Republic of Latvia

Cabinet

Regulation No. 221

Adopted 25 April 2017

**Regulations Regarding the Procedures by which Contributions are Made in Energy Efficiency Funds, and their Amount, as well as the Use of the Resources of the Energy Efficiency Fund**

*Issued pursuant to*

*Section 6, Paragraph eight and Section 7, Paragraph six of the Energy Efficiency Law*

**I. General Provision**

1. The Regulation prescribes:

1.1. the procedures by which an obligated party of the energy efficiency obligation scheme (hereinafter – the obligated party) shall make a contribution in the State or local government Energy Efficiency Fund in accordance with the scope of final energy consumption savings obligation determined for it (hereinafter – the scope of obligation) for the achievement of the mandatory energy savings target;

1.2. the amount of contributions of the obligated party in the State or local government Energy Efficiency Fund;

1.3. the procedures by which *akciju sabiedrība “Attīstības finanšu institūcija Altum”* [joint stock company Development Finance Institution Altum] (hereinafter – the company Altum) shall use the resources of the State Energy Efficiency Fund and provide a report on the use thereof.

**II. Amount of Contributions of the Obligated Party and Procedures for Making a Contribution in the State or Local Government Energy Efficiency Fund**

2. Contributions in the State or local government Energy Efficiency Fund shall be comprised by the scope of obligation of the obligated party or the part thereof in megawatt hours multiplied by EUR 70 per megawatt hour.

3. The obligated party shall, within 30 days after the it has submitted the plan of measures for the energy efficiency improvement to the Ministry of Economics in accordance with the laws and regulations governing the procedures for the establishment and introduction of the energy efficiency obligation scheme, notify of the following by using the sample provided for in Annex to this Regulation:

3.1. the scope of obligation of energy savings for which it plans to make a contribution;

3.2. the State or local government Energy Efficiency Fund in which it plans to make a contribution. If the obligated party plans to make a contribution in a local government fund, it shall separately inform the local government which is the founder and holder of the fund.

4. If in conformity with the laws and regulations governing the procedures for the establishment and introduction of the energy efficiency obligation scheme the obligated party fulfils less than 80 % of the scope of obligation within the framework of a calendar year, the obligated party shall make a contribution in the State Energy Efficiency Fund in the amount of 1.5 times the value laid down in Paragraph 2 of this Regulation for each saved energy unit for the non-fulfilled scope of the annual energy savings.

5. The Ministry of Economics shall, within 30 days after receipt of the information referred to in Paragraph 3 of this Regulation or in the case referred to in Paragraph 4 of this Regulation, decide on the amount contributions to be made in the State Energy Efficiency Fund.

6. Upon receipt of the information referred to in Sub-paragraph 3.2 of this Regulation, a local government shall, within 30 days, decide on the contributions to be made in the local government Energy Efficiency Fund.

7. The obligated party shall make a contribution in the State Energy Efficiency Fund within 30 days after receipt of the decision of the Ministry of Economics by transferring the relevant amount to the State basic budget expenses account held by the Treasury that has been opened for the budget programme of the Ministry of Economics.

8. The obligated party shall make a contribution in the local government Energy Efficiency Fund within 30 days after receipt of the local government decision by transferring the relevant amount to the current account of the Energy Efficiency Fund indicated by the local government at a credit institution in the basic budget of the local government.

9. The local government in the Energy Efficiency Fund of which the obligated party has made its contribution shall ensure energy savings in accordance with the scope of obligation of the obligated party for which the contribution had been made. If at the end of the commitment period the relevant energy savings is not fulfilled, the local government shall ensure a contribution in conformity with the scope of non-fulfilled obligation which is multiplied by 1.5.

10. In the case referred to in Paragraph 3 of this Regulation, the obligated party shall make a contribution for the entire commitment period for which the scope of obligation has been determined in accordance with the laws and regulations governing the establishment and introduction of the energy efficiency obligation scheme.

11. In the case referred to in Paragraph 4 of this Regulation, the obligated party shall make a contribution for the non-fulfilment of the obligation for the relevant year in accordance with the laws and regulations governing the establishment and introduction of the energy efficiency obligation scheme.

12. A local government shall submit to the Ministry of Economics the following information within 10 working days after receipt of the contributions made by the obligated party:

12.1. the amount of contributions made by the obligated party;

12.2. the scope of obligation for which the contribution was made;

12.3. the measures planned for ensuring energy savings in accordance with the scope of obligation of the obligated party for which the contribution was made.

13. After receipt of the contributions referred to in Paragraph 7 and information referred to in Paragraph 12 of this Regulation, the Ministry of Economics shall, within 30 days, take the decision to reduce the scope of obligation of the obligated party in proportion to the amount of contributions made.

14. Upon a request of the Ministry of Economics, a local government or the obligated party shall, within 10 working days, provide additional information and documents which certify making the contribution in the State or local government Energy Efficiency Fund.

15. Each year by 1 November, a local government shall submit the Ministry of Economics information regarding energy savings from the savings achieved through the energy efficiency improvement measures implemented within the framework of the local government Energy Efficiency Fund in the previous calendar year, and also regarding the financing contributed in the energy efficiency improvement measures.

**III. Procedures for the Use of the Resources of the State Energy Efficiency Fund and Provision of Reports**

16. The Ministry of Economics shall ensure that the contributions made by the obligated parties each quarter by the fifth date of the first month of the quarter for the achievement of the State mandatory energy savings target shall be transferred to the State Energy Efficiency Fund.

17. The company Altum shall maintain the State Energy Efficiency Fund and fulfil the fund management functions in accordance with the regulations of the fund which have been approved by the shareholders meeting of the company Altum. The regulations of the State Energy Efficiency Fund shall be published by the company Altum on its website within 10 working days after the approval thereof.

18. The company Altum shall use the resources of the State Energy Efficiency Fund to implement the State aid programme for the achievement of the mandatory final energy consumption target, and also for the measures for informing and educating public in the field of energy efficiency approved by the Ministry of Economics, and for covering the costs related to the fund management.

19. When implementing the measures referred to in Paragraph 18 of this Regulation, the company Altum shall take the following actions:

19.1. keep a separate financial accounting for each State aid programme and information measure of the energy efficiency improvement;

19.2. make calculation and keep accounting of the used financial resources in accordance with the eligible costs laid down in the State aid programmes for the company Altum, including direct and indirect fund management costs in accordance with the methodology for the calculation of the management costs of the company Altum, and also for the actual State Energy Efficiency Fund management costs which form up to 5 %, however not more than EUR 26 320 per year of the amount of contributions made in the State Energy Efficiency Fund during the fund implementation and supervision.

20. The company Altum shall ensure the submission of an annual report on the introduced energy efficiency improvement measures and energy savings achieved in the result thereof in accordance with the laws and regulation governing the field of energy efficiency monitoring.

21. The State Energy Efficiency Fund shall commence its operation after the contributions referred to in Paragraph 16 of this Regulation have been transferred thereto and regulations of the fund have been approved.

22. The operations of the State Energy Efficiency Fund in respect of the use of the financial resources at the disposal thereof shall be controlled by the Ministry of Economics.

23. The company Altum shall ensure the accounting and audit of the financial resources at the disposal of the State Energy Efficiency Fund in accordance with the regulations of the fund.

24. The company Altum” shall, each quarter by the fifteenth date of the first month of the quarter, submit the Ministry of Economics a report on the scope of the energy efficiency programmes implemented in the previous quarter that have been financed from the resources of the fund.

25. Within 10 working days upon the request of the Ministry of Economics, the company Altum shall provide additional information on the use of the resources of the State Energy Efficiency Fund in the reporting period.

Prime Minister Māris Kučinskis

Acting for the Deputy Prime Minister,

Minister for Economics – Minister for Education and Science Kārlis Šadurskis

**Annex**

Cabinet Regulation No. 221

25 April 2017

**Notice on the Payment of a Contribution in the State or Local Government Energy Efficiency Fund and Transfer of the Scope of Obligation**

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|  | | | | | (name of the merchant) | | | | |
|  | | | | |  | | | | |
|  | | | | | (registration number) | | | | |
|  | | | | |  | | | | |
|  | | | | | (legal address) | | | | |
| No. | Total scope of obligation laid down in the Cabinet Regulation | Fund in which the contribution will be made | | | | The scope to be transferred by the contribution | The scope to be fulfilled by the merchant – obligated party |
| 1. |  |  | | | |  |  |
| 2. |  |  | | | |  |  |
| ... |  |  | | | |  |  |
|  | | | |  | |  | | | |
| (date of submission of the notice) | | | |  | | (given name, surname, signature of the head of the enterprise or/and head of the Financial Department) | | | |
|  | | | |  | |  | | | |
|  | | | |  | | (given name, surname, signature of the submitter of the notice) | | | |

Acting for the Deputy Prime Minister,

Minister for Economics – Minister for Education and Science Kārlis Šadurskis