



BALTIC ELECTRICITY REGIONAL INITIATIVE

Tartu, 25 September, 2008

*LATEST UPDATE
IN LATVIA*

*Ainars Meņģelsons
Public Utilities Commission*



CONTENT

- *MARKET OPENING*
- *LICENSING*
- *MARKET ENVIRONMENT*
- *TARIFFS*



MARKET OPENING

Legal market opening:

- July 1, 2007 - 100%

Big companies are forced to go to market

Real opening ~ 46%

- Status on August 1, 2008
 - consumers switching suppliers – 10
 - renegotiated agreements -73



LICENSING

No obstacles for trade:

No import/export licence required

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 - production and sales



MARKET ENVIRONMENT

Latest development.

Parliament adopted changes in Electricity Market Law- in force from May 15, 2008:

- prior notification on switching of supplier 2 months in advance;
- customers seeking for grid connection above 0,4 KV bears full costs;

PUC accepted :

- in August 2008 regulation on access of customers to natural gas system
- in August 2008 renewed regulations for connection of customers to the grid



TARIFFS

Latest development:

- New gas sales tariffs with the average increase ~ 38 %, in force from October 1, 2008
- CHP tariffs adjusted to fuel component
- Commission adopted new heat tariffs in Riga City 45,6 LVL/Mwh, in force from October 15, 2008
- Under assessment is tariff proposal of TSO S/C “Augstprieguma tikls ” with average increase ~ 22%



FUTURE ACTIVITIES

Coordination of Baltic ERI activities with ERGEG and CEER

Complete adjustment of heat and electricity tariffs for CHP's

Assessment of tariff proposals of distribution companies

Participate in ERRA Tariff work group to prepare regional market discussion paper



THANK YOU FOR ATTENTION

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