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Latvian energy sector. Use of renewable energy in industry

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LV NECP2030: quantifiable targets

EU targets



LV targets



**EU & LV
sub-targets**

**GHG reduction
40% to 1990**

GHG emissions
-6% to 2005

CO₂ removals
< 3,1 mil.
units

RES share 32%

50% in final
energy
consumption

Transport
7% RES share

Advanced biofuels share
0,2% in 2022 to
3,5% in 2030

Heating
+0,55%
annually

**Energy efficiency
32,5%**

Primary energy
consumption
47,2 TWh

Cumulative
savings 20,5
TWh (new
annual
savings ≥
0,8%)

**Interconnections
– 15%**

60%

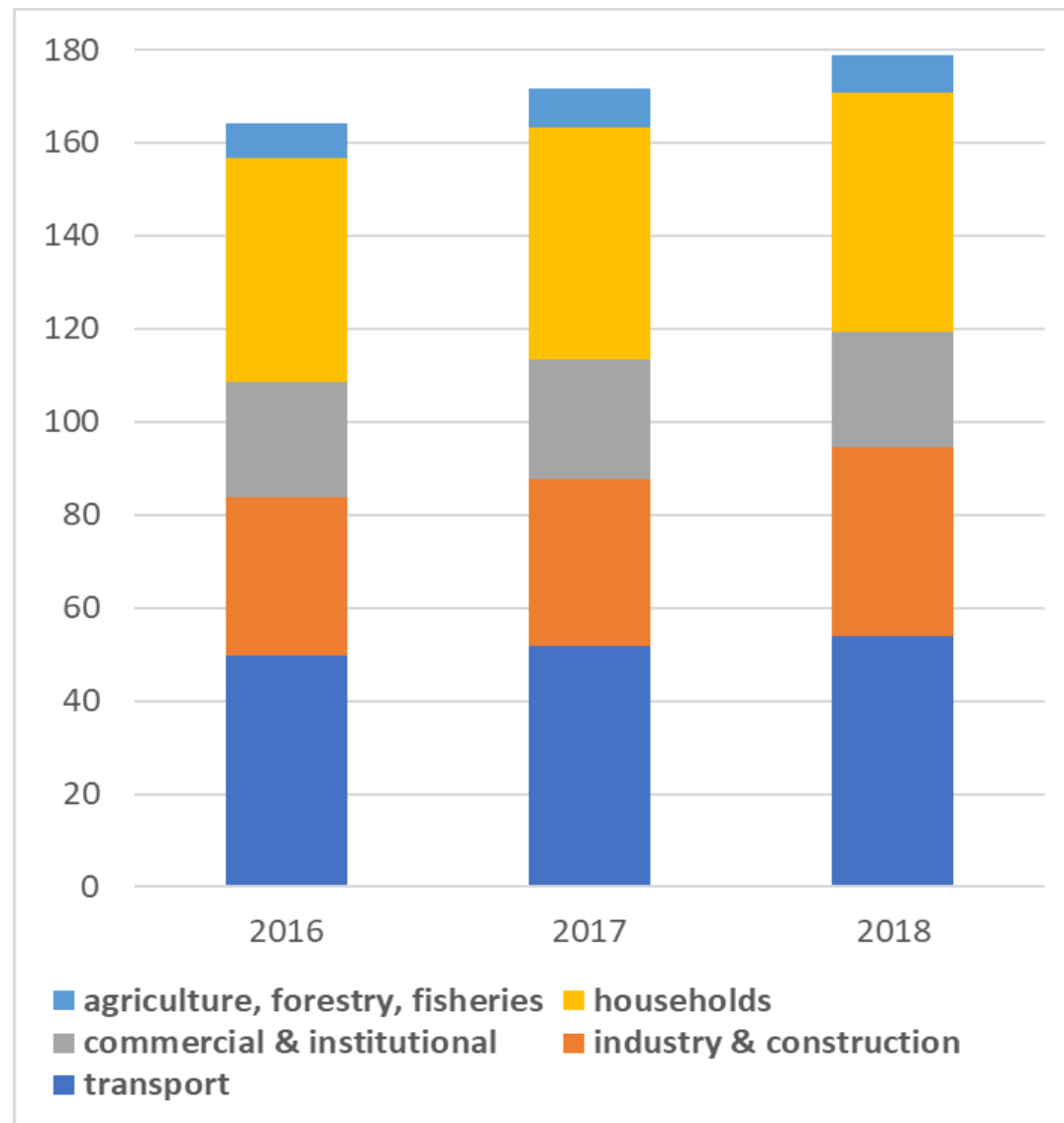
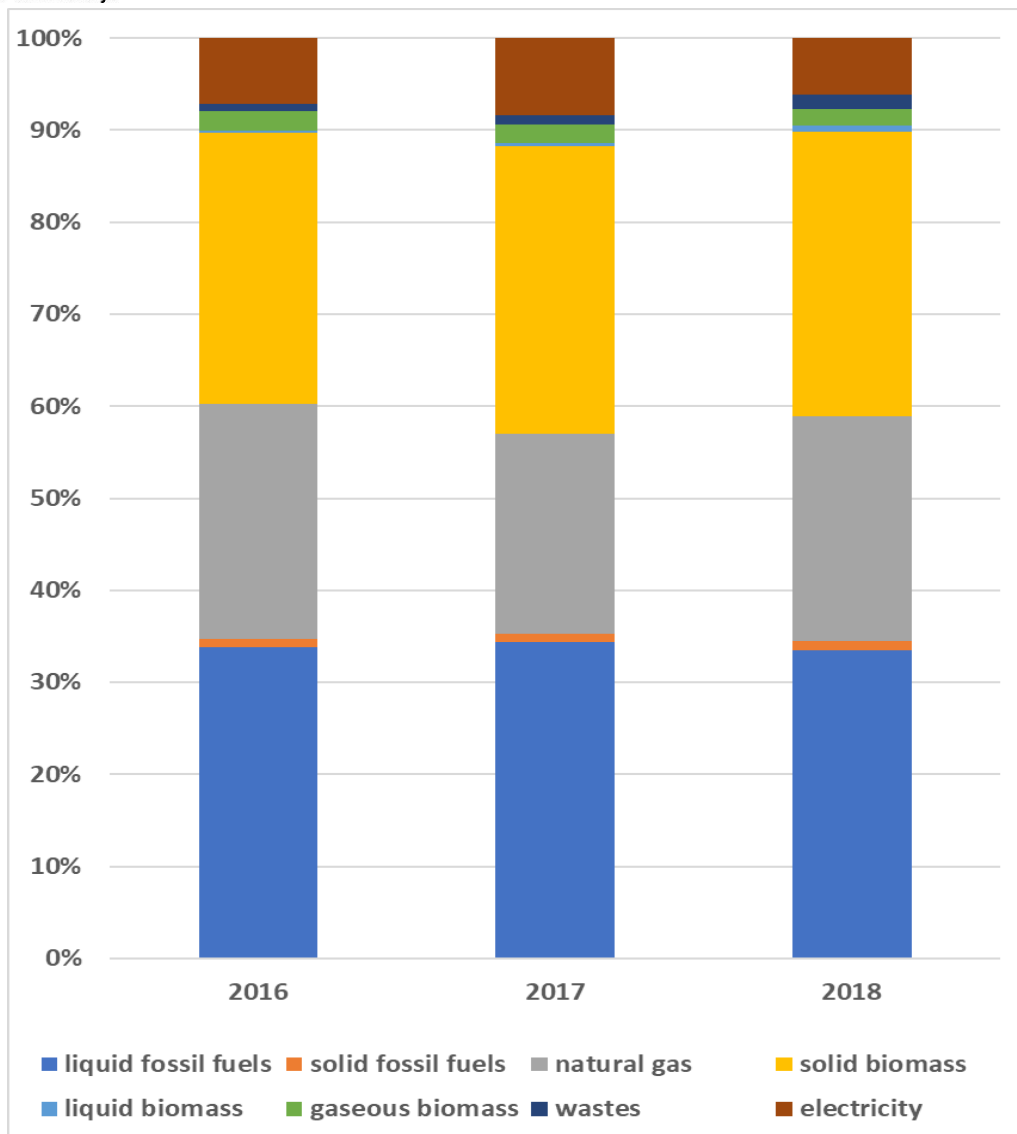
«energy efficiency first»



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LV NECP2030: challenges

Primary energy consumption by source, % Final energy consumption by sector, PJ

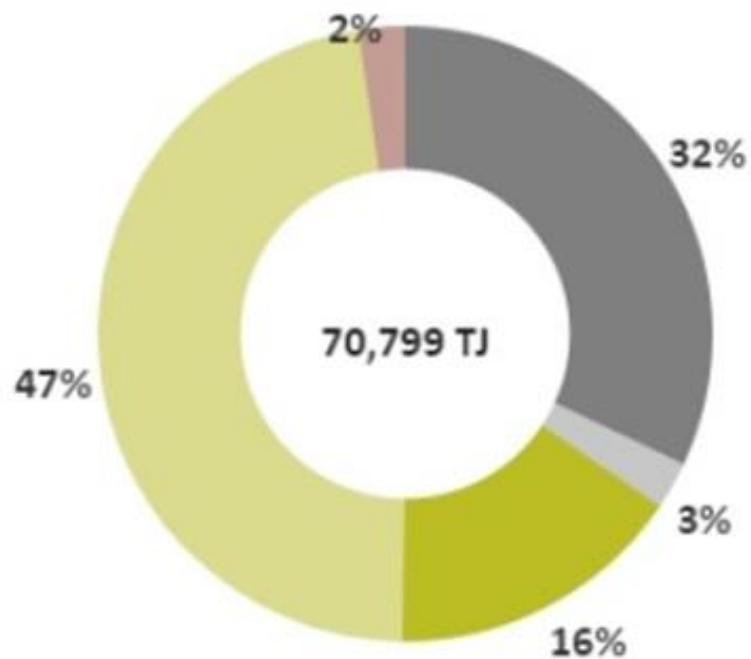




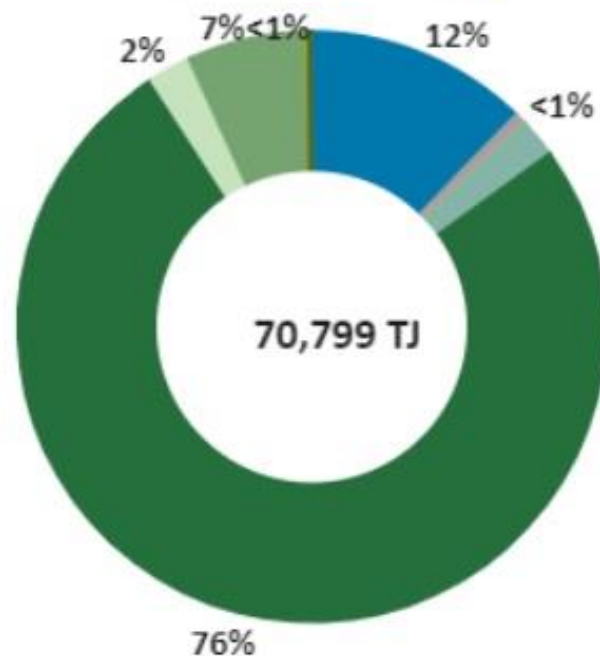
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RENEWABLE ENERGY FINAL CONSUMPTION, 2018

By sector



By technology



Source: IRENA

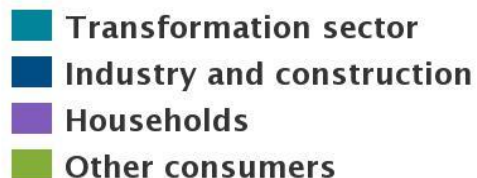
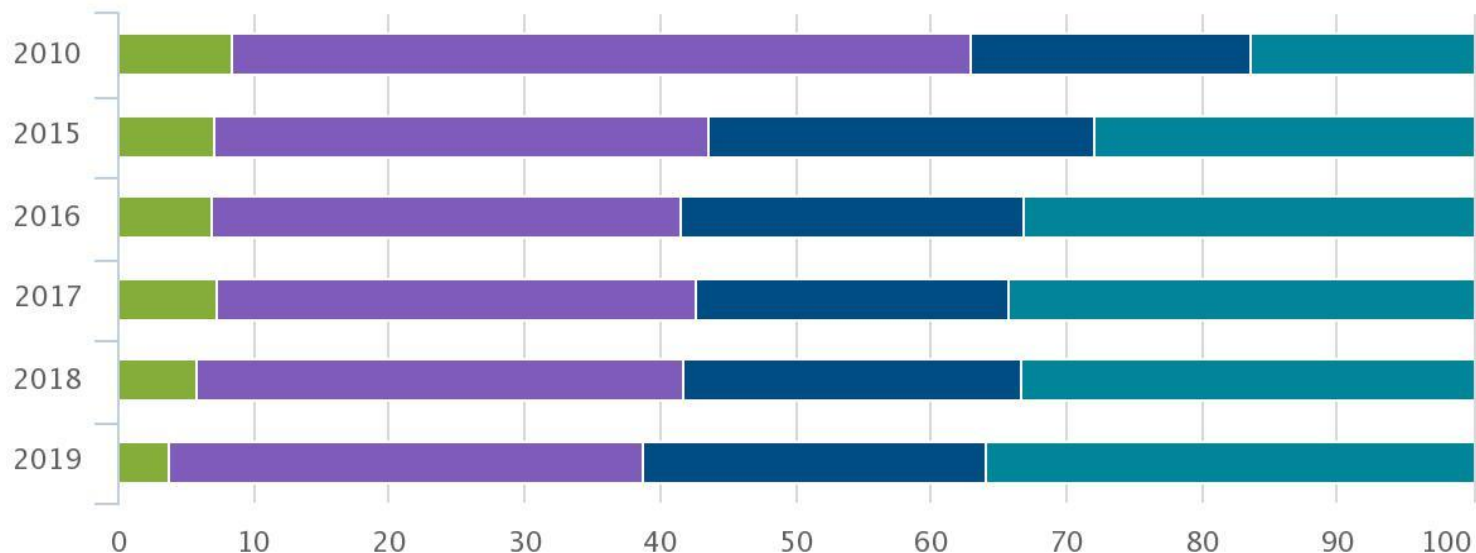


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Biomass use in industry

Fuelwood consumption in Latvia

(in per cent)



Industry is the 3rd main consumer of fuelwood

The biggest consumption in 2019 was in the manufacturing of wood and of products of wood

In 2014-2019 biomass consumption in EU ETS industrial producers has increased by 15% and by 6% in non-ETS industrial producers



Future of biomass use in energy sector

- 1) EU Biodiversity Strategy for 2030 sets the gradual limitation of fuelwood use in energy limiting use of high-quality wood and whole trees
- 2) EU 2030 Climate Target Plan sets GHG emission reduction target as -55% comparing 1990 and including CO2 removals:
 - More ambitious target for EU ETS industrial producers
 - More ambitious target for non-ETS GHG emissions
 - Necessity to ensure that land sector removes CO2 (and is not a GHG emission source)

NECP2030 sets prerequisite for technology switch from biomass combustion to non-emission technology – solar, wind, heat pumps, renewable electricity.



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Self-sufficiency with solar power

- By September 2020 there were 1018 solar power plants connected to the distribution network (total installed capacity ~ 9.2 MW)
- 93% of solar power plants are microgenerators with a power of up to 11.1 kW
- Solar energy potential similar to other EU countries
- Ministry of Economics is currently working on:
 - proposal to open net metering scheme for legal entities
 - new market models for energy communities
 - new market models that will allow P2P electricity trading



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EU funding possibilities in the industry sector

- Available through operational program that promotes effective use of energy resources, reduction of energy consumption and transition to RES in manufacturing industry
- Currently, the third selection round has been announced for units that produce renewable electricity or heat (for self-consumption). Project submission deadline - 11.11.2020 (*more information: <https://cfla.gov.lv/>*)
- Lessons learned in 2014-2020 in program:
 - projects are of high return and have a significant positive contribution to the achievement of the energy efficiency goals
 - entrepreneurs do not only improve their own energy efficiency, but also often help and promote the energy efficiency of their customers



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Planned activities for Energy efficiency in industry/SMEs (2021-2027)

Following activities will be supported:

- Construction of new energy efficient production units
 - Modernization of existing industrial production capacity by installing more energy efficient production and auxiliary process equipment
 - Redevelopment of industrial buildings and sites, including replacement of internal and external engineering networks and engineering systems within the production area with more energy efficient
 - Installement of RES
- Improvement of energy efficiency of companies
- Improvement of the competitiveness of the companies

Sources of financing

- EU Structural Funds – **35 M EUR**
- State budget, municipal budget,
- Private financing

Recovery and Resilience Facility (RRF) ~ 200 M EUR

Within the framework of the RRF, it is also planned to support measures related to the implementation of energy efficiency measures and RES for businesses. Planned direct result: 800 supported companies



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Summary - what to take with you:

- Energy efficiency first
- Gradual switch to non-emission technologies
- Measures and support mechanisms will be available for industrial consumers

Thank you!