Republic of Latvia

Cabinet

Regulation No. 577

Adopted 27 August 2024

**Procedures for Community Benefit Payments from Wind Power Plants for Local Community Development**

*Issued pursuant to*

*Section 22.1, Paragraph two of the Electricity Market Law*

1. This Regulation prescribes the amount of community benefit payments from wind power plants for local community development (hereinafter – the community benefit payment), the payment and supervision procedures, the deadlines, and also the purposes for which the payments shall be used.

2. An electricity producer shall make the community benefit payment once a year by 1 March for the previous calendar year to the local government in the administrative territory of which the wind power plant is located or the territory of which is at a right angle to the coast from the boundary of a wind power plant located in internal marine waters, the territorial sea or the exclusive economic zone (hereinafter – the administering local government). The community benefit payment shall be credited to the account indicated on the website of the administering local government, specifying the nominal capacity of the wind power plant and the name of the power plant or wind farm in the purpose of the payment.

3. The obligation of an electricity producer to make the community benefit payment begins in the year following the receipt of the authorisation from an electricity distribution system operator to connect the power plant to the system or the final operational notification of an electricity transmission system operator, and the payment obligation ends when the wind power plant has been dismantled and the territory of the dismantled power plant has been put in order. An electricity producer whose wind power plant is dismantled before the next year’s payment deadline shall not make the community benefit payment for the last year.

4. The community benefit payment shall be EUR 2500 per year excluding value added tax for each (also incomplete) megawatt of the nominal capacity of the wind power plant.

5. The community benefit payment shall be received by:

5.1. the administering local government;

5.2. a household the immovable property of which, i. e., a residential property, residential house or part thereof in accordance with laws and regulations in the field of building classification, is located within a radius of two kilometres from:

5.2.1. the boundary of a wind power plant located on land;

5.2.2. the point on the coast which is determined at a right angle to the coast from the boundary of a wind power plant located in internal marine waters, the territorial sea or the exclusive economic zone up to 25 kilometres from the coast.

6. The boundary of a wind power plant shall be determined from the projection of the wind power plant tower on a horizontal plane (the land or sea water surface).

7. The location of an immovable property of a household within a radius of two kilometres means that at least 0.001 % of this immovable property is located within two kilometres of the boundary of a land-based wind power plant or the point on the coast referred to in Sub-paragraph 5.2.2 of this Regulation.

8. The administering local government shall identify the households referred to in Sub-paragraph 5.2 of this Regulation that may be located within the territory of the administering local government.

9. If the administering local government establishes that the administrative territory of another local government is within the distance referred to in Sub-paragraph 5.2 of this Regulation, the administering local government shall notify the respective local government of the need to identify the range of subjects eligible for the community benefit payment and their payment details. The respective local government shall provide a response to the request of the administering local government within two weeks.

10. The community benefit payment determined for a household shall be received by a natural person whose ownership right to the residential property, residential house or part thereof has been corroborated in the Land Register and has been put into operation before the issuance of the building permit for the wind power station.

11. The administering local government shall distribute 50 % of the received community benefit payment in proportion to the number of the households referred to in Sub-paragraph 5.2 of this Regulation and make the payment to the respective subjects each year by 1 June by transferring it to the bank account indicated thereby which is owned by a natural person, whilst the remaining 50 % shall be credited in the revenues of the local government budget and used for the purposes specified in Paragraph 17 of this Regulation. If the bank account of a recipient to which the community benefit payment should be transferred is not known, the administering local government shall contact the household and ascertain the payment details.

12. If a residential house of a household is a joint property, the payment to the household shall be credited in equal parts to the bank accounts of all joint owners who are natural persons. If the transfer is made to an account of a person with a foreign credit institution, the recipient of this payment shall cover all costs, including conversion costs, for transfers outside a European Union Member State or country of the European Economic Area.

13. The community benefit received by one household per year shall not be less than one minimum monthly wage, but not more than three minimum monthly wages according to the minimum monthly wage level determined in the State for the respective year.

14. The proportion referred to in Paragraph 11 of this Regulation may change if the portion of the community benefit payment intended for households is insufficient to make disbursements to households in the amount of one minimum wage, provided that the administering local government receives at least 10 % of the community benefit payment.

15. The minimum community benefit payment specified in Paragraph 13 of this Regulation which is received by a household may be reduced if the community benefit payment does not reach the amount of one minimum monthly wage per subject when it is distributed according to the number of subjects and changing the redistribution of the community benefit payment referred to in Paragraph 14 of this Regulation.

16. If there remains a balance of the part of the community benefit payment after the administering local government has distributed to households the part of the community benefit payment allocated thereto, it shall be credited to the budget revenues of the administering local government and used for the purposes specified in Paragraph 17 of this Regulation.

17. The administering local government may use the income obtained from the community benefit payment for the following purposes within the territory of the local government:

17.1. to promote energy efficiency – energy-efficient lighting, renovation of municipal housing fund, implementation of energy efficiency measures for residential buildings and equivalent measures;

17.2. for environmental protection measures – cleaning, improvement, maintenance of streets, squares, parks and other territories, protection of air quality and water resources, management of waste and hazardous waste, batteries and accumulators, packaging, control of the release of genetically modified organisms in the environment and polluting activities, assessment of the environmental effects of construction and equivalent measures;

17.3. for the protection and management measures of specially protected nature territories, natural habitats of specially protected species and biotopes;

17.4. for restoration and maintenance of municipal road infrastructure;

17.5. for the management, preservation and improvement measures of cultural and historical objects and historical heritage, as well as natural values and territories;

17.6. for the costs of the administration of the community benefit payment.

18. The administering local government shall, in accordance with the purposes specified in Paragraph 17 of this Regulation, primarily use the income obtained from the community benefit payment for the needs of those rural territories where the households referred to in Sub-paragraph 5.2 of this Regulation are located.

19. The community benefit payment shall not be applicable to a household referred to in Sub-paragraph 5.2 of this Regulation if at least one of its members is an owner or lawful possessor of the respective wind power plant or if the household has transferred the land owned thereby into the possession of the producer of wind energy.

20. The administering local government shall monitor that the community benefit payment is made on time and, every year by 15 July, publish on the official website of the local government a report on the community benefit payment received and actually used for the objectives of the local government.

21. This Regulation shall apply to all wind power plants which are connected to an electricity transmission or distribution system after this Regulation comes into force.

22. The community benefit payment shall be made for the increased capacity of the wind power plant in accordance with the amount specified in Paragraph 4 of this Regulation, if:

22.1. the capacity of wind power plants which are connected to the electricity distribution or transmission system before this Regulation comes into force is increased after this Regulation comes into force;

22.2. the number of wind power plants in a wind farm connected to the electricity distribution or transmission system before this Regulation comes into force is increased.

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