Republic of Latvia

Cabinet

Regulation No. 157

Adopted 24 March 2020

**Aggregator Regulations**

*Issued pursuant to*

*Section 36.1, Paragraph two of the Electricity Market Law*

**I. General Provision**

1. The Regulation prescribes:

1.1. the rights and obligations of the aggregator;

1.2. the payments for the services of the aggregator;

1.3. the relationships between the aggregator and other participants of the system and the market.

**II. Rights and Obligations of the Aggregator**

2. The aggregator has the right to provide the demand response service (hereinafter – the service) to the beneficiary of the service or to sell it in an exchange, agreeing with the beneficiary of the service on the provisions for the provision of the service or conforming to the requirements of the exchange.

3. The aggregator shall enter into a contract with the user for the demand response of the user’s facility (hereinafter – the facility) for the provision of the service (hereinafter – the contract on demand response). The aggregator shall use the totality of demand facilities of such users (hereinafter – the aggregator’s portfolio) for the provision of the service.

4. For the aggregator to be able to enter into the contract on demand response with the user, the aggregator shall need a valid balancing service contract or a balancing contract with the same provider of balancing service which ensures the balancing service in facilities that are used for the provision of the demand response.

5. The aggregator shall include the facility in the aggregator’s portfolio if:

5.1. the aggregator has entered into a system use contract with a system operator to the network of which the relevant facility of the user is connected;

5.2. the aggregator has entered into the contract on demand response of the relevant facility with the user;

5.3. permission to include the facility in the aggregator’s portfolio has been received from the relevant facility balancing service provider.

6. The aggregator has an obligation to inform the system operator to the system of which this facility is connected of a user’s facility that is intended to be included in or excluded from the aggregator’s portfolio, according to the procedures laid down in the system use contract.

7. The aggregator shall be responsible for ensuring that the information provided to the beneficiary of the service and the system operator (including operational information) is true.

**III. Relationship between the Aggregator and the User**

8. The contract on demand response shall include:

8.1. information on the parties to the contract, the term of the contract, the procedures and fee for early termination of the contract, if such is provided for;

8.2. the rights, obligations, and responsibility of the parties;

8.3. the payment procedures;

8.4. the costs of inclusion of the facility in the aggregator’s portfolio;

8.5. the type, amount, and procedures for the receipt of the remuneration, if the aggregator has provided for such for the user;

8.6. the costs related to inclusion of the facility in the aggregator’s portfolio, if the aggregator has intended to demand such from the user;

8.7. the procedures for submitting and examining complaints and issues, and also contact details and other necessary information.

9. Upon entering into the contract on demand response, the user shall grant the system operator the right to transfer the historical and actual data of electricity consumption of the relevant facilities of the user to the aggregator and, if it is necessary for making payments and determining the amount of the provided service, also to the beneficiary of the service.

10. For each facility the contract on demand response may be entered into only with one aggregator.

11. The aggregator shall, at least once every month, provide to the user data on the amount of the demand response in the preceding month and the calculated remuneration, if such has been provided for.

**IV. Relationships Between the Aggregator and Other Participants of the System and the Market**

12. For the aggregator to be able to provide the service to the system operator, a contract shall be entered into with this system operator in which the conditions for the provision of the service are specified, including the technical and data exchange requirements, the payment procedures and, if necessary, the methodology for forecasting the consumption of the aggregator’s portfolio or the procedures for coordinating such methodology.

13. For the aggregator to be able to provide the service to another participant of the electricity market, it shall enter into a contract with this market participant in which the conditions for the provision of the service and the payment procedures are specified.

14. For the aggregator to be able to sell the service on an electricity exchange, it shall enter into a contract with the relevant electricity market operator for participation in the exchange.

15. The aggregator has the right to provide the service to the system operator from facilities connected to the system of another system operator, if the relevant system operators have mutually agreed on the procedures for exchanging the data necessary for ensuring the service.

16. The aggregator is entitled to receive a fee from the beneficiary of the service for the provision of the service which is equivalent to the fee received for the provision of an equivalent service by such service provider that provides the service by using generation units.

17. If the user wishes to change the aggregator, before the planned change of the aggregator the selected aggregator shall, by the fifteenth day of the respective month, notify the user’s provider of the balancing service and the system operator to the system of which the relevant facility of the system user is connected that a new contract on demand response has been entered into. The change of the aggregator shall enter into effect on the first day of the next month.

18. The system operator to whose system the relevant facility of the system user is connected and the provider of the balancing service of the relevant facility of the user shall inform the previous aggregator of the user and the selected aggregator of the notice received within the time period referred to in Paragraph 17 of this Regulation by the twenty-fifth day of the month when the notice is received.

**Informative Reference to a European Union Directive**

The Regulation contains legal norms arising from 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.

Prime Minister A. K. Kariņš

Acting for the Minister for Economics, Minister for the Interior S. Ģirģens