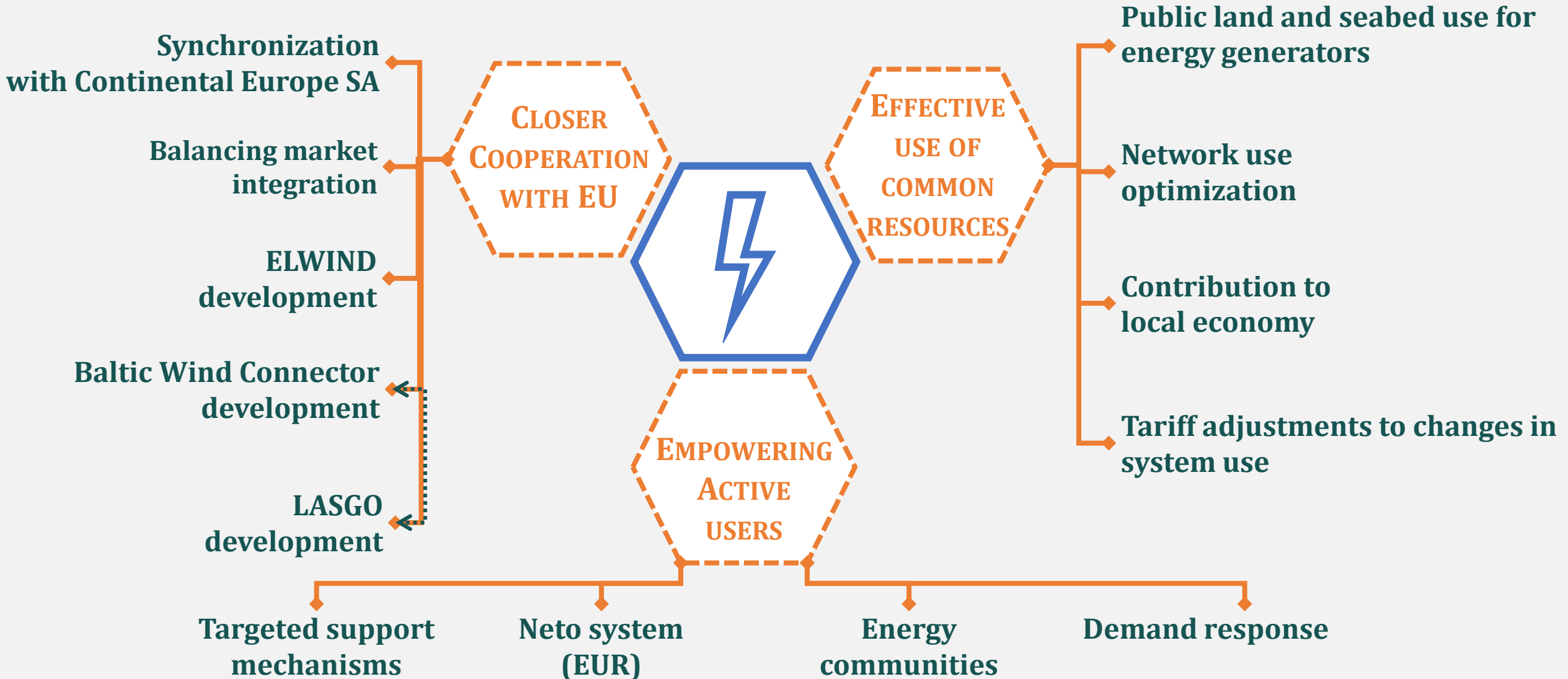
RIGA | 25.01.2024.

# ENERGY IN LATVIA

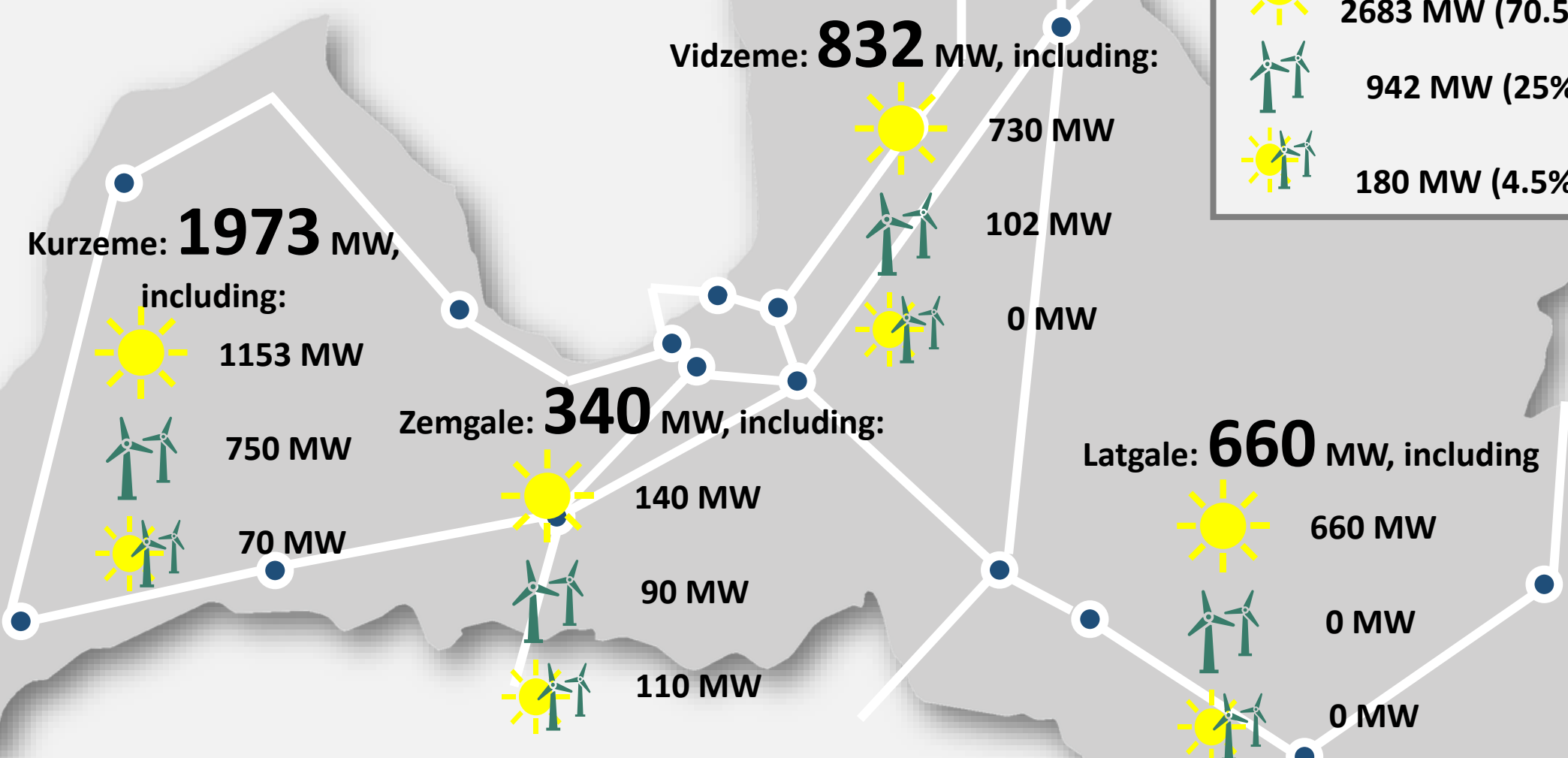




# ELECTRICITY



# RESERVED CAPACITIES AFTER 1.04.2023



**All in all: 3805 MW,**

- including: 2683 MW (70.5%)
- 942 MW (25%)
- 180 MW (4.5%)

Source: Augstsprieguma tīkls





# OFFSHORE WIND POLICY

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There is awareness of policy maker of the need to unlock the potential of offshore wind energy and it is prioritized in NECP;

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Development of the Latvian-Estonian joint project ELWIND should become a pioneering case and stimulus for development of infrastructure, it will be the only project that will have infrastructure in place before the start of the project;

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There is no sustainable mechanism and regulation in place that determines the procedure by which a developer can obtain lease and building rights for license areas, however, currently the necessary amendments;

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No in-depth study of perspective license areas has been carried out, however, it will be possible to do after finalized compromise with stakeholders, especially maritime and defence sectors;

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The global situation with delays in supply chains, increase in material prices and downward trend in electricity prices slows down developers' interest in the Baltic States;

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Potentially there might be need to develop and facilitate new power market products, and analyse and review (merge) existing market bidding zones in the region;




# OFFSHORE WIND – TO DO LIST



**Update of Cabinet rules Nr. 631 «Building Regulations for the Internal Sea Waters, Territorial Sea and Exclusive Economic Zone of the Republic of Latvia»**

**Existing situation**

- According to the Maritime Plan 2030, research areas for wind farms (E1, E2, E3, E4, E5) have been identified, for the use of which a licence can be obtained for the installation of an offshore wind power plant and related research.
  - According to the Maritime Plan 2030, these wind farm research areas have been found to be suitable for the construction of wind power plants. In each of the wind farm research areas, it is theoretically possible to place at least one wind farm with a capacity of up to 800 MW.
  - According to the Marine Plan 2030, the research areas of the wind farm are divided according to the following criteria: depth in the sea – up to 60 m, distance from the coast – no closer than 8 km; average wind speed – from 8 m/s; does not overlap with protected areas, military training grounds, license areas for the exploration and production of hydrocarbons, and areas for sunken explosives.
  - Against this background, an opportunity has emerged for the development of a new offshore wind energy sector, which needs appropriate regulation. Currently, the procedures for determining the licence area in the sea, the procedures for issuing a licence, and the procedures for organising a tender for the right to use the licence area in the sea, as well as the procedures for the construction process for structures, including energy production and transmission infrastructure structures in the sea, are determined by Regulation No. 631. It will be excluded from this legislative act and replaced with new Cabinet rules. This regulation covers the construction of all structures in the internal sea waters, territorial sea and exclusive economic zone of the Republic of Latvia.
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# OFFSHORE WIND - TO DO LIST

Update of Cabinet rules Nr. 631 «Building Regulations for the Internal Sea Waters, Territorial Sea and Exclusive Economic Zone of the Republic of Latvia»

## **Problem description**

- In the period from mid-2021, a total of five applications have already been received for the designation of offshore wind farm areas in all wind farm research areas. Although Regulation No 631 regulating this area is in force, it covers a wide range of structures to be built at sea, including structures necessary for commercial activities in fisheries and other structures not mentioned above at sea. Thus, the framework is general and does not comply with the principles of developing efficient offshore wind energy. In order to effectively promote the offshore wind sector, it would be necessary to review both the procedure for granting licences and the criteria for evaluating bidders, as well as to establish clear procedures for the auctioning of licences.

## **Solution**

- The draft regulation provides for the exclusion from Regulation No 631 of references to the construction of structures necessary for energy supply. In accordance with the delegation included in Section 19, Paragraph two, Clause four of the Marine Environment Protection and Management Law, a new draft Cabinet regulation will be prepared, which will provide for detailed procedures for licensing, research and organisation of auctions.

# OFFSHORE WIND - TO DO LIST

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**Additional tasks to be completed:**

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**Review of «Protection Zone Law»:**

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**Provisions regarding offshore transmission infrastructure, substations?**

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**Review of Law «On Regulators of Public Utilities»:**

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**Regarding provisions, related with financing and usage of offshore infrastructure and their inclusion in common transmission tariff?**

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**Review of Cabinet rules issued on legal basis of «Construction Law»:**

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**Including discussions for need to update relevant rules regarding certification of construction experts, related industry standards?**





# HYDROGEN POLICY

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## CURRENT POLICY POSITION

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Hydrogen is highly perspective and promising energy resource, which will contribute to energy storage, energy supply balancing and decarbonization goals

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However, Latvia needs surplus of competitive electricity to become a significant hydrogen producer and user

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Several industries provide contradictory or competitive view about best future policies and choices, and it remains to be seen which technologies win competition

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Development in highly industrialized countries such as Germany also should be taken into account (export, selection of technologies)



# HYDROGEN POLICY

## OUR CURRENT AND PLANNED STEPS

Amendments to Energy Law to enable natural gas TSO to inject hydrogen up to 5% in the grid under way

Nordic – Baltic hydrogen corridor development by TSO («Connexus Baltic Grid») by 2030, preliminary research to be completed by Q2 2024

National hydrogen strategy planning report, provisionally to be completed in 2025

Continuous consultations with stakeholders – heat suppliers, transport sector, chemical industry, as well as Baltic – German coordination







Klimata un enerģētikas ministrija

**THANK YOU!**

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