

Title of the measure:	LV27 Energy Efficiency in Public (Culture & Education Sector) Buildings: national Emissions Allowances Auction Instrument, 2016-2020 <i>Siltumnīcefekta gāzu emisiju samazināšana valsts nozīmes aizsargājamos arhitektūras pieminekļos</i>
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General description

12 January 2016 the Cabinet of Ministers had adopted the Governmental Regulation No35 (2016) on GHG emissions reduction by Energy Efficiency Improvements in Buildings which have the status of Architecture Monuments of State Significance. The measure is co-financed by the national Emissions Allowances (ETS) Auction Instrument [1].

Responsible ministry for implementation – Ministry of Environmental Protection and Regional Development (MEPRD), responsible institution for implementation supervision and monitoring – state ltd. “Latvian Environmental Investment Fund” [LEIF, 2].

The Open Tender had been announced in February 2016. According the contracts, the approved projects will be finished in the period December 2017 – August 2020 [6].

Applications within the open tender might be submitted by the derived public institutions, state administrative institution or state owned company managing state real estates, religious organization, state educational institution, state culture sector (according to the Culture Institutions Law) institution, municipal culture sector institution. The project shall be implemented not later than 4 years after the data of contract signing. Implementation of the project shall be based on the principles of sustainable building and green procurement procedures shall be applied. The institutions performing commercial activities or having financial difficulties might not apply.

The following buildings are eligible:

- (1) museums and libraries,
- (2) culture sector buildings in which wide-scale entertainments are taking place (buildings functions shall corresponds to the Culture Institutions Law, section 2.2)
- (3) buildings of schools, universities and research institutes,
- (4) religious buildings,
- (5) cultural history objects

During at least last 2 years the functions of education, culture or religious shall be performed within the building. By implementing the project the building shall not lost their architectural significance both as a whole building and of particular building’s elements.

If the building is classified as the building of commercial activities, the grants are provided and co-financing intensities are determined in accordance with the Commission Regulation No 651/2014.

Financing. The total *co-financing* allocated by EAAI is ~8.9 MEUR. The total costs of all approved projects is ~ 17 MEUR

Activities supported to improve energy efficiency and provide GHG emissions reduction:

- construction works for the increase of energy efficiency performance of the building
- restoration works to provide the visual and technical state of initial architectural parts/elements of the building¹

¹ Shall not be higher than 15% of project total eligible costs, if they do not relate to energy efficiency improvement



- renovation, reconstruction or establishment of building's engineering systems to provide effective use and recovery of heat energy,
- purchase and installation or renovation of lightning and electricity supply system,
- renovation, reconstruction or establishment of ventilation system
- purchase and installation of smart management & control technologies,
- purchase and installation of heat production equipment which utilise renewables
- dismantling costs of fossil fuels heat production technologies
- cost of construction works supervision, costs of energy certification and other technical documentation, costs of inspection of the state of building delimiting structures if performed during construction process².

At least 75% of project total eligible costs shall relate to direct improvement of energy efficiency. The dissemination and demonstration activities shall be financed by the beneficiary

Building's energy certificate or energy consumption calculation (for new buildings) shall be submitted together with the application.

Table 1. Financing and energy efficiency requirements

	Large projects	Small projects
Financing		
Total <i>ex-ante</i> allocated co-financing by EAAI	6 MEUR	3 MEUR
Total contracted co-financing by EAAI [3]	6 MEUR	2.868 MEUR
Minimal and maximal co-financing for 1 project	0.5 – 4 MEUR	Up to 0.5 MEUR
The maximal share of EAAI co-financing	85% of project total eligible costs ³	
Annual specific energy consumption		
Annual heat energy consumption for heating after implementation of the project	Not higher than 75 kWh/1m ² ⁴	

Table 2. Criteria and their share in applications' quality evaluation [1, Annex 4]

Criteria	Max points	Relative share
CO2 emissions reduction amount	10	0.133
Financial efficiency of annual CO2 emissions reduction, expressed in kgCO2/EUR	5	0.067
Savings of heat energy for heating as a result of project	6	0.080
RES use in heating	3	0.040
Planned annual visits in building	10	0.133
Correspondence with municipal or sectorial strategic planning documents	5	0.067
On the data of project submission, the building provides education, religious or culture services functions (the evaluation depends on a number of services provided)	10	0.133

² Total costs in this position shall not be higher than 10% of project total eligible costs.

³ The given rate is applied if the project is classified as non-commercial. If the support is classified as commercial activity support, the highest co-financing rate is 80% in case the total support does not exceed 1 MEUR.

If the project is classified as commercial support, the costs are eligible if at least 80% of building area or 80% of annual working hours are utilised for culture activities.

⁴ Recalculated if rooms are highest than 3.5 metres



Technical Preparadness of application	10	0.133
Co-financing by beneficiary	4	0.053
Planned demonstration and publicity activities	3	0.040
Uniqueness of the building as the architecture monument	4	0.053
Activities work plan for building after implementation of the project is submitted (evaluation depends on the time-frame of the work plan)	5	0.067
TOTAL	75	1.000

Beneficiary responsibility. The project implementation contract contains value of CO₂ emissions savings. A beneficiary is responsible for achievement of this contracted result. Emissions savings monitoring shall be done annually during 5 years after project implementation. If after completion of the project the responsible supervising authority (Latvian Environmental Investment Fund) determines that the planned reduction of CO₂ emissions per year specified in the project contract has not been achieved in comparison with the value indicated in the monitoring report submitted by the beneficiary, the responsible authority shall calculate the scope of non-conformity. A beneficiary shall submit the plan (approved by the independent energy efficiency expert) for elimination of non-conformity, the responsible authority, if necessary, provide the appropriate recommendations. A beneficiary shall implement the plan, using his own resources, within a time period of one year. If the responsible authority determines repeatedly that the planned reduction of CO₂ emissions per year specified in the project contract still has not been achieved, the responsible authority has the right to take a decision regarding recognition of resources of the EQAI disbursed for the project as ineligible and commence recovery of them. In order to determine the amount of ineligible resources to be recovered, the real reduction of CO₂ emissions shall be divided by the reduction value specified in the project contract; the obtained value shall be subtracted from the value “1”.

Impact evaluation

As a result of the tender it has been approved:

- two large scale projects (projects' total costs 12.8 MEUR, total EAAI financing 6 MEUR, total CO₂ savings 196 tons annually), and
- seven small scale projects (projects' total costs ~ 4 MEUR, total EAAI financing 2.868 MEUR, total CO₂ savings 258 tons annually).

Thus it is anticipated 454 tons of CO₂ savings annually after implementation of the projects, created by both energy savings and new renewable energy.

Latvia national Plan of the Alternative Measures of Energy Efficiency Policy to Reach the Target of Energy End-Use Consumption Saving 2014-2020 [4] envisages 22.5 GWh cumulative savings in 2020 due to implementation of described measure. If assuming the impact period 2018-2020, thus it might be evaluated around 11 GWh (0.04 PJ) annual savings in year 2020.

The final energy consumption in Latvia Tertiary sector in years 2010-2015 varied in the range 23.4-26.1 PJ (average ~ 25 PJ) [5]. Thus, the impact might be attributed as medium (around 0.15%).

Interaction of measures

It is introduced by the new Governmental Regulations six (A-F) energy efficiency classes of non-residential buildings. The class C corresponds to 65-90 kWh/annually/1m² of maximum specific energy consumption for heating (see the Latvia Tertiary sector measure of MURE database TER-LV15 “Energy Certification of Non-Residential Buildings”).

Thus, the buildings' energy efficiency requirements defined within the described EAAI programme corresponds to the C class building.



Historical data

In 2010-2015 the financial support for public buildings had been provided by the national green investment scheme under UNFCC Kyoto protocol, see the Latvia Tertiary sector measures of MURE database TER-LV7 and TER-LV8.

References

1. Cabinet of Ministers (Governmental) Regulations No35 (2016) “Regulations of the Open Tender “Greenhouse Gas Emissions Reduction in Buildings which are Architectural Monuments of State Significance” for the Projects Financed by the Emissions Allowances Auction Instrument” (*Ministru Kabineta Noteikumi Nr. 35 (2016) “Emisijas kvotu izsolīšanas instrumenta finansēto projektu atklāta konkursa “Siltumnīcefekta gāzu emisiju samazināšana valsts nozīmes aizsargājamās arhitektūras pieminekļos),* adopted 12 January 2016, in force 30 January 2016. Published in Latvian: “Latvijas Vēstnesis”, 20 (5592), 29.01.2016., available <http://likumi.lv/ta/id/279830>
2. Latvian Environmental Investment Fund (LEIF), website http://www.lvif.gov.lv/?object_id=460
3. Ministry of Environmental Protection and Regional Development. national Emissions Allowances Auction Instrument (EAAI) website, in Latvian, http://varam.gov.lv/lat/fondi/ekii/projekti/emisiju_samazinasa_arhitekturas_piemineklos/
4. Ministry of Economics. Latvia national Plan of the Alternative Measures of Energy Efficiency Policy to Reach the Target of Energy End-Use Consumption Saving 2014-2020 (*Energo-efektivitātes politikas alternatīvo pasākumu plāns enerģijas galapatēriņa ietaupījuma mērķa 2014.–2020. gadam sasniegšana*), approved 24 May 2017 (Cabinet of Ministers Order No 257). Available in Latvian <http://polsis.mk.gov.lv/documents/5921>
5. Central Statistical Bureau of Latvia. The Statistic Database ENG02 “Energy Balance”, http://data.csb.gov.lv/pxweb/en/vide/vide_ikgad_energetika/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0
6. LEIF. Website of contracted projects. <http://ekii.lv/modules/Konkurs/projekti.php?id=1&lang=lv>