

<b>Title of the measure:</b>	<b>LV28 Energy Audits and Energy Efficiency Improvement in Large Enterprises</b>
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### **General description**

The new "Energy Efficiency Law" [1] which contains legal norms arising from the Directive 2012/27/EU was adopted in 03 March 2016. The Law includes the Sections 9 & 10 stating the general procedure of energy audits and performance of energy efficiency improving measures in large enterprises:

- The enterprise is considered as the large enterprise if it employs more than 249 employees, or has annual turnover more than 50 MEUR and annual total balance 43 MEUR<sup>1</sup>,
- The energy audit shall be performed by the enterprises' energy auditors<sup>2</sup>
- The energy audit shall cover at least 90% of the total final energy consumption of the large enterprise
- **The first energy audit shall be performed up to 31 March 2017<sup>3</sup>**, or during one year after the inclusion in the list of large enterprises, the regular audit shall be performed each 4 years (according the Directive 2012.27/EU this requirement does not relate to large enterprises which have implemented certified energy management system or certified environmental management system if it provide continuous evaluation of energy consumption).
- Each year the large enterprise shall inform the Ministry of Economics regarding implemented energy efficiency measures and energy savings reached.
- **The large enterprise shall implement up to the 1<sup>st</sup> April 2020 at least three energy efficiency measures which have the highest energy savings or the highest economical return** and which are stated by energy audit or by certified energy management or environmental management systems.

According the data of Central Statistical Bureau, there are 134 large enterprises in Latvia Tertiary sector included in the 2016 list of large enterprises [4], see Table 1 below.

All of them shall perform energy audits up to 01 December 2017 at the latest.

66 of them have already implemented (fully or partially, on 08 September 2017) noted above requirements regarding energy audits [5],

Historically first Cabinet of Ministers (Governmental) Regulations regarding the industrial energy audits had been adopted in March 2013 [2].

As new Energy Efficiency Law had entered into force, in 26 July 2016 the Cabinet of Ministers had adopted re-casted Regulations No 487 "**Regulations on Enterprise Energy Audit**" [3]. These Regulations lay down the procedure for carrying out energy audits in enterprises, requirements as to the performance of these audits by energy auditors (legal entities), key requirements as to the conformity assessment of energy auditors, the procedure for monitoring the compliance with these requirements, procedure regarding the registration of the audit within the informative system of the Ministry of Economics, the content and procedure of use of energy audit, the procedure according which the environmental management system shall be supplemented to provide continuous energy consumption evaluation process, the certification standard for environmental management system.

<sup>1</sup> The list of large enterprises is prepared each year by the Central Statistical Bureau of Latvia. The enterprise is stated as the large enterprise, if it fulfil noted requirements in two subsequent years

<sup>2</sup> In case, the energy consumption for heating of buildings constitutes 90% and above of the total energy consumption in large enterprise, the energy audit might be performed by the independent expert in buildings' energy efficiency [3]. The energy auditor as the legal person shall invite for auditing the experts in particular branch having at least 3 years experience in it.

<sup>3</sup> The registration of energy audits within the informative system of the Ministry of Economics shall be started not later than 1<sup>st</sup> July 2017.



**Table 1.** Number of large enterprises in Latvia Tertiary sector [4,5].

Kind of Activity	Number of large companies, 2014
wholesale and retail trade, repair of motor vehicles and motorcycles	46
human health and social work activities	27
information and communication	14
financial and insurance activities	13
administrative and support service activities	9
accommodation and food service activities	6
arts, entertainment, recreation	6
real estate activities	4
public administration	3
education	1
professional, scientific and technical activities	3
forestry	2
TOTAL	134

The cost for one audit is anticipated 3000 EUR [3, Annotation].

### ***Impact evaluation***

Latvia national Plan of the Alternative Measures of Energy Efficiency Policy to Reach the Target of Energy End-Use Consumption Saving 2014-2020 [6] envisages 753.6 GWh cumulative savings in 2020 due to implementation of described measure. This figure relates to all sectors.

Rough draft evaluation done by IPE as follows. The total number of large enterprises of Tertiary sector constitutes ~58% of all enterprises included in the 2016 list. If assuming that the attributed cumulative savings for the individual tertiary sector enterprise might constitute half of the attributed savings to industry and transport sector enterprise, than proportionally it might constitute ~40% of total cumulative savings, or 304 GWh cumulative savings in 2020 in Tertiary sector. If assuming energy efficiency measures implementation impact period 2018-2020, it might be calculated around 152 GWh (0.55 PJ) annual savings in 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) [7]. Thus, the impact might be attributed as high.

### ***Interaction of measures***

In 2014-2020 EU Funds programming period the support mechanisms are provided to promote the introduction of energy efficiency improvement measures in public buildings sector, see MURE database Tertiary Sector:

- (1) TER-LV16 “Increasing energy efficiency in State (Central Government) Public Buildings: EU 2014-2020 programming period”,
- (2) TER-LV17 “Increasing energy efficiency in Municipal Public Buildings: EU 2014-2020 programming period”
- (3) TER-LV30 “Energy efficiency in education and health sectors targeted investment programmes: EU Funds 2014-2020 programming period”.



## References

1. **Energy Efficiency Law**. Adopted 03 March 2016, in force 29 March 2016. Published in Latvian: „Latvijas Vēstnesis” 52 (5264), 15.03.2016, <http://likumi.lv/doc.php?id=280932>
2. Cabinet of Ministers (Governmental) Regulations No.138 „Regulations Regarding Industrial Energy Audit” (*Ministru Kabineta Noteikumi Nr.138 „Noteikumi par rūpniecisko energoauditu”*), adopted 12 March 2013, in force 10 April 2013- 27 July 2016, published in Latvian: „Latvijas Vēstnesis” 68 (4874), 09.04.2013, historical version <http://likumi.lv/doc.php?id=255935>, English translation [http://m.likumi.lv/saistitie.php?id=255935&saistitie\\_id=7](http://m.likumi.lv/saistitie.php?id=255935&saistitie_id=7)
3. Cabinet of Ministers (Governmental) Regulations No 487 “**Regulations on Enterprise Energy Audit (Uzņēmumu Energoaudita noteikumi)**”, adopted 26 July 2016, in force 28 July 2016, published in Latvian: “Latvijas Vēstnesis”, 143 (5715), 27.07.2016, <http://likumi.lv/ta/id/283807>
4. Ministry of Economics. Website Energy Efficiency: Mandatory Energy Audits in Large Enterprises: List of Large Enterprises (*Energoefektivitāte: Obligātie energoauditi lielajos uzņēmumos, Lielo uzņēmumu saraksts*, in Latvian), [https://em.gov.lv/lv/nozares\\_politika/energoefektivitate\\_un\\_siltumapgade/energoefektivitate/lieli\\_uznemumi\\_un\\_lielie\\_elektroenerģijas\\_pateretaji/](https://em.gov.lv/lv/nozares_politika/energoefektivitate_un_siltumapgade/energoefektivitate/lieli_uznemumi_un_lielie_elektroenerģijas_pateretaji/)
5. Ministry of Economics. Website Energy Efficiency: Mandatory Energy Audits in Large Enterprises: List of Large Enterprises which had fulfilled requirement of mandatory energy audits on 08 September 2017 (*Energoefektivitāte: Obligātie energoauditi lielajos uzņēmumos, Lielie uzņēmumi, kas izpildījuši obligātā energoaudita prasības uz 08.09.2017*, in Latvian), [https://em.gov.lv/lv/nozares\\_politika/energoefektivitate\\_un\\_siltumapgade/energoefektivitate/lieli\\_e\\_uznemumi\\_un\\_lielie\\_elektroenerģijas\\_pateretaji/](https://em.gov.lv/lv/nozares_politika/energoefektivitate_un_siltumapgade/energoefektivitate/lieli_e_uznemumi_un_lielie_elektroenerģijas_pateretaji/)
6. 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 (*Energoefektivitātes 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>
7. Central Statistical Bureau of Latvia. The Statistic Database ENG02 “Energy Balance”, [http://data.csb.gov.lv/pxweb/en/vidē/vidē\\_ikgad\\_enerģetika/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0](http://data.csb.gov.lv/pxweb/en/vidē/vidē_ikgad_enerģetika/?tablelist=true&rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0)