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23 November 2016 [shall come into force on 1 January 2017];

25 April 2019 [shall come into force on 1 May 2019];

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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Energy Efficiency Law**

**Chapter I General Provisions**

**Section 1. Terms Used in this Law**

(1) The following terms are used in this Law:

1) **obligated party**– a distribution system operator or an energy retailer to which the State energy efficiency obligation scheme is binding;

11) **electricity consumer**– a legal person that purchases or consumes electricity from energy supply merchants;

2) **energy**– a product with a specific value – fuel, heat, renewable energy, electricity, or any other type of energy;

3) **final energy consumption**– energy consumption in industry, transport, households, services sector and agriculture. It does not include energy supply for the transformation sector and the energy sector itself;

4) **energy efficiency**– the efficiency level of the use of energy sources manifested as a proportion of the type, quality and quantity of a final product, and the consumption of energy sources;

5) **energy efficiency improvement**– increase in energy efficiency as a result of technological measures, actions or operational activities of final customers;

6) **energy efficiency improvement measures**– such activities as a result of which verifiable and measurable or estimable energy efficiency improvement is achieved;

7) **energy savings**– the amount of saved energy determined by measuring or estimating consumption before and after implementation of one or more energy efficiency improvement measures;

8) **energy audit**– activities performed to obtain information regarding energy consumption in buildings or groups of buildings, in processes or equipment, as well as to identify and evaluate cost-effective energy savings opportunities, and the results of which are summarised in a report;

9) **energy management system**– a set of related processes, establishing an action plan and setting energy efficiency targets, as well as the procedures to achieve these targets;

10) **energy retailer**– a merchant who sells energy to final customers;

11) **energy-efficiency policy measure**– a regulatory or voluntary financial, fiscal or information provision tool that has been established and is being implemented to establish a support system, requirement or incentive for market participants to provide and purchase energy efficiency services and to implement other energy efficiency improvement measures;

12) **primary energy consumption**– energy consumption in the transformation sector, energy sector, all sectors of the national economy and households, not including energy sources which are used as raw material in different sectors and are not consumed as a fuel or transformed into another type of fuel;

121) **reference area**– the reference area indicated in the energy certificate of the building or temporary energy certificate of the building. If no energy certification has been performed in respect of a building, then the reference area shall constitute an area which is determined in accordance with the laws and regulations regarding energy certification of buildings;

13) **commercial smart meter (the metering system)**– an electronic device (electronic system) used to measure and monitor energy consumption, as well as transmit and receive data through electronic communication.

(2) Other terms in this Law are used within the meaning of the Energy Law.

[*14 July 2022*]

**Section 2. Purpose of this Law**

The purpose of this Law is the rational use and management of energy sources to promote sustainable development of the national economy and limit climate change.

**Section 3. Scope of the Application of this Law**

The Law prescribes:

1) energy efficiency planning and monitoring requirements;

2) tasks of the ministry responsible for the achievement of the energy efficiency targets;

3) actions of the State and local governments for the achievement of the energy efficiency targets;

4) tasks of the obligated party;

5) requirements for conducting the energy audit necessary for taking the mandatory energy efficiency improvement measures;

6) efficiency conditions for energy production, transmission and distribution;

7) measures for the development of the energy efficiency services market;

8) liability for the failure to fulfil the requirements of this Law.

[*14 July 2022*]

**Section 3.1 The ‘Energy Efficiency Firs’ Principle**

(1) When taking decisions which are related to the planning of the development of the sector, determination of policies, and approval of investments, the ‘energy efficiency first’ principle shall be applied within the scope of which evaluation of the possibility to ensure the achievement of the targets determined in the abovementioned decision with alternative ad more energy efficient means is made. The respective evaluation shall take account of the cost-effectiveness, technical or functional availability, and environmental impact. The Ministry of Economics shall develop methodological instructions for the application of the ‘energy efficiency first’ principle.

(2) Manufacturers of such products and providers of such services which improve energy efficiency, including installers, shall comply with good manufacturing and service provision practices.

[*14 July 2022*]

**Chapter II Planning and Monitoring of an Energy Efficiency Policy in the State and Local Government Sector**

**Section 4. Tasks of the Responsible Ministry**

(1) The Ministry of Economics (hereinafter – the responsible ministry) shall be responsible for the implementation of the energy policy.

(2) The responsible ministry shall analyse the course of achievement and implementation of the energy efficiency targets envisaged in the National Energy and Climate Plan 2021–2030 (hereinafter – the National Plan).

(21) If the responsible ministry establishes in the analysis referred to in Paragraph two of this Section that the energy efficiency improvement measures contained in the National Plan do not ensure achievement of the energy efficiency targets, it shall develop proposals to improve introduction of such measures or to introduce new measures within the framework of the National Plan.

(3) The responsible ministry shall determine the final energy consumption savings target and develop a plan for its achievement. The plan shall envisage deadlines for the introduction of measures, the responsible authorities, and sources of financing, and also calculate the annual final energy consumption savings to be achieved.

(4) [14 November 2019]

(5) Each year by 30 April, the responsible ministry shall submit to the European Commission a report on the progress in the achievement of the State energy efficiency targets.

(6) The responsible ministry shall elaborate measures to promote efficient use of energy in households and by other consumers, and shall provide the following information on its website:

1) on energy efficiency improvement measures aimed at changing the behaviour of final customers to improve energy efficiency;

2) on support programmes and other fiscal incentives for the improvement of energy efficiency;

3) on cost-effective, easy to implement changes for more efficient use of energy;

4) on the involvement of credit institutions in the financing of energy efficiency policy measures;

5) [14 November 2019];

6) [14 November 2019];

7) [14 November 2019];

8) [14 November 2019].

(7) [14 November 2019]

[*14 November 2019; 14 July 2022*]

**Section 4.1 Tasks of the Responsible Institution**

(1) The State Construction Control Bureau (hereinafter – the responsible institution) shall collect and, each year by 1 March, submit to the responsible ministry information about the energy savings resulting from the energy efficiency monitoring.

(2) The responsible institution shall inform of the following on its website:

1) conducting of an energy audit and introduction of an energy management system or supplemented environmental management system;

2) opportunities for the activities of independent intermediaries (renewal project managers) in the energy efficiency services market;

3) sources of financing available for energy efficiency service providers;

4) public institutions, local governments, and other derived public entities that have introduced or certified an energy management system, and the relevant list shall be updated once a year.

(3) The responsible institution shall publish the following on its website:

1) methodological recommendations for the introduction of the energy management system;

2) methodological recommendations for the elaboration of an energy efficiency service contract;

3) a model energy efficiency service contract for the public sector;

4) a report on the best practice summary – the energy efficiency improvement measures implemented, including energy efficiency service contracts.

[*14 November 2019; 14 July 2022*]

**Section 5. Rights and Obligations of Public Institutions and Derived Public Entities**

(1) Public institutions, local governments, and other derived public entities have the rights to:

1) develop and adopt an energy efficiency plan as a separate document or as a component of the spatial development programme of a local government which includes energy efficiency targets and improvement measures;

2) separately or as a component of the implementation of its energy efficiency plan to introduce the energy management system;

3) use the energy efficiency services and enter into energy efficiency service contracts for the implementation of energy efficiency improvement measures.

(2) Local governments of State cities shall introduce and maintain a certified energy management system.

(3) Public institutions, local governments of municipalities, and other derived public entities that own or possess buildings with the total reference area of 10 000 square metres or more shall introduce and maintain an energy management system. The relevant system shall be introduced within one year from the day of occurrence of the respective conditions by taking into account the following:

1) the energy management system referred to in Paragraphs two and three of this Section does not include premises which are not owned by a public institution, a local government of a State city, a local government of a municipality, or by another derived public entity but which the public institution, the local government of State city, the local government of municipality, or another derived public entity uses under a contract and in which the energy management system has been introduced and is being maintained;

2) the energy management system referred to in Paragraphs two and three of this Section does not include premises which are owned by a public institution, a local government of a State city, a local government of a municipality, or by another derived public entity but which the public institution, the local government of State city, the local government of municipality, or another derived public entity has transferred to another subject for use under a contract and in which the energy management system has been introduced and is being maintained or in which energy audit has been conducted in accordance with Section 10 or 12 of this Law.

(4) The Cabinet shall determine the procedures by which a State institution, a local government, or another derived public entity shall notify of the introduction of an energy management system, the time limits for notification, the content of the notification and accompanying documents, and also the procedures for verifying and approving the introduction of an energy management system.

(5) A State institution, a local government, or another derived public entity which has introduced an energy management system shall each year inform the responsible institution of the energy savings acquired as a result of the operation of the energy management system. The Cabinet shall determine the procedures by which a State institution, a local government, and another derived public entity shall notify of the achieved energy savings after introduction of the energy management system.

(6) When evaluating projects which will be fully or partially implemented by using payments from the State budget, State guarantees, loan interest rate subsidies, or other financial assistance that is granted or provided from the State or European Union budget funds and foreign financial assistance funds for State institutions, local governments, and other derived public entities which have introduced an energy management system, the maximum number of points to be obtained according to the quality evaluation criteria shall be increased in accordance with the procedures laid down in the law or regulation regarding granting of the respective financing.

[*14 July 2022*]

**Chapter III Energy Efficiency Improvement Measures**

**Section 6. Energy Efficiency Obligation Scheme**

(1) The mandatory final energy consumption savings target shall be achieved by the State or local government implementing energy efficiency policy measures in the final consumption or energy efficiency obligation scheme, or a simultaneous combination of both of the above-mentioned options.

(2) The goal for the establishment of the energy efficiency obligation scheme is to achieve the State mandatory final energy consumption savings target. Energy distribution and retail energy merchants shall be the obligated parties of the energy efficiency obligation scheme. The sectors to be included in the energy efficiency obligation scheme, the criteria for the selection of the obligated parties, the scope of duties of the obligated parties in breakdown by years and the methodology for determining thereof, the scope of savings obtained as a result of energy efficiency policy measures, as well as the verification system of the achieved energy savings shall be determined by the Cabinet.

(21) If the obligated party has failed to fulfil the scope of obligations referred to in Paragraph two of this Section, it shall make an increased contribution into the State Energy Efficiency Fund. The Cabinet shall determine the conditions for the fulfilment of the scope of obligations, and also the procedures by which the responsible institution shall calculate the amount of the increased contribution of the obligated party and by which the obligated party shall make the increased contribution into the State Energy Efficiency Fund.

(22) If a local government into whose Energy Efficiency Fund the obligated party has made the contribution fails to ensure, at the end of the relevant commitment period, the energy savings in conformity with the scope of obligations of the obligated party for which the contribution has been made, it shall make an increased contribution into the State Energy Efficiency Fund for the part of the scope of unfulfilled obligations. The Cabinet shall determine the procedures by which the responsible institution shall calculate the amount of the increased contribution of the local government and by which the local government shall make the increased contribution into the State Energy Efficiency Fund.

(3) The energy efficiency obligation scheme shall be administered by the responsible institution. The obligated party of the energy efficiency obligation scheme shall, by 31 December 2030, achieve the part of the mandatory final energy consumption savings target in compliance with the requirements laid down by the Cabinet.

(31) The obligated party shall follow the principles of good commercial practice, including in respect of the possibility of final customers to change the retail energy merchant. The liability for anticompetitive practices shall be determined by the laws and regulations in the area of competition.

(4) The part of the mandatory final energy consumption savings target of the energy efficiency obligation scheme to be achieved by the obligated parties shall be reduced in accordance with the final energy consumption savings achieved as a result of the measures implemented by the State and local governments.

(41) The obligated party can take energy efficiency improvement measures in cooperation with other implementers of energy efficiency improvement measures, including large enterprises and large electricity consumers. Double recording of energy savings shall be prevented in accordance with the laws and regulations regarding the field of energy efficiency monitoring.

(5) Each year the obligated party shall notify the responsible institution of the achieved energy savings. The notification procedures shall be determined by the Cabinet.

(6) Costs incurred by the obligated party due to energy efficiency improvement measures at the final customer after the implementation thereof or the contribution into an Energy Efficiency Fund of the State or local government referred to in Paragraph eight of this Section may be included in the payment for energy in accordance with the Cabinet regulations. If the obligated party and the final customer have agreed on the implementation of the energy efficiency improvement measures and cost recovery, such costs incurred by the obligated party due to the energy efficiency improvement measures at the final customer after their implementation shall not be included in the tariffs, but may be included in the charge for energy.

(7) The procedures by which the costs of energy efficiency improvement measures referred to in Paragraph six of this Section shall be allocated between final customers after implementation of the measures and payment into an Energy Efficiency Fund of the State or local government and the method of their payment shall be determined by the Cabinet.

(8) The obligated party may fulfil its obligation by making contributions at their own discretion in an Energy Efficiency Fund of the State or local government in accordance with the scope of final energy consumption savings obligation determined for it (hereinafter – the scope of obligation). The scope of obligation determined for the obligated party shall be reduced in proportion to the amount of contributions made. The State or local government in the Fund of which the obligated party has paid its contribution shall ensure energy savings in accordance with the scope of obligation of the obligated party for which the contribution has been made. The payment procedures and the amount of the contributions shall be determined by the Cabinet.

(9) The obligated party shall pay its contribution to the State Energy Efficiency Fund into the State basic budget in the State basic budget expense account opened with the Treasury for a budget programme/sub-programme of the Ministry of Economics specially created for this purpose, and it shall be accounted as other own revenue of the institution. The corresponding budgetary programme shall be administered by the Ministry of Economics.

(10) If the obligated party has not developed a plan for energy efficiency improvement measures and has not submitted it to the responsible institution within the time limits specified in the laws and regulations regarding the energy efficiency obligation scheme, the responsible institution shall take the decision on the obligation of the obligated party to ensure fulfilment of the respective requirements within three months. The decision of the responsible institution may be appealed in accordance with the procedures laid down in the Administrative Procedure Law. The appeal of the decision shall not suspend its validity.

[*14 November 2019; 30 April 2020; 14 July 2022*]

**Section 7. Energy Efficiency Funds**

(1) The goal for the establishment of an Energy Efficiency Fund of the State or a local government is to support initiatives in the area of energy efficiency.

(2) The Development Financial Institution shall establish the State Energy Efficiency Fund.

(3) The source of the financing of the State Energy Efficiency Fund shall be:

1) the contributions of the obligated party referred to in Section 6, Paragraph eight of this Law;

2) at least 90 per cent of the revenues in the State budget of the duty laid down in Section 13 of this Law;

3) other revenues.

(4) The Ministry of Economics shall ensure transfer of the contributions referred to in Paragraph three, Clause 1 of this Section to the State Energy Efficiency Fund for the formation of the reserve capital of the Development Financial Institution within the meaning of the Law on the Development Financial Institution or for the implementation of the energy efficiency State aid programmes.

(5) The funds of the State Energy Efficiency Fund shall be used for the implementation of the State aid programmes in the following areas:

1) for the achievement of the mandatory final energy consumption target;

2) for public awareness and education activities in the area of energy efficiency.

(6) The conditions of the activities and cost eligibility for the implementation of the State aid programmes referred to in Paragraph five of this Section, the Fund management costs, and also the procedures by which the Development Financial Institution shall use the funds of the State Energy Efficiency Fund and provide report on their use shall be determined by the Cabinet.

(7) The local government shall be the establisher and holder of the Energy Efficiency Fund of the local government. The obligated party referred to in Section 6, Paragraph eight of this Law which has made contributions to an Energy Efficiency Fund of a local government may not be the administrator of the Energy Efficiency Fund of the local government.

(8) The source of financing of an Energy Efficiency Fund of a local government shall be:

1) the local government budget;

2) the contributions of the obligated party referred to in Section 6, Paragraph eight of this Law which is registered in the territory of the respective local government;

3) other sources of financing.

(9) The funds of an Energy Efficiency Fund of a local government shall be used for the energy efficiency improvement measures in the following areas:

1) for the achievement of the mandatory final energy consumption savings target;

2) for the implementation of the energy efficiency policy measures provided for in the local government planning documents;

3) for the introduction and maintenance of an energy management system in the local government.

(10) The State and local government shall ensure compliance with the commercial activity support control framework in the operation of the Energy Efficiency Fund.

[*30 April 2020*]

**Section 8. Voluntary Agreement on Energy Efficiency Improvement**

(1) Organisations representing economic operators, economic operators and local governments are entitled to enter into a voluntary agreement with the State represented by the responsible institution on energy efficiency improvement, including promotion of energy efficiency services.

(2) Organisations representing economic operators, economic operators, or local governments that have entered into the voluntary agreement with the responsible institution can receive extra points in the evaluation of the projects for energy efficiency improvement to be implemented in accordance with the procedures laid down in laws and regulations.

(3) The provisions, content, terms and supervision of the implementation of the voluntary agreement shall be determined by the Cabinet.

[*14 November 2019; 14 July 2022*]

**Section 9. Conditions for Energy Auditing**

(1) When conducting an energy audit, up-to-date and verified data on energy consumption, as well as on electricity load profiles shall be used.

(2) An energy audit shall include a detailed report on:

1) the energy consumption structure and energy efficiency of buildings or groups of buildings, processes or equipment, including transport;

2) the energy efficiency improvement measures with the greatest estimated energy savings or economic return, if possible, based on the life-cycle cost analysis, as well as low-cost measures. Energy savings achieved as a result of each measure must be evaluated in the energy audit.

(3) An energy audit performer shall store the data used in the energy audit for 10 years.

(4) Upon request, the energy auditor has an obligation to transfer the energy audit results to the provider of energy efficiency services which has entered into an energy efficiency service contract with the recipient of the energy efficiency service, except where the contract between the energy audit performer and the energy audit contractor provides otherwise.

(5) The Cabinet shall determine the competence requirements to be put forward for an enterprise auditor (legal person) and the procedures for the attestation of the competence, the procedures for the supervision of an enterprise energy auditor and its responsibility, the procedures by which an enterprise energy audit shall be conducted, and the procedures by which an energy audit report shall be registered in the information system managed by the State Construction Control Bureau, as well as the content of this report and the procedures for its use.

[*14 November 2019*]

**Chapter IV Energy Audit and Energy Management**

**Section 10. Energy Efficiency in Large Enterprises**

(1) A large enterprise is an economic operator which employs more than 249 employees or whose turnover of the reporting year exceeds 50 million euros, and the annual balance in total – 43 million euros (hereinafter – the large enterprise).

(2) A list of large enterprises shall be, each year by 1 December, created by the Central Statistical Bureau using the data of the last approved reporting period of the enterprise. An enterprise is included in the list of large enterprises if it meets the criteria for the large enterprise for two consecutive reporting years. The responsible institution shall, by 31 March of the following year, publish the list of large enterprises on its website. An enterprise shall be removed from the list of large enterprises, if it fails to meet the criteria for the large enterprise for two consecutive reporting periods.

(3) The responsible institution is entitled to remove an economic operator from the list of large enterprises before it is published in accordance with Paragraph two of this Section if the economic operator submits to the responsible institution a submission for incompatibility with the criteria referred to in Paragraph two of this Section on the basis of the report for the previous calendar year submitted by the economic operator to the Central Statistical Bureau.

(4) An economic operator who has been included in the list of large enterprises in accordance with Paragraph two of this Section shall be obliged to, within a year after its inclusion in the respective list, take one of the following actions:

1) conduct an energy audit, covering at least 90 per cent of the total final energy consumption of the large enterprise, and also continue conducting the current energy audit on a regular basis within four years from the day when the previous energy audit report of the enterprise was approved;

2) introduce and maintain a certified energy management system in line with the energy management standard, covering at least 90 per cent of the total final energy consumption of the large enterprise and ensuring the compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law;

3) introduce and maintain a certified supplemented environmental management system in line with the environmental management standard, covering at least 90 per cent of the total final energy consumption and ensuring the compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law.

(5) Energy audits in large enterprises may be conducted by an enterprise energy auditor in compliance with the requirements of the laws and regulations.

(6) If 90 per cent (or more) of the total final energy consumption of the large enterprise are consumed in buildings and the respective consumption is not related to the ensuring of production processes, an independent expert in the area of energy performance of buildings is entitled to conduct an energy audit in the large enterprise in compliance with the requirements laid down in the laws and regulations regarding the conduct of the energy audit of enterprises.

(7) The large enterprise shall notify the responsible institution of the conduct of the current energy audit or the introduction or re-certification of a certified energy management system or certified supplemented environmental management system referred to in Paragraph four of this Section, the proposed energy efficiency improvement measures, and also shall notify each year of the implemented energy efficiency improvement measures and the energy savings achieved as a result of such measures. The notification procedures shall be determined by the Cabinet.

(8) The large enterprise shall introduce all or at least three energy efficiency improvement measures with the greatest estimated energy savings or economic return indicated in the first or current energy audit report or within the framework of a certified or re-certified energy management system or certified or re-certified supplemented environmental management system.

(9) The obligation to notify of the introduced energy efficiency improvement measures and the energy savings achieved as a result of such measures shall remain for the large enterprise:

1) for four years after conducting the first or current energy audit;

2) from the day of introduction of the certified energy management system referred to in Paragraph four of this Section until the end of operation of the relevant system;

3) from the day of introduction of the certified supplemented environmental management system referred to in Paragraph four of this Section until the end of operation of the relevant system.

(10) The obligation to notify of the introduced energy efficiency improvement measures and the energy savings achieved as a result of such measures and the time period for the notification shall remain for the economic operator also when it has lost the status of the large enterprise.

(11) If the large enterprise is planning or has started reconstruction, renewal, or demolition of an existing building and construction of a new building, and at least 90 per cent of the total final energy consumption of the large enterprise are consumed in this building, it may fulfil the obligation referred to in Paragraph four of this Section by submitting the following to the responsible institution:

1) energy efficiency indicators of the building which have been specified in the building design and are calculated in accordance with the laws and regulations regarding the methodology for calculating the energy performance of a building if the building is in the construction phase and has not been put into service by the date specified in Paragraph four of this Section;

2) within 30 working days after putting the building into service – information on when the temporary energy certificate of the building has been registered in the Register for Energy Certificates of Buildings.

(12) The large enterprise shall, until expiry of the term of validity of the temporary energy certificate of the building referred to in Paragraph eleven of this Section, notify the responsible institution of the introduction of a certified energy management system, the introduction of a certified supplemented environmental management system, or the conduct of an energy audit.

(13) If the large enterprise has failed to fulfil the requirements laid down in Paragraph four of this Section, the responsible institution shall take the decision on the obligation of the large enterprise to ensure the fulfilment of the respective requirements within six months. The decision of the responsible institution may be appealed in accordance with the procedures laid down in the Administrative Procedure Law. The appeal of the decision shall not suspend its validity.

[*14 July 2022*]

**Section 11. Energy Audit in Small and Medium-sized Enterprises**

[14 July 2022]

**Section 12. Energy Efficiency for Large Electricity Consumers**

(1) A large electricity consumer is an electricity consumer whose annual electricity consumption exceeds 500 megawatt hours in two consecutive calendar years. An electricity consumer shall obtain the status of a large electricity consumer from the moment when it is included in the list of large electricity consumers in accordance with Paragraph seventeen of this Section. The total electricity consumption shall not include the electricity produced by the electricity consumer which is transferred to other electricity consumers. If the large electricity consumer also meets the criteria laid down in Section 10, Paragraph one of this Law, the provisions of Section 10 of this Law shall be applicable thereto.

(2) The criterion for the large electricity consumer referred to in Paragraph one of this Section shall not apply to the following:

1) electricity system operators that have obtained a licence for the distribution of electricity from the Public Utilities Commission;

2) administrators of residential houses who have registered in the Register of Administrators of Residential Houses of the Building Information System, except when the administrators of residential houses perform a commercial activity other than that provided for in the Law on Administration of Residential Houses, and electricity consumption of the administrators of residential houses resulting from the respective commercial activity exceeds the electricity consumption specified in Paragraph one of this Section;

3) the subjects referred to in Section 5 of this Law.

(3) An electricity consumer who has been included in the list of large enterprises in accordance with Paragraph seventeen of this section shall be obliged to, within a year after its inclusion in the respective list, take one of the following actions:

1) introduce and maintain a certified energy management system in line with the energy management standard, covering at least 90 per cent of the total final energy consumption of the large electricity consumer and ensuring the compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law;

2) introduce and maintain a certified supplemented environmental management system in line with the environmental management standard, covering at least 90 per cent of the total final energy consumption of the large electricity consumer and ensuring the compliance of the energy consumption evaluation process with the provisions of Section 9, Paragraphs one and two of this Law;

3) conduct an energy audit, covering at least 90 per cent of the total final energy consumption of the large electricity consumer, and also continue conducting the current energy audit on a regular basis within four years from the day the previous energy audit report was approved.

(4) An energy auditor of enterprises is entitled to conduct an energy audit in large electricity consumers.

(5) If 90 per cent (or more) of the total final energy consumption of a large electricity consumer are consumed in buildings and the respective consumption is not related to the ensuring of production processes, an independent expert in the area of energy performance of buildings is entitled to conduct an energy audit in the large electricity consumers in compliance with the requirements laid down in the laws and regulations regarding the conduct of the energy audit of enterprises.

(6) A large electricity consumer shall notify the responsible institution of the introduction and re-certification of a certified energy management system, the introduction and re-certification of a certified supplemented environmental management system, the conduct of an energy audit referred to in Paragraph three of this Section, the proposed energy efficiency improvement measures, and also shall notify each year of the introduced energy efficiency improvement measures and the energy savings achieved as a result of such measures. The notification procedures shall be determined by the Cabinet.

(7) If a large electricity consumer is planning or has started reconstruction, renewal, or demolition of an existing building and construction of a new building, and 90 per cent (or more) of the total final energy consumption of the large electricity consumer are consumed in this building, it may fulfil the obligation referred to in Paragraph three of this Section by submitting the following to the responsible institution:

1) energy efficiency indicators of the building which have been specified in the building design and are calculated in accordance with the laws and regulations regarding the methodology for calculating the energy performance of a building if the building is in the construction phase and has not been put into service by the date specified in Paragraph three of this Section;

2) within 30 working days after putting the building into service – information on when the temporary energy certificate of the building has been registered in the Register for Energy Certificates of Buildings.

(8) A large electricity consumer shall, until expiry of the term of validity of the temporary energy certificate of the building referred to in Paragraph seven of this Section, notify the responsible institution of the introduction of a certified energy management system, a certified supplemented environmental management system, or the conduct of the first energy audit.

(9) If a large electricity consumer has conducted the first energy audit referred to in Paragraph three of this Section and has lost the status of a large energy consumer in any of the following four years until the deadline for conducting the next energy audit, but in any of the following years before setting in of the deadline for conducting the next energy audit it meets the criterion referred to in Paragraph one of this Section once again, the deadline for conducting the energy audit shall be determined by taking into consideration the day of approval of the report of the first energy audit, however, not later than four years after conducting the first energy audit.

(10) If a large electricity consumer has introduced the certified systems referred to in Paragraph three of this Section and has lost the status of a large electricity consumer in any of the following years until the deadline for the introduction of the next relevant certified system but meets the criterion referred to in Paragraph one of this Section again in any of the following years before setting in of the time limit of the obligation and wishes to restore or supplement the systems referred to in Paragraph three of this Section, it shall act in compliance with the requirements for the introduction of a certified environmental management system or energy management system or other laws and regulations in the field of energy efficiency.

(11) A large electricity consumer shall introduce all or at least three energy efficiency improvement measures with the greatest estimated energy savings or economic return indicated in the certified or re-certified energy management system or certified or re-certified supplemented environmental management system, or the first or current energy audit report.

(12) The existence of a certified energy management system or certified supplemented environmental management system, or energy audit shall constitute a favourable qualifying criterion that shall be taken into account when evaluating project applications of large electricity consumers if the respective project will be fully or partly implemented by using such types of support as payments from the State or local government budget, State or local government guarantees, loan interest rate subsidies as well as other financial assistance that is granted or provided from the State, local government, or the European Union budget funds and foreign financial assistance funds.

(13) Each year the system operator shall be obliged to provide the responsible institution with the electricity consumption data of the electricity consumers whose annual electricity consumption exceeds 500 megawatt hours.

(14) A large electricity consumer shall remain obliged to notify of the introduced energy efficiency improvement measures and the savings achieved as a result of such measures:

1) for four years after conducting the first or current energy audit;

2) from the day of introduction of the certified or re-certified energy management system referred until the end of operation of the relevant system;

3) from the day of introduction of the certified or re-certified supplemented environmental management system until the end of operation of the relevant system.

(15) An electricity consumer which, according to the annual electricity consumption data of the system users provided by the system operator, is the large electricity consumer but the amount of electricity used by itself is less than 500 megawatt hours shall, by 1 March of the current year, submit to the responsible institution an electricity consumption balance sheet approved by the energy auditor of the enterprise or an independent expert in the area of energy performance of buildings which presents the electricity consumption transferred to each sub-user and electricity consumption of the large electricity consumer itself. The system user shall record the amount of electricity transferred to other users with electricity metering devices, and also this amount may be confirmed by a third party on the basis of the relevant invoice information. The Cabinet shall determine the procedures by which the electricity consumer shall submit the electricity consumption balance sheet to the responsible institution.

(16) An electricity consumer shall remain obliged to notify of the introduced energy efficiency improvement measures and the energy savings achieved as a result of such measures, and the time limit for notification also when it has lost the status of a large electricity consumer.

(17) The responsible institution shall, each year by 31 March, prepare and publish the list of large electricity consumers on its website on the basis of the data provided by the electricity system operator on the electricity system users whose annual electricity consumption exceeds 500 megawatt hours in two consecutive calendar years and the information on electricity consumption provided by the electricity consumer according to the electricity balance sheet approved by the energy auditor of the enterprise or an independent expert in the area of energy performance, including on its sub-user which meets the criteria specified in Paragraph one of this Section in accordance with the provisions of Paragraph nine of this Section.

(18) An electricity consumer shall be removed from the list of large electricity consumers if it fails to meet any of the criteria for a large electricity consumer in two consecutive calendar years.

(19) The responsible institution may, on the basis of a substantiated submission of a large electricity consumer, extend the time limit for the fulfilment of the obligation referred to Paragraph three of this Section by six months.

[*14 July 2022*]

**Section 13. Energy Efficiency Duty**

(1) The purpose of the energy efficiency duty is to promote energy efficiency.

(2) The energy efficiency duty shall be paid by a large electricity consumer which has not fulfilled the obligations specified in Section 12, Paragraph three of this Law.

(3) The amount of the energy efficiency duty and the procedures for its calculation, application, payment and control shall be determined by the Cabinet. The energy efficiency duty shall be transferred into the State budget in accordance with Section 7 of this Law.

(4) The energy efficiency duty shall be administered by the responsible institution.

(5) Revenues from the energy efficiency duty shall be planned as a grant from the State basic budget general revenues in the State basic budget under the programme/sub-programme of the budget of the Ministry of Economics specially established for this purpose in accordance with the revenues from the State duty and the contributions of the obligated party planned (estimated) in the State basic budget. The Ministry of Economics shall be responsible for ensuring that the expenditures do not exceed the amount of State duty payments transferred into the State basic budget.

(6) The grant referred to in Paragraph five of this Section shall be used:

1) for monitoring the achievement of energy efficiency targets and ensuring notification, and also for maintaining the Energy Source Information System;

2) for the State Energy Efficiency Fund.

(7) The Ministry of Economics shall ensure the transfer of the contributions to the State Energy Efficiency Fund.

[*23 November 2016; 14 November 2019; 30 April 2020; 14 July 2022*]

**Section 14. Energy Efficiency Services**

(1) The energy efficiency services shall be provided in accordance with a written contract for the implementation of specific energy efficiency improvement measures which shall be entered into between the recipient of the energy efficiency services and the provider of the energy efficiency services – an economic operator which provides energy efficiency services or implements other energy efficiency improvement measures at the final customerʼs facilities or premises. If the recipient of an energy efficiency service is the State or local government, the respective contract shall be entered into for a period of up to 20 years.

(2) At least the following information shall be included in an energy efficiency service contract:

1) the list of energy efficiency improvement measures to be implemented, implementation plan and cost estimate;

2) the guaranteed energy savings that must be achieved by implementing the energy efficiency improvement measures laid down in the contract, and the terms for the identification thereof;

3) the provisions for the achieved guaranteed savings measurements and their quality inspections;

4) the validity term of the contract and the terms for the submission of the interim report, conditions and terms for the termination of the contract;

5) the obligations of the contracting parties, including the obligation of the energy efficiency service provider, when entering into a subcontracting agreement with third parties, to include in the agreement requirements that are equivalent to the concluded energy efficiency service contract, and sanctions in cases of the non-fulfilment thereof;

6) the procedures by which all changes in energy efficiency improvement measures, the implementation plan and cost estimate thereof made during the project shall be documented;

7) the distribution of the projectʼs financial impact and the achieved money savings, including service providerʼs compensation, between the contracting parties;

8) conditions that explain how to act in cases when changes of the basic conditions affect the content and the outcome of the contract (if energy prices, use intensity of the equipment change).

(3) The energy efficiency service costs may not be included in public service tariffs (prices).

(4) The following conditions shall b met in the provision of energy efficiency services:

1) the energy efficiency service costs shall be covered with a part of the financial value of the energy efficiency improvement or energy savings that have arisen from the provision of the energy efficiency services;

2) the provider of the energy efficiency service shall bear the projectʼs financial, technical and commercial risks.

(5) When announcing a public procurement for entering into an energy efficiency service contract, the contracting authority shall set requirements aimed at ensuring that the energy efficiency service contract meets the requirements of Paragraphs one, two and four of this Section.

(6) Distribution operators and energy retailers shall comply with the principles of good commercial practice, including in relation to demand for and provision of energy efficiency services or other energy efficiency improvement measures, and the development of market for such services or measures. The liability for anticompetitive practices shall be determined by the laws and regulations in the area of competition.

(7) In order to ensure monitoring of the economic operator – energy efficiency service provider – referred to in Paragraph one of this Section, the Cabinet shall determine its competence requirements and the procedures for certifying its competence, the registration and monitoring procedures, and also the procedures for creating and maintaining the Register of Energy Efficiency Service Providers, the content of the information to be entered in the Register, and the procedures for using the Register.

(8) The Cabinet shall determine the voluntary qualification criteria for energy efficiency providers and the procedures for applying them.

[*14 July 2022*]

**Chapter V Energy Efficiency Monitoring and Public Awareness**

**Section 15. Energy Efficiency Monitoring**

(1) The responsible institution shall conduct energy efficiency monitoring and record energy savings through the Energy Source Information System. The Cabinet shall determine the procedures for creating, maintaining, and updating the Energy Source Information System, the procedures for submitting information, the content of the Energy Source Information System, and the procedures for the circulation of information entered therein.

(2) The purpose of the energy efficiency monitoring is to compile and systematise information on all energy efficiency improvement measures that have been taken by using the types of support referred to in Paragraph four of this Section, and on the results thereof, and also any other information related to energy efficiency improvement and to calculate the achieved energy savings in order to keep track of the achievement of the State energy savings indicative target or other energy efficiency targets and implementation of the National Energy and Climate Plan.

(3) The institutions responsible for granting the financing shall determine the evaluation criteria and the energy efficiency performance indicators for the activities under their responsibility or energy consumption indicators of the project for those activities which are not directly aimed at improving energy efficiency, but promote it.

(4) If a project is implemented fully or partially using such types of support as payments from the State or local government budget, State or local government guarantees, loan interest rate subsidies, as well as other financial assistance that is granted or provided from the State, local government or the European Union budget funds and foreign financial assistance funds, and the evaluation criteria referred to in Paragraph three of this Section, energy efficiency improvement performance indicators or the obligation to report project energy consumption readings have been determined in it, then for the next three years after the implementation of the project the recipient of the financing shall each year provide information to the institution referred to in Paragraph three of this Section which is responsible for the granting of the financing in accordance with the contract entered into between the recipient of the financing and the institution responsible for granting the financing for the energy consumption of the respective facility before and after project implementation, except when a different reporting period has been determined in the contract concluded between the recipient of the financing and the institution responsible for granting the financing. The institution responsible for the granting the financing shall summarise the received information and inform the responsible institution referred to in Section 4.1, Paragraph one of this Law.

[*14 November 2019; 30 April 2020; 14 July 2022*]

**Section 16. Provision of Information to Final Customers, Recording Energy Consumption**

(1) A trader of electricity, natural gas, heat, energy used for cooling shall, without requiring a separate payment, provide the final customer with a possibility to receive, also electronically, an invoice, invoice information, and also additional information which promotes a change of behaviour of the final customer in the efficient use of energy. The Cabinet shall determine the content of invoice information and additional information.

(2) Final customers shall cover the actual costs of the administrators of residential houses incurred when preparing and sending the information indicated in invoices and additional information on the individual consumption of heat, energy used for cooling, or household hot water in buildings with several groups of premises, including multi-apartment buildings, for heat consumption recorded or calculated in each group of premises within the framework of the central heat supply or central cooling system (hereinafter – the invoice information). The Consumer Rights Protection Centre shall, upon request of the final customers, verify the validity of the costs.

(21) The requirements laid down in Paragraph two of this Section shall also apply to a person who provides the preparation and sending of invoice information and additional information on the individual consumption of heat, energy used for cooling, or hot water in buildings with several groups of premises other than households.

(3) The system operator shall, when installing a commercial smart meter, provide the energy users with information on the options of the meter reading management and energy consumption monitoring.

(4) The system operator shall, by taking into account the needs of energy users and potential benefits, determine the minimum functions of the commercial smart meter, including the option to obtain information on the actual energy consumption within a particular use period.

(5) [30 April 2020]

(6) The person referred to in Paragraphs two and 2.1 of this Section shall follow the principles of good commercial practice, including in respect of the possibility of final customers to change the person referred to in Paragraphs two and three of this Section who provides the preparation and sending of invoice information and additional information. The liability for anticompetitive practices shall be determined by the laws and regulations in the area of competition.

[*30 April 2020; 14 July 2022*]

**Section 17. Administrative Liability for Violations of this Law**

[30 April 2020]

**Transitional Provisions**

1. With the coming into force of this Law, the Energy End-use Efficiency Law (*Latvijas Vēstnesis*, 2010, No. 27; 2011, No. 148; 2013, No. 194) is repealed.

2. The Cabinet shall issue the regulations referred to in Section 5, Paragraphs four and five, Section 6, Paragraphs two, five, six, seven and eight, Section 7, Paragraph six, Section 8, Paragraph three, Section 9, Paragraph five, Section 10, Paragraphs six and seven, Section 12, Paragraphs four, six and nine, Section 13, Paragraph three, Section 15, Paragraph one of this Law by 1 October 2016.

3. Until the day of coming into force of the Cabinet Regulation referred to in Clause 2 of these Transitional Provisions, but not later than by 30 September 2016, the following Cabinet regulations shall be applied insofar as they are not in contradiction to this Law:

1) Cabinet Regulation No. 555 of 12 July 2011, Regulations Regarding the Procedures for Entering into and Supervision of an Agreement Regarding Energy Efficiency Improvement;

2) Cabinet Regulation No. 138 of 12 March 2013, Regulations Regarding Industrial Energy Audit;

3) Cabinet Regulation No. 923 of 30 September 2010, Procedures by Which State Energy End-use Savings Shall Be Measured and the Operation of the Energy Efficiency Monitoring System Shall Be Ensured.

4. The introduction of the system referred to in Section 5, Paragraph two of this Law shall be ensured by 1 April 2017.

5. Institutions and local governments of municipalities which on the day of coming into force of this Law meet the criteria referred to in Section 5, Paragraph three of this Law shall ensure introduction of the energy management system by 1 November 2017.

6. The requirements of Section 6, Paragraph six of this Law shall be applied as of 1 January 2017.

7. Until 1 July 2016, the Cabinet shall approve the policy measure plan referred to in Section 4, Paragraph three of this Law.

8. The large enterprise shall conduct the energy audit referred to in Section 10, Paragraph five of this Law by 31 March 2017.

9. [14 July 2022]

10. A large electricity consumer shall introduce the system referred to in Section 12, Paragraph two of this Law, shall supplement the system referred to in Paragraph three or conduct the first energy audit referred to in Paragraph five by 1 April 2018.

10.1 A large electricity consumer who has failed to comply with the deadline referred to in Paragraph 10 of the Transitional Provisions of this Law and has not paid the calculated energy efficiency duty imposed thereon has the right to receive support in the form of a reduction of or exemption from the energy efficiency duty if it fulfils the obligations referred to in Section 12, Paragraph two, three or five of this Law until 15 May 2019.

[*25 April 2019*]

10.2 A large electricity consumer who has failed to comply with the deadline referred to in Paragraph 10 of the Transitional Provisions of this Law and does not fulfil the obligations referred to in Section 12, Paragraph two, three or five of this Law until 15 May 2019 shall pay the calculated energy efficiency duty imposed thereon by 15 June 2019.

[*25 April 2019*]

10.3 A large electricity consumer who has failed to comply with the deadline referred to in Paragraph 10 of the Transitional Provisions of this Law and has paid the calculated energy efficiency duty imposed thereon has the right to receive aid for commercial activity in the form of the repayment of the paid energy efficiency duty if it has fulfilled the obligations referred to Section 12, Paragraph two, three or five of this Law until 15 May 2019.

[*25 April 2019*]

10.4 The aid for commercial activity referred to in Paragraphs 10.1 and 10.3 of Transitional Provisions of this Law shall be granted to a large electricity consumer by the responsible institution as de minimis aid in conformity with the conditions of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector, Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector, Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid granted to undertakings providing services of general economic interest, and the laws and regulations regarding the procedures for accounting and granting *de minimis* aid.

[*30 April 2020*]

11. [14 November 2019]

12. The enterprise energy auditor shall, by 31 January 2017, submit to the Ministry of Economics information on the number of those energy audits of enterprises and energy audits of the large enterprise that have been conducted until 31 December 2016 in accordance with the procedures determined by the Cabinet.

13. The responsible ministry shall prepare information on the State energy efficiency action plan and submit it to the European Commission by 30 April 2017 and by 30 April 2020.

14. The responsible ministry shall draw up the methodological instructions referred to in Section 3.1, Paragraph one of this Law by 31 December 2022.

[*14 July 2022*]

15. The responsible ministry shall develop the plan for achieving the final energy consumption savings target referred to in Section 4, Paragraph three of this Law by 30 June 2024.

[*14 July 2022*]

16. The public institutions and derived public entities referred to in Section 5 of this Law shall ensure the introduction of the energy management system by 31 August 2023.

[*14 July 2022*]

17. The Cabinet shall issue the regulations referred to in Section 6, Paragraphs 2.1 and 2.2 and Section 14, Paragraphs seven and eight of this Law by 31 December 2022.

[*14 July 2022*]

18. The Cabinet shall issue the regulations referred to in Section 5, Paragraphs four and five, Section 10, Paragraph seven, Section 12, Paragraphs six and fifteen, Section 15, Paragraph one, and Section 16, Paragraph one of this Law by 31 August 2022. Until the day of coming into force of the respective regulations, but not later than until 31 August 2022, Cabinet Regulation No. 668 of 11 October 2016, Regulations Regarding the Energy Efficiency Monitoring and Applicable Energy Management System Standard, and Cabinet Regulation No. 876 of 21 October 2008, Regulations Regarding the Delivery and Use of Heating Supply, shall be applied, insofar as they are not in contradiction with this Law.

[*14 July 2022*]

19. Independent experts in the area of energy performance of buildings may conduct enterprise energy audits for energy consumers that consume less than 90 per cent of the total energy consumption in buildings until 30 June 2023. If an energy consumer has concluded a contract with an independent expert in the area of energy performance of buildings for the conduct of an enterprise energy audit until 30 June 2023, the enterprise energy audit shall be registered in the Building Information System within four months from the day the contract is concluded.

[*14 July 2022*]

**Informative Reference to European Union Directives**

[*14 July 2022*]

This Law contains legal norms, which arise from:

1) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC;

2) Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency.

This Law has been adopted by the *Saeima* on 3 March 2016.

Acting for the President, Chairperson of the *Saeima* I. Mūrniece

Rīga, 15 March 2016