The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on the State Aid for Energy Supply Costs**

**Chapter I**

**General Provisions**

**Section 1. Terms Used in the Law**

The terms used in this Law correspond to the terms used in the Electricity Market Law and the Energy Law unless it has been laid down otherwise in this Law.

**Section 2. Purpose and Scope of the Application of the Law**

(1) The purpose of this Law is to mitigate the negative socio-economic impact related to the increase in energy resource prices on the welfare of low-income and moderately low-income households.

(2) The Law prescribes the State aid (hereinafter – the aid) measures that mitigate the negative impact caused by the exceptional increase in energy resource prices on low-income and moderately low-income households and the conditions by which the aid for the reduction of payments for such consumed energy resources is applied to such households:

1) for the consumed natural gas which is used for the generation of thermal energy during the calendar months for which the aid is applied – during the heating season from 1 October to 30 April of the current year;

2) for the consumed thermal energy during the heating season from 1 October to 30 April of the current year;

3) for the consumed electricity which is used for the generation of thermal energy during the calendar months for which the aid is applied – during the heating season from 1 October to 30 April of the current year;

4) for the consumed electricity during the calendar months for which the aid is applied – for the first consumed 100 kilowatt hours per month over the entire calendar year;

5) for the consumed wood pellets, wood briquettes, firewood, liquefied petroleum gas, and diesel fuel (hereinafter – the decentralised fuel) from 1 October to 30 April of the current year.

(3) The Cabinet shall decide on the period during which the aid for the reduction of payments is to be applied for the consumed energy resources referred to in Paragraph two of this Section.

(4) The Law determines the scope of information to be included in the information system for the compensation for the energy resource costs (hereinafter – the information system), the procedures by which the persons and authorities referred to in this Law shall ensure circulation of such information, and also provisions for data processing.

**Section 3. Target Group of the Law and Procedures for Determination Thereof**

(1) Within the meaning of this Law, a household is persons declared and registered at one address in the Republic of Latvia and also Ukrainian civilians who have been granted the status of temporary protection in the Republic of Latvia with the address of the place of residence indicated at this address.

(2) The target group of this Law is low-income and moderately low-income households, i.e. households whose monthly income per one member of the household and the total monthly expenditure for housing per one member of the household correspond to the amount specified by the Cabinet for receiving the aid for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two of this Law.

(3) The aid specified in Section 2, Paragraph two of this Law shall not be granted to persons subject to international or national sanctions or significant sanctions affecting financial market interests imposed by a European Union Member State or a North Atlantic Treaty Organisation member country.

(4) The Cabinet shall determine what constitutes the total expenditure for housing of the household referred to in Paragraph two of this Section and also the conditions and procedures for calculating such expenditure, and the procedures for identifying the households belonging to the target group of this Law which are entitled to receive the aid for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two of this Law.

**Section 4. Obligations of the Persons and Authorities Involved in the Application of the Aid and Rights Thereof to the Compensation**

(1) Energy supply merchants (electricity traders, natural gas traders, and centralised heating supply service providers) have the obligation to apply the aid to a low-income or moderately low-income household for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two, Clauses 1, 2, and 4 of this Law.

(2) The local government within whose administrative territory a low-income or moderately low-income household is located shall be delegated the task of State administration to apply the aid to this household for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two, Clauses 3 and 5 of this Law.

(3) The administrator performing administrative activities in an apartment residential house with households or a residential house owner renting out the residential house to a household, or an owner of a group of residential premises renting out the group of residential premises to a household has the obligation to apply the aid to a low-income or moderately low-income household for the reduction of payments in invoices thereof to the extent it is granted for the consumed energy resources referred to in Section 2, Paragraph two, Clauses 1, 2, 3, and 4 of this Law.

(4) The State shall compensate energy supply merchants and local governments for the total amount of the aid that the energy supply merchants and local governments have applied to low-income and moderately low-income households during the respective period.

(5) The State shall compensate local governments for the administrative costs of examining each submission requesting the aid laid down by law.

**Section 5. Conditions for Receiving the Aid and Competence of the Cabinet**

(1) A low-income or moderately low-income household that has an electricity, natural gas, or heating connection and has entered into a trade of electricity contract, a trade of natural gas contract, or a heating supply contract at the address of its place of residence is entitled to receive the aid for the reduction of payments for the consumed electricity, including electricity used for the generation of thermal energy, natural gas, and thermal energy.

(2) A low-income or moderately low-income household that uses equipment operated by decentralised fuel for the generation of thermal energy in its housing is entitled to receive the aid for the reduction of payments for the consumed decentralised fuel.

(3) The Cabinet shall determine the following:

1) the conditions by which the aid is to be provided to households for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two of this Law, the amount of the aid to be provided, and also the procedures for financing and supervising the aid;

2) the conditions and procedures for compensating energy supply merchants for the aid applied to households for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two, Clauses 1, 2, and 4 of this Law and the procedures for supervising the disbursed compensation;

3) the conditions and procedures for compensating a local government for the aid applied to households for the reduction of payments for the consumed energy resources referred to in Section 2, Paragraph two, Clauses 3 and 5 of this Law and the procedures for supervising the disbursed compensation;

4) the conditions and procedures by which an electricity trader and a natural gas trader apply the aid to a household customer and also to a customer whose object is an apartment residential house with households if the household user or the user whose object is an apartment house with households receives the service of supply of last resort.

**Chapter II**

**Circulation of Information and Provisions for Data Processing in the Information System**

**Section 6. Evaluation of Conformity of Households**

(1) The information system the maintenance and management functions of which are performed by the State Construction Control Bureau (hereinafter – the Bureau) shall, within the scope of the calendar month, determine the conformity of households to the target group referred to in Section 3, Paragraph two of this Law. The information system shall process and record data of all the natural persons referred to in Section 3, Paragraph one of this Law.

(2) The Bureau shall not verify in other data registers the data of the register managers referred to in Section 7, Paragraph eight of this Law which are submitted to the information system.

(3) The accuracy of the calculation made by the information system in accordance with Paragraph one of this Section and the resulting conformity of households to the target group referred to in Section 3, Paragraph two of this Law can be contested by a household member in the Bureau and appealed to an administrative court in accordance with the procedures laid down in the Administrative Procedure Law.

(4) A household member can verify the accuracy of the personal data in the information system transferred by data controllers and referred to in Section 7, Paragraph eight, Clauses 1, 2, 3, 4, 5, and 6 of this Law by submitting a submission to the respective data controller.

**Section 7. Transmission and Exchange of Data in the Information System**

(1) The Bureau shall process in the information system the identification data of the natural persons referred to in Section 3, Paragraph one of this Law, the income data, and the data on the address of the place of residence of the natural person in order to calculate the average household income per one member of the household and identify the addresses in the Republic of Latvia where households are eligible for the aid specified in Section 2, Paragraph two of this Law.

(2) The Bureau shall process in the information system the data of the electricity distribution system operator who is the administrator of the data exchange platform of the unified electricity distribution system operators (hereinafter – the electricity distribution system operator), the data from the natural gas distribution system operator and heating supply merchants on electricity and natural gas traders and addresses where there are electricity, natural gas, and centralised heating connections in order to identify the addresses in the Republic of Latvia where households are eligible for the aid specified in Section 2, Paragraph two of this Law and receive electricity trade, natural gas trade, or centralised heating service.

(3) The electricity distribution system operator and the natural gas distribution system operator shall receive from the information system and process the addresses in the Republic of Latvia that are under management of the respective operator where there is an electricity or natural gas connection with the identifier addresses where the households specified in Section 3, Paragraph two of this Law are identified in order to inform the electricity and natural gas traders of the households which are to be granted the aid referred to in Section 2, Paragraph two, Clauses 1 and 4 of this Law.

(4) The heating supply merchants shall receive from the information system and process the addresses in the Republic of Latvia where there is a heating connection with the identifier addresses where the households specified in Section 3, Paragraph two of this Law are identified in order to grant the aid referred to in Section 2, Paragraph two, Clause 2 of this Law.

(5) The electricity and natural gas traders shall receive from the electricity distribution system operator and the natural gas distribution system operator and process the addresses in the Republic of Latvia where there are electricity and natural gas connections with the identifier addresses where the households specified in Section 3, Paragraph two of this Law are identified in order to grant the aid referred to in Section 2, Paragraph two, Clauses 1 and 4 of this Law.

(6) The local governments shall receive from the information system and process the addresses located within the administrative territory of the relevant local government with the identifier addresses where the households specified in Section 3, Paragraph two of this Law are identified in order to grant the aid referred to in Section 2, Paragraph two, Clauses 3 and 5 of this Law.

(7) The Bureau shall receive from the information system and process the identification data of all the natural persons referred to in Section 3, Paragraph one of this Law, the income data, and the data on the address of the place of residence of the natural person in order to provide the natural person with information on the conformity of the household of the relevant natural person to the conditions referred to in Section 3, Paragraph two of this Law.

(8) In order to calculate the average household income per one member of the household and identify the addresses in the Republic of Latvia where households are eligible for the aid specified in Section 2, Paragraph two of this Law, the Bureau shall receive from the specified managers the following information in the information system on the natural person referred to in Section 3, Paragraph two of this Law:

1) from the State Revenue Service – the identification data of the natural person and information on his or her income;

2) from the State Social Insurance Agency – the identification data of the natural person and information on the benefits and pensions disbursed to this person;

3) from the Office of Citizenship and Migration Affairs – the identification data of the natural person and the data on the address of the place of residence of this person;

4) from the electricity distribution system operator – the data on the addresses where there is an electricity connection;

5) from the natural gas distribution system operator – the data on the addresses where there is a natural gas connection;

6) from the heating supply merchant – the data on the addresses where there is a heating connection.

(9) The Cabinet shall determine the information to be included in the information system, the scope thereof, the processing regulations, the storage periods, and the access regulations, and also the conditions and procedures for storing, disclosing, and providing audit trails of the information system.

(10) Each data processing activity shall be audited in the information system. The audit trails shall be stored for 24 months, ensuring limited access thereto.

(11) The data of the natural persons referred to in Section 6, Paragraph one of this Law and accumulated in the information system shall be stored for 24 months and then deleted.

**Transitional Provisions**

1. The funding necessary for the development and maintenance of the information system referred to in Section 2, Paragraph four of this Law and also for the measures for the aid provided for in Section 2, Paragraph two of this Law shall be provided in 2023 from the funds allocated in the law On the State Budget for 2023 and Budget Framework for 2023, 2024, and 2025 in the programme 15.00.00 “Funds for the Implementation of Fixed-term Aid Measures Specified in the Law on Measures for the Reduction of Exceptional Increase in Energy Resource Prices” of the budget unit “74. Financing to Be Reallocated During the Implementation Process of the Annual State Budget”.

2. The State Construction Control Bureau shall, until 31 December 2024, ensure the right of household customers to refuse further processing of their personal data in the information system and the opportunity to apply for receiving the aid if the person does not wish it.

The Law shall come into force on the day following its proclamation.

The Law has been adopted by the *Saeima* on 23 November 2023.

President E. Rinkēvičs

Rīga, 7 December 2023