



BALTIC ELECTRICITY MARKET MINIFORA
Tallinn 5. Oktober 2007

LATEST UPDATE
IN LATVIA

Ainars Meņģelsons
Public Utilities Commission



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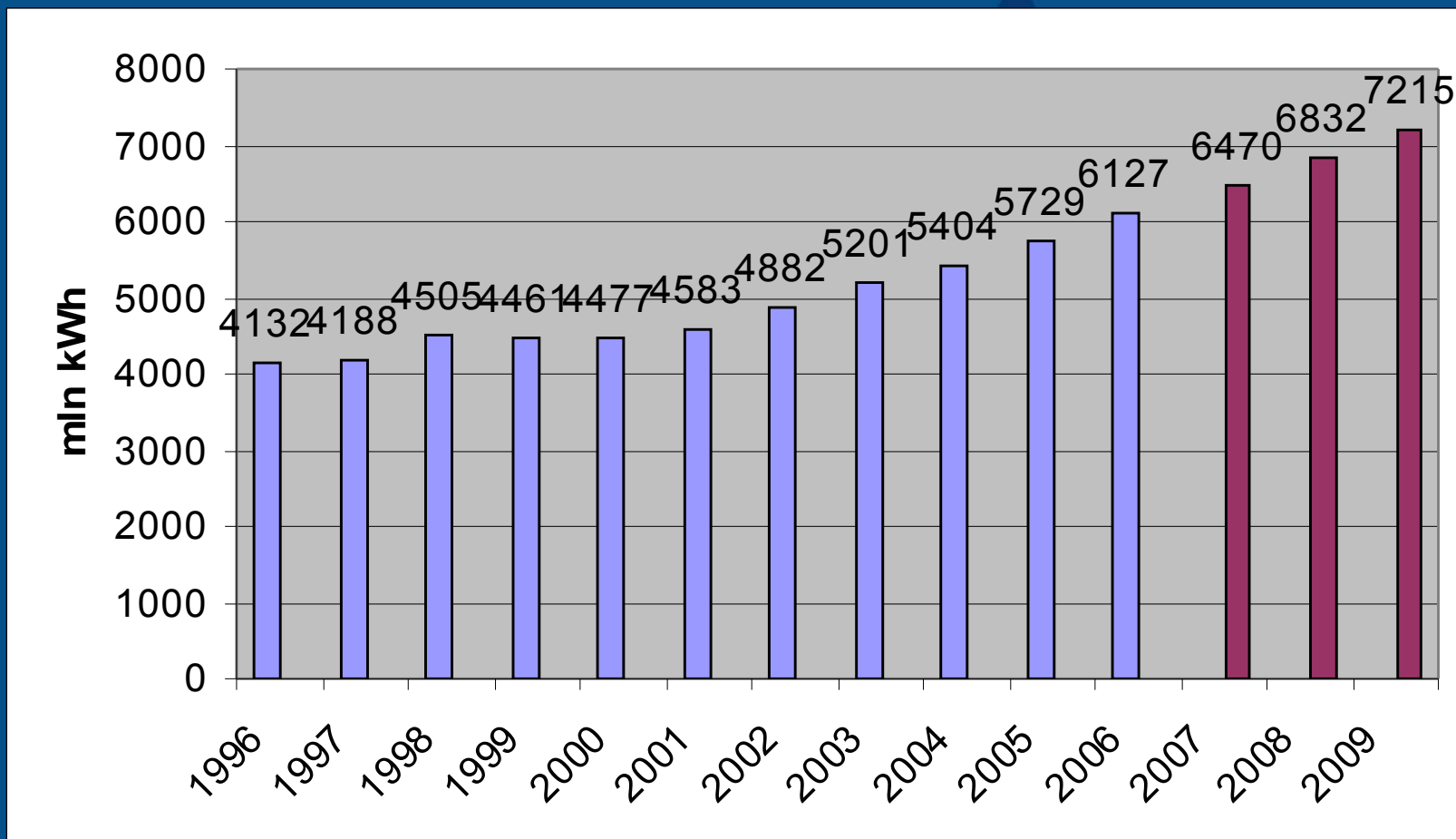
KEY INDICATORS

Growth Latvia in 2006 versus 2005

GDP	6.1	%
Electricity demand	7,1	%
Natural gas demand	3,5	%

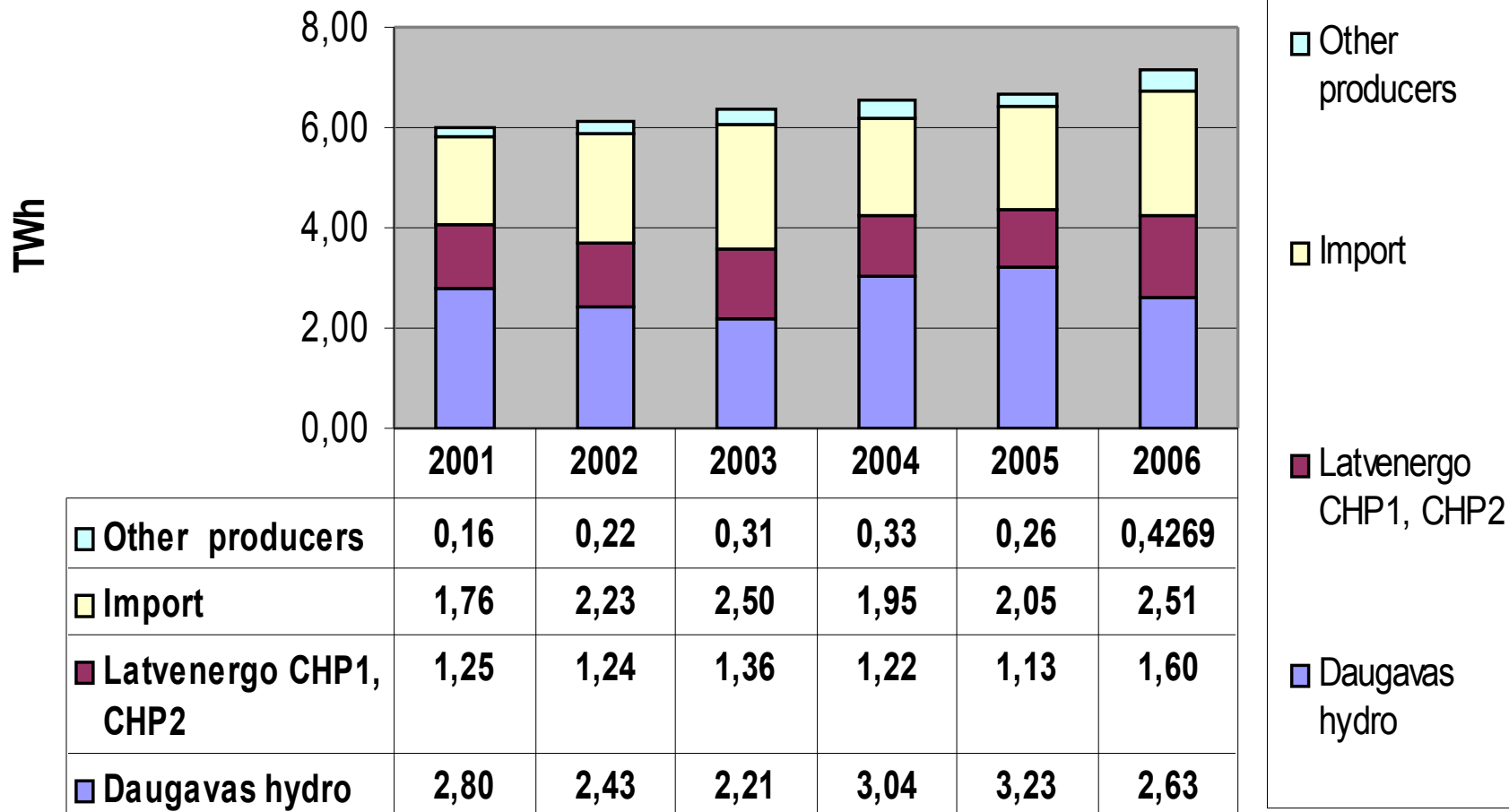


ELECTRICITY CONSUMPTION TREND IN LATVIA





POWER SUFFICIENCY





MARKET OPENING

- Declared market opening:
 - July 1, 2004 - 76%
 - July 1, 2007 - 100%
- Eligibility:
 - July 1, 2004 - all consumers, except households
 - July 1, 2007 - all consumers
- Consumers switching suppliers - 2



LICENSING

- February 21, 2007 Commission issued license to legally separated distribution system operator a/s “Sadales tīkls”
- Licensed market participants:
 - 5 pure power traders
 - 9 distribution and supply companies
 - 2 hydropowerplants (above 1 MW)
 - 36 CHP plants - production and sales
 - 14 windfarms



MARKET ENVIRONMENT

Latest development:

- July 2007 Cabinet of Minister adopted regulation “On Electricity trade”
- Cabinet of Minister adopted regulation:
 - November 2006 “On support of cogeneration”
 - July 2007 “On support of renewable’s” - feed in tariffs for different type of power plants

In process:

- Grid code – process of public consultations
- Development of social tariffs within overall state concept of Public services – drafting of concept
- Permission to Public trader to set tariffs



TARIFFS

Latest development:

- New transmission tariffs August 1, 2007 with average increase ~9,7 %

In process:

- CHP – adjustment of fuel component
- small DSO - distribution and end users

Expected:

- S/C “Sadale tīkls” distribution – Nov/Dec 2007
- S/C “Latvenergo” end users – December 2007



THANK YOU FOR ATTENTION

Web page of PUC : WWW.SPRK.GOV.LV