

Policy factsheet: Energy Communities and Regulatory Framework in LATVIA

1. Introduction and purpose

With the Clean Energy for all Europeans Package, the European Union introduced the right of all EU citizens to produce and consume their own energy as individuals, groups and as legal entities called “energy communities” (hereinafter – ECs).

The updated Renewable Energy Directive (RED II)¹ and the Integrated Electricity Market Directive (IEMD)² have defined several types of collective action including jointly acting renewables self-consumers, Renewable Energy Communities (RECs) and Citizen Energy Communities (CECs). Jointly acting renewables self-consumers are groups of at least two acting on the building level, including a multi-apartment block, or at a single real estate level. RECs and CECs reflect a legal form of collective ownership around various energy related activities. They go beyond the boundaries of single buildings and make use of the public grid. Both types of ECs are characterised by open and voluntary participation and autonomy. Their primary purpose is to provide environmental, economic or social community benefits to its participants or to the local areas where they operate rather than to generate financial profits. Both types of ECs are entitled to produce, consume, store, sell and share energy that is produced by the production sites owned by the respective EC.

While the IEMD entitles only CECs to share electricity that is produced by the facilities owned by them [Article 16.3(e)], the revised Electricity Market Directive³ introduced a clear definition of “electricity sharing”⁴ and extended this right beyond CECs towards ‘active customers’ - such as households, SMEs, public bodies and, where a Member State has so decided, other categories of final customer - allowing active customers to share self- or collectively generated electricity, both on-site or off-site, with friends, families, neighbours, communities, vulnerable consumers and households affected by energy poverty. Active customers can share renewable electricity between themselves based on both private agreements or through a legal entity and they may appoint a third party as an energy sharing organiser.

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, amended by the Directive (EU) 2023/2413, consolidated version 16/07/2024: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02018L2001-20240716>

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, basic version: <https://eur-lex.europa.eu/eli/dir/2019/944/oj/eng> ; amended consolidated version 16/07/2024: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02019L0944-20240716>

³ Directive (EU) 2019/944 of the European Parliament and of the Council of 13 June 2024 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union’s electricity market design: <https://eur-lex.europa.eu/eli/dir/2024/1711/oj/eng>

⁴ “Energy sharing” means the self-consumption by active customers of renewable energy either: (a) generated or stored offsite or on sites between them by a facility they own, lease or rent in whole or in part; or (b) the right to which has been transferred to them by another active customer for a price or free of charge, Article 2(10a). The right of electricity sharing is further detailed in an amending Article 15a “Rights to electricity sharing”.

Customers are entitled to conclude more than one electricity supply contract or energy sharing agreement at the same time and for that purpose they are entitled to have more than one metering and billing point covered by the single connection point for their premises and where technically feasible, smart metering systems may be used for it. The revised Electricity Market Directive also stipulates that Member States shall take appropriate and non-discriminatory measures to ensure that vulnerable customers and customers affected by energy poverty can access energy sharing schemes. Energy sharing projects owned by public authorities shall make a part of the shared electricity accessible to vulnerable or energy poor customers and Member States shall do their utmost to promote that the amount of that accessible energy is at least 10 % on average of the energy shared.

The Energy Efficiency Directive (EED)⁵ expands the ECs activities to include energy efficiency measures and underlines the necessity of ECs supporting the implementation of energy saving initiatives, combining them with investment in renewable energy (hereinafter – RE). The EED underlines the role of ECs and other consumer-led initiatives that can actively contribute to the implementation of local heating and cooling projects. In turn, the Energy Performance of Buildings Directive⁶ promotes the involvement of citizen-led initiatives and ECs for the delivery of the Buildings Renovation Wave and RE deployment for a new or renovated zero-emission buildings.

However, due to the late transposition of the EU legal framework for ECs and adoption of relevant secondary legislation in Latvia, **ECs in the strict sense of the RED II and IEMD are not yet operating in Latvia.**

This policy factsheet provides a brief overview of the state of promotion and implementation of ECs in Latvia with a focus on RES-based electricity, and in addition, shortly deals with the legislative framework for EC operation in RES-based heat supply. The data on current electricity consumption and renewable electricity production might help to reveal the potential of ECs in Latvia.

2. Basic country information

2.1 Institutional environment related to the development of energy communities

Latvia is a unitary state, currently divided into 43 first-level local governments, with 36 municipalities⁷ and seven city states.⁸ There are no second level (regional) self-governments in Latvia.

The second-level planning is performed by the five planning regions (legal status – derived public person). According to the Regional Development Law, the competence of the planning region is to ensure the planning and coordination of regional development and cooperation between local governments and local governments and other state (national) administration institutions. The planning regions determine the main basic principles, objectives, and priorities for the long-term development of the respective regions. They also determine regional territorial development, create spatial planning documents, and manage and monitor their implementation. The planning regions provide an opinion on the conformity of the long-term development strategy and mid-term development programme at the local level with the regional level's territorial development planning documents, and with the laws and regulations governing the development planning document system. They also draw up and implement

⁵ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency: <https://eur-lex.europa.eu/eli/dir/2023/1791/oj/eng>

⁶ Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings: <https://eur-lex.europa.eu/eli/dir/2024/1275/oj/eng>

⁷ Latvian: *novadi*, in 2025 the number will be reduced by one.

⁸ Latvian: *valstspilsētas*.

the projects within the scope of regional development support measures. As a derived public person, the planning region may elaborate, participate in, and lead different projects—both national and EU-funded—promoting regional development. As such, planning regions are one of the important promoters of ECs (see Table 3 below). In its turn, Latvia’s division into five historical regions promotes the preservation and sustainable development of the cultural and historical environment, however, without having political and administrative power.

Thus, the national Parliament (*Saeima*) and government (Cabinet of Ministers, *Ministru kabinets*) have the authority to formulate legislation in the energy sector. The Ministry of Climate and Energy (MCE) is responsible for the energy sector, and thus also for EC development. As part of the reorganization, starting February 1, 2025, energy policy functions will be transferred to the new Energy and Environment Agency, which operates under the supervision of the MCE. In its turn, the State Construction Control Bureau of Latvia continues to be the responsible state authority for information systems related to energy policy, among them the Energy Resources Information System (*Energoresursu informācijas sistēma*), a subunit of which is the Energy Communities Register.⁹ ECs in Latvia are regulated by the Energy Law and Electricity Market Law and the governmental regulations issued pursuant to these Laws.

At the same time, the Ministry of Economics (ME), the Ministry of Smart Administration and Regional Development (MSARD) and the Ministry of Agriculture (MA) must also be considered as important players for the promotion of ECs. ME is the responsible authority for national construction policy and housing policy and is also responsible for the improvement of energy efficiency policies and solar energy deployment in buildings, as provided by the new Energy Performance of Buildings Directive. MSARD is responsible for local governments and regional development, territorial development and land use planning. Meanwhile, MA promotes rural development and supervises rural development financial instruments, particularly for Local Action Groups (LAGs), who implement community led-local development strategies in their territories with a “bottom up” approach (LEADER funding). LAGs and their network organisation, the “Latvian Rural Forum”, already work for ECs development outside Latvia’s cities and thus have the potential to work in cities.

The local governments (hereinafter – LG) may exert influence on the national legislative process via the Latvian Association of Local Governments (LALG).

LGs have important functions in the field of territorial development planning and spatial planning. They should develop a long-term Sustainable Development Strategy (including the strategy and spatial development perspective), mid-term Development Programme (including strategy, action plan and investment plan, as well as implementation monitoring system) and Spatial Plan (including Local Plans, Detailed Plans, municipal regulation on the use and building of the territory, as well as voluntary Thematic Plans, e.g., designation of suitable zones for RE).¹⁰ Among the mandatory autonomous functions of LGs, the Local Government Law lists the following: organization of heat supply services; assisting inhabitants in resolving housing problems; promotion of the creation, maintenance, and modernisation of the housing fund; determination, in accordance with the spatial plan, of land use and

⁹ Cabinet of Ministers Ordinance No 1191 (17.12.2024) “Par Vides pārraudzības valsts biroja un Būvniecības valsts kontroles biroja reorganizāciju” (“On the reorganization of Environmental Impact Assessment Bureau and State Construction Control Bureau”, in Latvian): <https://likumi.lv/ta/id/357404>

¹⁰ Cabinet of Ministers Regulation No 628 (2014) “Noteikumi par pašvaldību teritorijas attīstības plānošanas dokumentiem” (Regulations on local government territorial development planning documents, in Latvian): <https://likumi.lv/ta/id/269842>

development; facilitation of sustainable management of natural capital; and the providing of contribution to climate change mitigation and adaptation.

Planning in the energy – climate sector can be performed within the general territorial development planning and spatial planning of the LG. The elaboration of a separate municipal sustainable energy and climate plan (SECAP) is not required. Nevertheless, over 20 municipalities (representing more than half of the municipalities in Latvia) have elaborated a SECAP. Due to the late adoption of EC-related legislation in Latvia, the development of ECs is only generally noted as an option in the municipal SECAPs. The overall potential contribution of ECs in local municipal and regional development so far is not considered. We might expect the LGs will pay more attention in the future to ECs and would be one of the key players to enhance their development, particularly as the facilitators and enablers.

2.2 Renewable energy

The use of renewable energy (RE) has experienced a constant growth in Latvia. The RE share in gross final energy consumption reached 43.72 % in 2022, with a slightly lower figure of 43.22 % in 2023 (in 2005 – 32.26%, in 2010 – 30.38 %).¹¹ This share is significantly higher than the average EU-27 share of 24.55 % (2023). In 2023, Latvia had the fourth highest RE share in gross final energy consumption among EU-27 countries, behind Sweden, Finland, and Denmark.¹²

The heating sector is the main driver behind this development, with renewable energy sources (RES) providing 61.36 % of heat consumption in 2023, compared to 42.68 % in 2005. The share of RE in buildings in 2022 was 60.6 %. The electricity sector also experienced constant growth of RE, from 43 % in 2005 up to 54.32 % in 2023. Importantly, the share of RES in electricity produced for domestic consumption in Latvia exceeds 70 %.

The existing growth trends means high future expectations. The updated National Energy and Climate Plan 2021-2030 (NECP 2030) envisages to reach the following RE shares by 2030: 61 % in final energy consumption, above 80 % in final electricity consumption (where the share of RE in electricity produced for Latvia domestic consumption is 100 %), 66.4 % in heating & cooling, and 65 % in buildings.¹³

In 2023, Latvia's gross final electricity consumption exceeded total RES based electricity production by one third. Latvia's total final electricity consumption constituted 6,270 GWh in 2023, of which the services sector (both public and commercial ones) consumed around 41 %, industry 27 %, households 26 %, other sectors (transport, construction sector, agriculture, forestry, fishery) 6 %.¹⁴ The increase in the number of electric vehicles will result in an increase in electricity consumption in the transportation

¹¹ Official Statistics Portal of Latvia (OSPL). The database ENA020 "Share of renewable energy resources": https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_NOZ_EN_ENA/ENA020/, accessed 11th February 2025

¹² Eurostat. Statistics Explained. Renewable energy statistics: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Renewable_energy_statistics

¹³ Latvia's Updated National Energy and Climate Plan 2021-2030. Approved by the Cabinet of Ministers Ordinance No 573, 12th July 2024: automatic machine translation, page 22: https://commission.europa.eu/publications/latvia-final-updated-necp-2021-2030-submitted-2024_en; original version in Latvian: https://tapportals.mk.gov.lv/legal_acts/f4ee17e0-b0f3-4171-a263-976a957bcbf7

¹⁴ OSPL. The database ENB060 "Energy balance": https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_NOZ_EN_ENB/ENB060, accessed 11th February 2025

sector. Annual average electricity consumption of households was around 880 kWh per capita. For more than 30 % of Latvia's households, the annual electricity consumption exceeds 2,000 kWh.¹⁵

The Daugava River hydro power plant (HPP) cascade is the main renewable electricity producer (Table 1).

During recent years Latvia has experienced a boom of solar PV generation capacities (Table 2). At the end of 2024, the total installed capacity of solar PV reached 660 MW, of which solar PV micro-generators (up to 11.1 kW capacity) constituted 195 MW (around 23,000) and large/larger capacity solar plants 467 MW (around 1,200). Around 95% of solar PV microgenerators have been installed by private households (single family buildings), and the rest by legal entities. One important promotional factor for the solar PV installations in single-family buildings was national financial support (investment grants through national revenues of auctioning EU ETS allowances) in combination with the possibility for households to participate in a net metering scheme (in kWh). The high electricity prices in 2022 were an important external factor. Within the three years 2022-2024, almost 13,000 solar PV microgenerators, with total capacity of 102 MW, were installed (excluding multi-apartment buildings). While the support programme has been extended until 2029, the future development is expected to be more modest because the net metering system was closed¹⁶ for new entrants.

The Latvian power transmission system currently allows for a maximum connection of 2 GW wind power. To find the best sites for future wind farms, 40+ wind farm project proposals have been submitted to go through the Environmental Impact Assessment (EIA) procedure. The EIA procedures for around 1 GW wind energy capacity have been already completed. However, these wind farms can be regarded as large-scale investor-driven projects with no explicit involvement of local citizens. In August 2024, the government adopted a regulation which envisages mandatory payments of new wind farm operators to promote local community development.¹⁷

Latvia's updated NECP 2030 does not envisage the future development of electricity generation by utilising solid and gaseous biomass. Promotion of biogas production is conditional upon its upgrade to biomethane quality and injection into natural gas grid.

¹⁵ OSPL. The database EPM310 "Energy consumption in household 1996-2020 (surveys)":

https://data.stat.gov.lv/pxweb/en/OSP_OD/OSP_OD_apsekojumi_energ_pat/EPM310.px/

¹⁶ The closure took place on 30th April 2024. For the existing participants the net metering system continues up to February 28, 2029. For new entrants the net payment/accounting (in EUR) system is in place.

¹⁷ Cabinet of Ministers Regulation No 577 (2024) "Vēja elektrostaciju maksājumu kārtība vietējās kopienas attīstībai" ("Wind power plant payment arrangements for local community development", in Latvian): <https://likumi.lv/ta/id/354566>

Table 1. Electricity production in Latvia¹⁸, 2023

Type of plant	Produced electricity, GWh	Installed capacity, MW
The Daugava River Hydro Power Plants cascade	3,725 (annual average 2010-2023 = 2800 GWh)	1,560
Small hydro power plants (< 10 MW)	69	28
Solid biomass and biogas utilizing plants	659	128
Wind power plants	271	128
Solar PV	239	319
Total RES plants	4,963	2,163
Natural gas CHP plants	1,422 ¹⁹	
Gross final electricity consumption	6,649	

Table 2. Electricity produced by solar PV facilities

	2021	2022	2023	2024 ²⁰	2025 (forecast)
Produced power, GWh	7		239	400	
Total capacity	7	43	319	660	900

3. Status quo of energy community development in Latvia

Latvia has no tradition of citizens' participation in the energy sector. A system of attractive long-term oriented electricity feed-in tariffs (which was a crucial factor facilitating the emergence of ECs in Western European countries, like Germany) was established in Latvia in 1996. This strongly promoted private investments in small and medium scale RE facilities but did not result in collective investments, e.g., by establishing energy cooperatives. Consequently, Latvia has no historical roots of energy cooperatives on which development of ECs might be based.

Apartment owners' joint decisions for renovating multi-apartment buildings are presently one dominating form of citizens' cooperation. In Latvia around 70 % of dwellings are apartments in multi-apartment buildings. After re-establishing Latvia's independence in 1991, the dominant share of flats of multi-apartment buildings, which had been built during the Soviet period, were privatised by their residents. Thus, the issue of how to organise the co-operation among the flat owners has appeared. Several options are possible: the community of apartment owners (1) constitutes a legal entity and

¹⁸ OSPL. The database ENA040 "Electrical capacity and produced electricity from renewables": https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_NOZ_EN_ENA/ENA040/, accessed 11th February 2025.

¹⁹ OSPL. The database ENB140 "Fuel consumption, heat and electricity production in CHP plants": https://data.stat.gov.lv/pxweb/en/OSP_PUB/START_NOZ_EN_ENB/ENB140/, accessed 11th February 2025

²⁰ Power distribution system operator JSC "Sadale tikls". Electricity Supply Review 2024 (Elektroapgādes apskats, in Latvian): <https://sadalestikls.lv/lv/elektroapgades-apskats>

acts according to the Law on Residential Properties²¹; (2) is registered as a society, according to the Association and Foundation Law²²; (3) apartment owners' cooperative society is established acting according to the Cooperative Societies Law.²³ The registered housing associations are strong promoters of energy efficient renovation of apartment building. During 2016-2024, in total around 23,000 apartments (>620 buildings) were renovated in Latvia. Importantly, around 57 % of these buildings were renovated by the registered housing associations²⁴, specifically collective management legal types of residents.

Registered housing associations can be considered strong bottom-up initiatives of the building's residents and can serve as the important pre-condition to further establish EC. However, two limitations must be overcome in Latvia: (1) until now, housing associations act at the building level, not at the neighbourhood level²⁵, and (2) joint rooftop solar heat collectors' and PV panels' installation in multi-apartment buildings, in combination of energy efficient renovation of the building, is still a (very) rare practice.

A strong impulse for ECs development was provided by the Co2mmunity project²⁶, implemented by the Riga Planning Region in the municipality of Mārupe, including concept dissemination through broad stakeholder involvement and the first two operating pilot projects in 2020 at single apartment building scale.²⁷

In turn, the COME RES project²⁸ provided important impetus for the creation of a national policy and legal framework and helped to promote best practice knowledge transfer.

Several pilot projects promote the concept of ECs at regional and local level (see Table 3).

The NGO "Green Liberty" has organized several expert discussions, public events and prepared recommendations on enabling frameworks for the development of ECs' renewable energy projects in Latvia.

²¹ Dzīvokļa īpašuma likums (Law on Residential Properties): <https://likumi.lv/ta/id/221382>

²² Biedrību un nodibinājumu likums (Associations and Foundations Law): <https://likumi.lv/ta/id/81050>. There is no separate law on housing associations, so they act under this umbrella law.

²³ Kooperatīvo sabiedrību likums (Cooperative Societies Law): <https://likumi.lv/ta/id/298656>. Again, there is no separate law on apartment owners' cooperative societies, so they act under this umbrella law, which states the cooperative society as the voluntary associations of persons the purpose of which is to promote efficient implementation of the joint economic interests of members thereof.

²⁴ I. Kudrenickis, R. Ernsteins, L. Biezina, R. Ikstena. Energy Efficient Renovation of the Multi-Apartment Buildings: Management, Economic and Engineering Aspects. Proceedings of the 23rd Int. conf. "Engineering for Rural Development", Jelgava, Latvia, 22-24 May 2024, article TF198, pages 978-990: <https://www.iitf.lbtu.lv/conference/proceedings2024/Papers/TF198.pdf>

²⁵ Worth to note, the on-going multi-apartment buildings energy efficient renovation programme, financed by the Latvia's Cohesion Policy Programme 2021-2027, states the higher, 50 %, support intensity in case the renovation will be done in the apartment block level (at least three buildings, sited nearby, simultaneously renovated). The general support intensity is 40 %. Cabinet of Ministers Regulation No 880 (17.12.2024), Article 34, in Latvian: <https://likumi.lv/ta/id/357498>

²⁶ The project "Co2mmunity: co-producing and co-financing renewable community energy projects" and its follow-up extension project "Energize Co2mmunity: real-life implementation of renewable community energy projects" (INTERREG Baltic Sea Region programme 2014-2020): <https://co2mmunity.eu/pilots/latvia>.

²⁷ Summarised analysis of the projects implementation and results see in: Kudrenickis I., Klāvs G., Zučika A. Energy communities in apartment buildings (LV). In: Maleki-Dizaji P., Rueda F. (lead authors). Synthesis Report based on in-depth assessment of 10 transferable best practices. Horizon 2020 programme COME RES project, Deliverable 5.3, 2022, pp.92-99. Available at: <https://zenodo.org/records/7640694>

²⁸ „COME RES: Community Energy for the uptake of RES in the electricity sector. Connecting long-term visions with short-term actions" (Horizon 2020 programme). 09.2020 – 02.2023. <https://cordis.europa.eu/project/id/953040>; <https://come-res.eu/>

Modelling work on ECs operation is actively provided by the researchers of Riga Technical University. For instance, a recent study²⁹ analyses actual (hourly real) electricity consumption data from 31 dwellings in typical 5-storey 60-apartments building in Riga. The authors provided a detailed analysis of both household electricity consumption data and household characterizing parameters (household size, population, etc.) to predict household load and ensure the optimal design of a multi-apartment building scale PV system. Findings indicate that a rooftop PV system on such a building can cover up to 77 % of annual electricity consumption. The international PERSIST project (2024-2027), in which RTU researchers participate³⁰, aims to achieve a better understanding of how socio-economic, socio-cultural, and socio-political factors shape Positive Energy Districts and their interrelations with technological, regulatory, and investment aspects across different geographical, cultural, and economic contexts. These are only two examples of research work to promote ECs operation in Latvia.

Table 3. Recent and currently on-going pilot projects for energy communities' promotion, best practices transfer and pilot projects implementation

Pilot project	Partner in Latvia	Time frame
Co2mmunity / Energize Co2mmunity	Riga Planning Region, Mārupe municipality	2017-2021
COME RES: Community energy for the uptake of RES in the electricity sector	Institute of Physical Energetics, Latvian Environmental Investment Fund	September 2020 - February 2023
Energy community for smart living: workshops & discussions within the SMART LIVING project (Interreg Estonia-Latvia programme)	Vidzeme Planning Region	March 2020 - December 2022
POWER POOR: Empowering Energy Poor Citizens through Joint Energy Initiative (Horizon 2020 programme)	Zemgale Region Energy Agency	September 2020 – August 2023
Feasibility study “Energy Communities Promotion in Rural Areas” (DBU)	Latvian Rural Forum	September 2022 – January 2023
‘Strengthening Energy Communities in Rural Areas’ (bilateral Germany & Latvia project, DBU)	Latvian Rural Forum	January 2024 – September 2025
StartSun (Interreg Baltic Sea Region programme)	Zemgale Region Energy Agency, NGO “Green Liberty”, Jelgava city municipality, Jekabpils municipality	November 2023 – October 2026
POWERYOUTH: Empowering youth for energy community actions (LIFE 2022, Clean Energy Transition sub-programme)	Riga Planning Region	January 2024 – December 2026
Advocacy work on energy democracy and energy communities (grants from European Climate Foundation)	NGO Green Liberty	November 2021 – July 2024

²⁹ Borodinets A., Lebedeva K., Odineca, T. Evaluation of household electricity consumption in multi-apartment buildings for optimization of rooftop PV systems. Energy and Buildings, vol.325, 2024, 114971.

³⁰ <https://pedeu.net/projects/persist/>

Proactive Strategies and Policies for Energy Citizenship Transformation (EnergyPROSPECTS, (Horizon 2020 programme)	University of Latvia	May 2021- April 2024
Modelling work on energy community projects (A. Mutule, A. Kamenders, A. Blumberga, A. Bodiņš and others)	Riga Technical University	ongoing

4. Policy and regulatory framework for energy communities

Status quo (as of February 2025)

As presented above, when the recast Renewable Energy Directive RED II took effect, Latvia had no legal definition of “energy community” or “energy cooperative” in place.

Only in **July 2022**, the definition of ECs was introduced in the national legal framework provided by: (1) Amendments to the Energy Law³¹, and (2) Amendments to the Electricity Market Law³². Both amendments came into force on 1st January 2023.

Two and a half years later, in December 2024, the next step was completed: the adoption of the governmental Regulation on the Rules for Registration and Operation of ECs (hereinafter – Rules).³³ This regulation transposes key provisions of the revised Electricity Market Directive (EU)2014/1711 on energy sharing. It provides the rules for ECs as well as for jointly acting renewables self-consumers and for connected active self-consumers.³⁴

In turn, the Draft Amendments to the Electricity Market Law (waiting for final reading in the *Saeima*) include a new provision – electricity traders shall include the universal service of the EC in their electricity trading offers. This universal offer will provide the guaranteed rights of EC to transfer the surplus electricity produced at its facilities to an electricity trader at a clearly comparable and transparent price. The conditions of this universal offer, including the minimum price of the universal service of the EC, shall be determined by the government.³⁵ This new provision may have a significant positive impact on ECs development in Latvia.

The following box summarizes the main features of ECs in Latvia, which will be further specified below.

³¹ Energētikas likums (Energy Law), the Chapter II.¹ „Energy Communities”: <https://likumi.lv/ta/id/49833>

³² Elektroenerģijas tirgus likums (Electricity Market Law), the Chapter VIII.² „Active Customers and Energy Communities for Electricity”: <https://likumi.lv/ta/id/108834>.

³³ Cabinet of Ministers Regulation No 808 (10th December 2024) “Energokopienų registrēšanas un darbības noteikumi” (“Rules for registration and operation of energy communities”, in Latvian): <https://likumi.lv/ta/id/357125>

³⁴ The number of connected active self-consumers does not exceed five persons and they carry out electricity sharing in electricity sharing facilities owned or used by them, provided that their total installed production capacity does not exceed 50 kW.

³⁵ The Saeima (Parliament). The Legislative documents database. The document No 730/Lp14: <https://tita-nia.saeima.lv/LIVS14/SaeimaLIVS14.nsf/0/02C87F8646EB3D33C2258C1B0042272?OpenDocument>, accessed 14th February 2025.

Box 1: Key features of Latvia's legislation for energy communities

- **Wide spectrum of eligible activities, in accordance with REDII**
- **Great diversity of eligible legal forms** (in practice all legal forms are eligible)
- **No formal restrictions for connection to the power distribution grid**, energy communities may connect facilities up to 14.99 MW
- **No territorial restrictions for participation in citizens energy (electricity) communities**
- **National legal framework provides for the model - the energy community participates in the electricity market by concluding an agreement with an electricity trader**
- **Principle of internal agreements among the participants of an energy community**
- **Flexible approach regarding the self-consumption share in produced electricity**
- **Renewable energy communities can implement heat energy sharing in facilities (areas) which are not technically and economically connected to district heating systems.**

Legal definition of energy communities

The definition of energy communities is aligned with the provisions of the RED II. The Energy Law introduced the single concept of “energy community”, based on the two related concepts, namely of the “renewable energy community” and the “energy community for electricity” (i.e. the Latvian analogy for the concept of “Citizen Energy Community” laid down in the IEMD). EC may comply with the conditions of one or both types. While the activities of an “EC for electricity” relate only to the electricity sector, the activities of “renewable energy communities” may relate both to the electricity sector and heat sector.

Participants of an EC may be natural persons, SMEs and local governments. Other public entities may be participants of an EC for electricity. There is a broad variety of legal forms ECs can take: association, foundation, cooperative society, partnership, capital company as well as other civil liability society.³⁶

The legal definition of an EC includes the principles of independence, as well as voluntary and open participation. Members or shareholders of an EC shall participate in such decisions which ensure the decisive influence or actual control in an EC, particularly in decisions which apply to: (1) the rights of ownership or the right to use all assets of an EC or the determinant part thereof; (2) the rights or legal transactions which grant the decisive influence in relation to the composition, votes, or decisions of the administrative bodies of an EC. At the same time, there are no quantitative figures stated, such as a minimum share of voting rights to be held by natural persons, or a maximum share of voting rights for the single participant of an EC. Also, the concepts of “open” and “voluntary” participation, laid down in the RED II, have not been further specified.

Important provisions shall be included in the statutes of an EC (Rules, Article 53), such as the objective of operation, areas of activity, decision-making procedures, procedure for admitting and exclusion of participants and the relationship between members and shareholders, procedure for the following distribution (sharing) of electricity not used for immediate consumption and thus transferred to the power distribution system, procedure for distributing revenues from the sale of electricity (if applicable), objectives for using the profit made by an EC (if EC plans to make a profit).

³⁶ According to the Civil Law, <https://likumi.lv/ta/id/225418>

Meeting the primary purpose of the energy community

The Energy Law specifies the primary purpose of an EC pursuant to RED II. Namely, “the objective of an EC operation is the production of energy for its members or shareholders by providing economic benefits, social benefits, and benefits related to improvement of the environmental quality for its members, shareholders, or territories of the operation thereof. The primary objective of an EC is not to make profits. If an EC has the legal form of a capital company, it does not distribute the profit obtained thereby and does not disburse it in dividends but invests it in the achievement of the objectives specified in the statutes, these objectives shall conform to the above objectives of an EC”.

The above-mentioned Rules (Articles 36, 37) formulate two criteria on how to meet the specified primary purpose:

1. An EC ensures that at least 80 % of electricity produced in its facilities, which is not used for immediate consumption and thus is transferred to the power distribution grid, is consumed by EC participants within the term of one calendar year;
2. If an EC shares below 80 % of the electricity transferred to the power distribution grid, the transfer of 51 % of the annual earned profit should be ensured for the purposes, as stated by the Energy Law.

Compliance is checked by the Energy and Environmental Agency once a year by June 30. If the responsible authority concludes that the EC has not used the profit obtained in accordance with the above-mentioned condition, the authority requests an explanation regarding the use of the profit and requests the EC to eliminate the identified non-compliance within three calendar months.

If (1) any EC participants perform an economic activity, or (2) EC shares below 80 % electricity transferred to the grid, an EC will be considered a commercial company within the meaning of the Law on Control of Aid for Commercial Activity³⁷ and is subject to the regulation on commercial activity aid if an EC is granted public funding. Tax payments shall be made by an EC for the profit referred above in accordance with the Enterprise Income Tax Law.³⁸ The profit earned by an EC in the current calendar year shall be calculated from the revenues from the electricity sales, minus the expenses of EC participants for the consumed electricity and system services, as well as minus other expenses that comply with the purpose of an EC as stated by the Energy Law (Rules, Articles 38, 41-43).

Proximity

There is no explicit proximity criterion for the EC operating in the electricity sector. As a “weak proximity” rule (Rules, Article 7), the electricity facilities of the EC shall be connected to the single power distribution system operator (hereinafter – PDSO). There is no option for simultaneous connection to two and more PDSOs. However, at present, the JSC “Sadale tīkls” is the dominating PDSO in Latvia (with more than 790,000 customers, the distribution network covers 99 % of Latvia’s territory) while other PDSOs operate local grids. So, this restriction is unlikely to severely impact EC development in Latvia. The electricity facilities of the EC shall be sited in Latvia (Rules, Article 8), with no option of cross-boundary electricity sharing.

If a renewable energy community is active in the heating sector, heat energy sharing shall be provided in an area (objects) where it is technically and economically not justified to connect it to a district

³⁷ Komerdarbības atbalsta likums (Law on Control of Aid for Commercial Activity): <https://likumi.lv/ta/id/267199>

³⁸ Uzņēmumu ienākuma nodokļa likums (Enterprise Income Tax Law): <https://likumi.lv/ta/id/292700>

heating system and the facilities of the EC shall be sited in the same administrative territory (municipality) or in several functionally connected administrative territories.

Possible market activities of energy communities

The Energy Law provides for a wide scope of activities for ECs, in compliance with RED II. Namely, “an EC can engage in generation of, trade in energy, mainly electricity obtained from RES and renewable energy of other types, sharing, consumption, and accumulation of electricity, provision of the demand response service, provision of the electric vehicle charging service, the energy efficiency service, or other energy services”.

The relations between the EC (or jointly acting renewables self-consumers) and the shareholders/members, as well as, if necessary, with other electricity or heat end-users and electricity traders, the PDSO or the heat supply system operator shall be settled through a written agreement setting out the rights and obligations of the parties (Rules, Article 54).

Thus, sharing electricity within an EC by using the public power distribution grid is possible. The term “electricity sharing objects” includes the facilities for electricity production, storage and consumption in ownership or use of EC. In its turn, an EC is not entitled to obtain or hold ownership, establish, purchase, or lease power distribution networks or to administer them autonomously.³⁹ Likely, this restriction will not provide any serious barrier for ECs development, at least for the nearer future. At the same time, the economic feasibility and fulfilment of related procedures for electricity sharing have not been tested yet in practice.

Below we take a closer look at the legal framework for EC operation in the electricity sector and electricity sharing as the most promising sector for ECs development in Latvia. In general, the provisions for EC also apply to jointly acting renewables self-consumers.

The maximum capacity of an EC's single electricity production unit is 14.99 MW, and it corresponds to the maximum capacity to be connected to the power distribution grid. The same capacity limit also relates to the jointly acting renewables self-consumers. There is no possibility for an EC to set up a larger-scale electricity production facility and connect it to the power transmission grid. At the same time, ECs can establish several electricity production facilities and connect them to the power distribution grid. For the time being, we consider the capacity limit acceptable, thus not representing a major barrier for ECs development in Latvia.

In principle, the establishment of an EC does not remove the obligation to register as an electricity producer if the capacity of the single installed generating unit of an EC is 1 MW or larger.

For the sale of electricity produced at one (single) electricity facility, which is not immediately consumed and thus is transferred to the power distribution grid, an EC shall enter an electricity sharing agreement (hereinafter – ESA) with one electricity trader. There is no possibility for entering into different agreements simultaneously with different electricity traders. In case an EC has another electricity production facility, an ESA might be concluded with another electricity trader, for instance, in the case that one generating facility has two power distribution system connection points and two commercial metering devices, the generating facility would be classified as two facilities.

In the ESA, the EC agrees with the electricity trader on the terms of selling and sharing the produced electricity or on the participation in energy efficiency schemes. Before concluding an ESA with the

³⁹ Electricity Market Law, Article 37.⁷(4): <https://likumi.lv/ta/id/108834>

electricity trader, an internal agreement among all participants/members of the EC should be concluded. The **ESA shall include information on the**

- (1) agreement period, electricity sharing starting date and period (the electricity sharing period begins on the date of the current billing period specified by the electricity trader); the procedure for ESA termination (including the procedure for early termination and the early termination fee, if any),
- (2) the fee for providing the electricity sharing service by the electricity trader and the price at which the electricity transferred to the power distribution system is sold to the electricity trader,
- (3) list of electricity sharing objects; later additional objects might be added or particular objects excluded,
- (4) conditions that allow withdrawal from the concluded ESA before the commencement of electricity sharing,
- (5) the procedure for handling questions and complaints,
- (6) mutual settlement procedures between the EC and electricity trader.

Upon termination of the ESA, the parties shall make a final settlement for the electricity transferred to the power distribution system and other services in accordance with the provisions of the ESA. An electricity trader requires the consent of an EC to receive information from the PDSO regarding the amount of electricity not used for immediate consumption in the EC's electricity sharing facilities and thus transferred to the power distribution system.

The change of electricity traders and electricity users of an EC shall take place in accordance with the regulations on the trade and use of electricity.⁴⁰ If the ESA is unilaterally terminated by the electricity trader, it shall notify at least one month in advance. If the electricity trader, without prior agreement with the EC changes the terms of the ESA during the first two years of the electricity sharing period, the EC has the right to terminate the ESA without the application of an early termination fee. If an electricity trader with whom the EC have a valid ESA cease to provide the electricity trading service, the supplier of last resort is not obliged to conclude an ESA with the EC.

An electricity trader may offer electricity sharing services so that the purchase price of electricity, transferred to the power distribution system, can be differentiated depending on the user's power system connection and the technical parameters of the electricity generation equipment. However, this is optional and not a mandatory provision.

An energy community has the right to make settlements for the electricity consumed by its members and electricity system services. **Important, EC participants are not prevented from choosing their own electricity trader** (i.e., a participant of an EC receives a part of required electricity as the shared electricity from one trader, and another required part buy from another trader).

Renewable energy communities may also be active in the heating sector. In this case, the produced heat energy may not be transferred to heat energy users who are not participants of the EC. The heat energy sharing objects (facilities) include the facilities for RE production, storage and consumption, as well as renewable heat energy distribution network, both being in the ownership or use by the EC. The participants of the renewable ECs conclude an agreement on sharing the heat energy produced in facilities of the EC.

⁴⁰ Cabinet of Ministers Regulation No 635 (7th November, 2023) "Elektroenerģijas tirdzniecības un lietošanas noteikumi" ("Regulations regarding the Trade and Use of Electricity", in Latvian): <https://likumi.lv/ta/id/347235>

Elements of an enabling framework for energy communities

Pursuant to RED II, Member States shall provide an enabling framework to promote and facilitate the development of renewable ECs. RED II lists several elements such an enabling framework should include. In the following, we refer to those elements and briefly describe to what extent these elements are in place.

Fair, proportionate and transparent procedures, including registration and licensing; removal of unjustified barriers.

The responsible state authority assesses the compliance of ECs with the provisions stated by the Energy Law and the Regulation on the Rules for Registration and Operation of ECs and takes care of the registration, re-registration and exclusion of ECs from the Energy Communities Register of the Energy Resources Information System. It also ensures that the information provided in the Energy Communities Register is continuously being updated. The electricity sharing objects of an EC shall be registered in the Energy Communities Register. The duty to register does not apply to jointly acting renewable self-consumers and connected active self-consumers. The EC informs the responsible authority on the start and termination of electricity sharing. Also, the renewable heat energy sharing objects of the renewable energy communities shall be registered in the Energy Communities Register. Renewable energy communities shall submit information regarding the amount of renewable energy (excluding electricity) produced and consumed (in kWh) in renewable energy sharing facilities in the previous calendar year by March 1 of the current year. The data of ECs shall be published on an Open Data Portal, detailing the capacity (MW) and year of installation of energy production facilities, their addresses, the annual amount of electricity transferred to power distribution grid, the annual amount of produced heat energy.

As the ECs registration rules were adopted only recently, it is not possible yet to anticipate the extent of “bureaucratization” of the registration procedure. Importantly, provisions shall be included in the statutes of an EC and the creation of Model Statutes for ECs might be helpful to facilitate ECs establishment. However, such a tool is currently lacking. The same applies to potential Model ESAs which might be effective means to facilitate successful EC cooperation with the electricity trader.

Measures providing cooperation of power distribution system operator with ECs, facilitation of energy sharing

The governmental Regulation on the Rules for Registration and Operation of ECs provides only for a formal and (very) limited involvement of PDSO in the operation of EC. Prior to the ESA, the PDSO issues a permit for the connection of each electricity generation facility to be included in the ESA, for their parallel operation with the power distribution system. In the facility where electricity is produced, the PDSO shall install a commercial electricity metering device with a remote reading function, which records the electricity received from the power distribution system and the electricity transferred to the power distribution system in each trading interval. This metering device shall be the property of the PDSO. PDSO records the amount of electricity (in kWh) transferred to and received from the power distribution system by EC participants in each electricity trading interval (the same relates to jointly acting renewables self-consumers) and submits this information to the responsible state authority.

The amended Electricity Market Law (April 2024)⁴¹ simplifies the cost share for new connections to power distribution grid from May 1, 2024. Accordingly, the PDSO shall cover 50 % of the cost for new connections, both up to 100 A and above 100 A. The JSC “Sadales tīkls” website provides the option to find out the cost of connection up to 100 A in the interactive new connection cost map.⁴²

Transparent cost-benefit analysis (CBA) of distributed energy sources developed by national competent authorities

To our knowledge, no CBA has been developed so far. The Article 37.⁷(6) of the Electricity Market Law states the EC (as well as active self-consumers) shall make payments for the system services received in full amount. Performing the CBA might allow to evaluate whether there is the option for reducing grid services payments for EC.

Non-discriminatory treatment of energy communities as market participants

Article 17.¹(9) of the Energy Law states that members or shareholders of an EC shall retain all the rights and obligations of a final customer and active user of energy specified for them and they are not subject to unreasonable or discriminatory conditions or procedures that prevent the participation of energy end-users in an EC. Similarly, the Article 37.⁸(4) of the Electricity Market Law stipulates electricity sharing shall be without prejudice to the rights and obligations of the parties involved as final customers, producers, suppliers, or aggregators, as well as operators of electricity storage units. Thus, the general norms are in place, however they have not yet been explicitly tested in practice.

Accessibility of energy communities for low-income and vulnerable households

The Energy Law does not address this issue, while the new Regulation on the Rules for Registration and Operation of ECs provides for an **indirect involvement of low-income and vulnerable households**. In cases where a municipality is member of the EC for electricity, the municipality must allocate part of the electricity it produces, or part of the revenues made within the EC to support vulnerable households. Once a year, the affected EC for electricity shall inform the responsible state authority about compliance with this obligation. If the responsible state authority concludes that this obligation has not been fulfilled, it shall request the EC to resolve the issue within 30 days. However, there is no quantified threshold for allocating electricity/ revenues. We expect that in future practice local governments will consider the quantified threshold, at least 10 % of the energy shared, as stated by the IEMD Amending Directive (EU) 2024/1711.

Households receiving social transfers might face serious difficulties if they want to become participants of an EC. But this problem has not been explicitly addressed so far.

Access to finance

In the near future, we will probably see the grant-based savings business model (BM) as the most likely one for ECs, taking into account the existing legislation and support policy. Grant-based savings BM rely on national policy support for the investments. The investment co-financing-based BM derives its revenues from substituting power purchase by self-production on the ECs facility. The main benefit

⁴¹ Grozījumi Elektroenerģijas tirgus likumā (Amendments to Electricity Market Law, in force 1st May 2024, in Latvian): <https://likumi.lv/ta/id/351332>

⁴² <https://karte.sadalestikls.lv/lv/jauna-piesleguma-maksa>

is reducing electricity bills for EC's participants. At the same time, the BM creates also certain remuneration streams due to selling surplus of produced (not-shared) electricity through the grid to the electricity trader. The grant provides not only for the investment co-financing, but also helps EC to increase its technical, economic, and financial literacy before taking on investment project. Important, by making the project economically viable, grant-based BM facilitates access to market finance to cover the rest of investments. The shortcoming of the grant-based BM is the grant only support the single project, to expand EC activities further grants will be required.

Solar PV systems can be considered as the first option of future ECs in Latvia.

Importantly, the Energy Law emphasizes the necessity to provide financial support for ECs. Namely, Article 17.³ states the Ministry of Climate and Energy shall develop aid programmes for ECs which only use RES, in conformity with the conditions for aid for commercial activity.

Financial support (investment co-financing) for ECs is expected to be provided within the framework of the **Modernization Fund's** multi-annual operational programme.⁴³ It defines, as one of the priorities, the promotion of the use of RES in multi-apartment buildings, state and municipal buildings and **energy communities**, including the support for the creation of the necessary infrastructure related to their operation. However, up to now (February 2025) no draft of Open Tender Rules is publicly available yet. The total support volume for all beneficiaries' groups will be 26.8 MEUR⁴⁴, although the possible financial volume earmarked for ECs is not yet determined. On the other hand, we hope there will be the possibility to finance the first EC projects in Latvia, having high potential for piloting and demonstration.

On-going support programme for multi-apartment building renovations, co-financed by Latvia's Cohesion Policy Programme 2021-2027, does not envisage investments to establish energy sharing schemes. Article 28.4 of the Implementation Rules⁴⁵ merely mentions the support for the purchase and installation of microgeneration technologies to provide energy for self-consumption both in commonly used building's premises and building's serving engineering systems and equipment. The option for additional installation capacity to ensure electricity sharing in separate apartments is not directly included.

Providing start-up financing and risk capital like through the citizen energy fund (*Bürgerenergiefonds*) in the federal state of Schleswig-Holstein in Germany could be an important driver facilitating the future development of ECs. However, these issues are not yet publicly discussed in Latvia.

Another well-known business model for ECs in West European countries is the **power purchase agreements (PPA)**-based business model. Although the Draft Amendments of the Electricity Market Law stipulate that "all end users have the right to conclude an electricity purchase agreement, including an electricity purchase agreement for RES, with an electricity producer registered in the register of

⁴³ Cabinet of Ministers Regulation No 396 (13.07.2023) "Modernizācijas fonda darbības kārtības noteikumi un daudzgadu darbības programma" ("Rules of Procedure and Multiannual Operational Programme of the Modernisation Fund", in Latvian), Article 12.3: <https://likumi.lv/ta/id/343812>

⁴⁴ Ministry of Climate and Energy. Informative Report "On the use of Modernisation Fund financing in 2023" ("Par Modernizācijas Fonda izlietojumu 2023.gadā", in Latvian), in page 5: https://tapportals.mk.gov.lv/legal_acts/683a0bbc-0a15-4124-983e-0bd96ebfff64

⁴⁵ Cabinet of Ministers Regulation No 880 (17.12.2024) "Atbalsta programmas nosacījumi energoefektivitātes paaugstināšanas pasākumu īstenošanai daudzdzīvokļu dzīvojamās mājās" ("Implementation rules of the support programme of energy efficiency improvement measures in multi-apartment residential buildings", in Latvian): <https://likumi.lv/ta/id/357498>

electricity producers” (details to be provided by the particular Cabinet of Ministers Regulation), this model is presently only suited for mature ECs.

Tools to facilitate access to information

Currently provided only at project level, see the Table 3 above.

Regulatory and capacity building support for public authorities

Not explicitly addressed so far. Although the Energy Law, Article 17.¹(12), states that guidelines for the establishment of ECs should be developed, including recommendations for public entities regarding the support to and participation in ECs, these have not been outlined yet.

Also, there are still no activities on harmonisation of ECs legislation with the municipal legislation and public procurement legislation. This relates to the use of municipal ownership (e.g., municipal building roofs) for the needs of EC. Also, current legislation in Latvia on public procurement does not envisage preferential treatment of ECs and citizen-led initiatives.⁴⁶

5. Consideration of RECs in support schemes for renewable energy

Article 22(7) of the RED II stipulates that Member States shall take into account the specificities of renewable energy communities when designing support schemes for RE in order to allow them to compete for support on an equal footing with other market participants. However, for the near future, feed-in premiums and auctions with competitive bidding are not applied for renewable electricity producers in Latvia, and no political support can be expected for the introduction of preferential price schemes (of any type) for electricity produced by small scale renewable electricity facilities. Thus, this option is not available for Latvia’s ECs.

Currently the objects engaged in the electricity sharing may not participate in the system of guarantees of origin for electricity at the same time.⁴⁷ However, the planned amendments to Electricity Market Law⁴⁸ will open this option also for ECs and active customers, while the minimum amount for origin certification will be one MWh.

⁴⁶ The revised Renewable Energy Directive (RED III) stipulates that public buildings fulfil an exemplary role as regards the share of RE and Member States may allow that obligation to be fulfilled by, inter alia, providing for the roofs of public or mixed private-public buildings to be used by third parties for installations that produce energy from RES. Where deemed to be relevant, Member States may promote cooperation between local authorities and renewable energy communities in the building sector, particularly through the use of public procurement”. As known, the installation of roof-top solar PV panels on the roofs of public buildings by citizens-led initiatives, like energy cooperatives, is well known practice, e.g., in Flanders. However, to encourage Latvian municipalities the relevant provisions or at least strong guidance shall be provided by both municipal legislation and public procurement legislation.

⁴⁷ Electricity Market Law, Article 37⁸(3): <https://likumi.lv/ta/id/108834>

⁴⁸ Saeima (Parliament). Legislative documents database. Document No 730/Lp14: <https://tita-nia.saeima.lv/LIVS14/SaeimaLIVS14.nsf/0/02C87F8646EB3D33C2258C1B0042272?OpenDocument>, accessed 14th February 2025.

6. Level of digitalization and smart meter rollout

A key pre-requisite facilitating the development of ECs is already well-established in Latvia: smart electricity metering. In the period 2014-2022, the extensive replacement of customer meters had been performed by the PDSO JSC "Sadales tīkls". In May 2023, the programme was finished providing 99.78 % of total customers with the smart metering option. A new generation smart meter is installed for all⁴⁹ JSC "Sadales tīkls" customer connections. The PLC technology (data transmission via power lines) is primarily utilized (80 % of cases), thus effectively using the PDSO infrastructure, and the rest is provided by the GPRS technology (20 % of cases). Expected lifetime of new smart meters is 12 years. Smart metering provides billing data collection > 99 %, 100 % bill issuing, daily energy data for previous day on 8.00 > 96 %⁵⁰.

7. Needs for further policy action

Much progress has been made particularly during 2024. However, there are still some gaps and shortcomings which deserve attention and policy action:

- Complement the 'target architecture' for the energy transition by adding quantitative targets for renewable energy communities.
- Put in place the national financial support programme for energy communities ASAP.
- Earmark within the national financial support programme, the development and testing energy community pilots to be developed based on the new Latvia's legislative framework.
- Elaborate model documents for energy communities, e.g., model statutes and model agreements between energy communities and electricity providers.
- Provide information, advice and capacity building for citizens.
- Elaborate guidelines and recommendations for public persons (public entities) regarding the support to and participation in energy communities.
- Provide harmonisation of energy communities legislation with public procurement legislation and municipal legislation, particularly establish a clear legal framework and elaborate the relevant guidelines to ensure that the roofs of public buildings may be used by EC and inclusion of EC in (green) public procurement legislation.
- Consider the benefits which might be provided by ECs to local, municipal and regional development, promote the ECs as an integral part of municipal and regional Sustainable Energy and Climate Action Plans (SECAPs).
- Carry out a transparent cost-benefit analysis of distributed sources of energy communities (as required by Article 22.4 of the RED II) and based on it consider the option of reduced grid charges or other economic support for ECs.

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⁴⁹ except for some privately owned objects, which were repeatedly unable to be accessed.

⁵⁰ Information provided by the website of PDSO SC "Sadales tīkls" (2023).