Republic of Latvia

Cabinet

Regulation No. 503

Adopted 9 August 2022

**Regulations Regarding Supply of Energy Users When the Early Warning and Alert Levels are Declared**

*Issued pursuant to*

*Section 64, Paragraph one, Clause 1 and Section 107, Paragraph seven of the Energy Law*

1. The Regulation prescribes:

1.1. the restrictions on energy consumption and priorities to individual groups of energy users if an energy crisis has been declared in accordance with Article 11(1)(a) and (b) of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010;

1.2. the procedures by which natural gas shall be supplied to users and by which the supply shall be discontinued, the rights and obligations of a trader, public trader, system operator, customer, and owner of a gasified object in the supply and use of natural gas, the procedures for the settlement of accounts for the services received, and supply of customers in case of disturbances in the natural gas supply.

2. The public trader shall, in accordance with Section 107, Paragraph four of the Energy Law, maintain the following amount of supplies in the Inčukalns underground gas storage facility which are intended for the supply of captive consumers:

2.1. from 10 August 2022 to 30 September 2022 – 1150 GWh;

2.2. from 1 October 2022 to 30 April 2023 as at the first day of each month – surplus of the amount referred to in Sub-paragraph 2.1 of this Regulation and the amount actually supplied to captive consumers.

3. The natural gas supplies from the Inčukalns underground gas storage facility referred to in Paragraph 2 of this Regulation shall be supplied by the public trader to the captive consumers.

4. The unified natural gas transmission and storage system operator shall reject the request of the public trader for the withdrawal of natural gas or its transfer to another system user if it is established that as a result of it the public trader will not be able to fulfil the task referred to in Paragraph 2 of this Regulation.

5. The natural gas distribution system operator shall, by the tenth day of each month, submit information to the unified natural gas transmission and storage system operator on the natural gas supplied to the captive consumers in the previous month.

6. If the public trader does not fulfil the functions specified in laws and regulations or fulfils them insufficiently, the unified natural gas transmission and storage system operator has the right to make nominations for the withdrawal of natural gas from the Inčukalns underground gas storage facility in the amount not exceeding the amount referred to in Paragraph 2 of this Regulation, reducing the supplies of the public trader accordingly and supplying the natural gas distribution system operator with the amount of natural gas intended for the captive consumers. The unified natural gas transmission and storage system operator has the right to request the natural gas distribution system operator to provide information required for the performance of the function referred to in this Paragraph.

7. *Akciju sabiedrība “Latvenergo”* [joint-stock company Latvenergo] shall, in the case referred to in Paragraph 6 of this Regulation, settle payments between the public trader and the captive consumer for the natural gas supply service provided or for the provision of the supply of last resort service, deducting from the public trader the settlement administration fee which corresponds to the actual costs but does not exceed 10 % of the total amount of invoices.

8. The natural gas distribution system operator shall, in the case referred to in Paragraph 6 of this Regulation, provide information to the joint-stock company Latvenergo which is required for the settling of payments.

9. The unified natural gas and storage system operator shall, within a day after establishing such amount of the negative imbalance which can threaten the safety of the natural gas supply, inform the Ministry of Economics and the Public Utilities Commission of the natural gas transmission system users whose daily negative imbalance can threaten the safety of the natural gas supply.

10. If a relevant request has been received from the unified natural gas and storage system operator, the natural gas transmission system user shall develop an action plan for the prevention of a negative imbalance (hereinafter – the plan) and send it to the unified natural gas and storage system operator within the time limit determined by the unified natural gas and storage system operator.

11. The plan shall include measures for the prevention of a negative imbalance, including the reduction of consumption if it is not in contradiction with the concluded natural gas trade contracts. If the plan provides for the reduction of natural gas consumption in individual gasified objects, the relevant natural gas system user shall inform the owner of the gasified object thereof.

12. The natural gas transmission system user shall inform the natural gas transmission system operator of the gasified objects of natural gas users where the reduction of natural gas consumption is intended in accordance with the plan.

13. If the reduction of consumption determined in the plan is not complied with, the natural gas transmission system operator shall, upon request of the unified natural gas and storage system operator, disconnect the gasified object until the moment when the negative imbalance has been prevented.

14. The unified natural gas and storage system operator shall, by 1 October 2022, develop and harmonize with the Estonian and Latvian unified balancing zone transmission system operator the procedures and requirements for the prevention of negative imbalance.

15. The Regulation shall come into force on 10 August 2022.

Prime Minister A. K. Kariņš

Minister for Economics I. Indriksone