



## ROUND TABLE DISCUSSION ON ENERGY EFFICIENCY FINANCING IN LATVIA



Projekta RoundBaltic 4. reģionālais apaļais galds

**2. marts** (tiešsaistē)

**Privātā finansējuma  
piesaiste ilgtspējīgas  
energoefektivitātes  
finansēšanai**

**Nākamie soļi publiskā sektora  
energoefektivitātes pasākumu  
finansēšanā**



March 2, 2023

Online event



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### Disclaimer

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## INTRODUCTION AND PURPOSE

The purpose of the Regional Roundtable discussion is to pursue a dialogue between the main stakeholders in Latvia on how to raise private money for energy efficiency projects and identify shared challenges and potential improvements that could be achieved within the current policy context and business practice. This document includes the agenda of the event and the topics discussed. The event was held in Latvian and English.

The event was a follow-up to the National Roundtable discussions held on January 12, 2023, and it brought together stakeholders from the energy efficiency and financial sector, as well as policy makers.

The National Roundtable is held within the framework of the “Smart Finance for Smart Buildings” initiative, which is the broader framework for the European Commission’s Horizon 2020 project “Promoting Smart Finance for Smart Buildings in the Baltic region – Poland, Latvia and Denmark – *RoundBaltic*”. The project includes a series of forums dedicated to energy investments with the aim of increasing the resources of public and private stakeholders and improving their collaboration for developing large-scale investment programs, one-stop agencies, and financing plans for better energy efficiency.

The objective of the event is providing policy makers, government authorities and municipalities with constructive recommendations on how to raise private funding for financing sustainable energy efficiency in Latvia.

In Latvia, the *RoundBaltic* project is implemented by the Latvian Environmental Investment Fund in cooperation with its associated partners.

The third regional level Roundtable was held online and was split into 2 parts according to the *RoundBaltic* concept: there was a main part followed by 2 break-out sessions.

To encourage openness, the event followed the Chatham House rule, which means that none of the opinions expressed during the discussion would be attributed to a particular person or organization. Our purpose was not to arrive at a single consensus opinion but rather generate as many ideas as possible on how to proceed with investments in sustainable energy in Latvia.

The structure and format of the forum was organized to make it as effective as possible with an emphasis on the discussion itself rather than lectures or presentations, mindful of the goal of *RoundBaltic* to have a roundtable discussion for generating new ideas and discussing them.

There were 84 participants from 53 organizations. Around 10% of them were representatives of the finance sector and organizations. Click here [http://lvif.gov.lv/?object\\_id=136763](http://lvif.gov.lv/?object_id=136763) to view the complete event.

## AGENDA

# Development of a sustainable financing framework for financing energy efficiency measures



09:45 Dalībnieku reģistrēšanās

10:00 Pasākuma ievads, īss atskats uz projekta aktivitātēm – Reinis Āboliņš

Atklāšanas uzruna

Māris Zūsts, Kurzemes plānošanas reģiona Attīstības padomes priekšsēdētājs

10:15 Ievadprezentācijas diskusijai

- Pašvaldību iespājas jaunajā periodā, plānotās izmaiņas normatīvajā regulējumā  
**Gotis Silovs**, Ekonomikas ministrijas Enerģētiskās finanšu instrumentu departamenta direktors
- Kā siltināt un atjaunot daudzdzīvokļu mājas ar EŠ atbalstu?  
**Ieva Vīrzemniece**, ALTUM Energoefektivitātes programmu departamenta vadītāja
- Energoefektivitātes fonds  
**Jānis Ikaunieks**, Rīgas enerģētikas aģentūras direktors

Jautājumi un atbildes

11:45 Pārtraukums

12:00 PARALĒLO SESIJU DISKUSIJAS

### 1. Kā pašvaldībām vēl veicināt energoefektivitāti daudzdzīvokļu ēkās?

Sesiju moderē Reinis Āboliņš

Pašvaldības jau daudz un dažādos veidos atbalsta daudzdzīvokļu ēku īpašniekus energoefektivitātes pasākumu ieviešanā – paralēlās diskusijas mērķis ir dalīties ar līdzšinējo pieredzi un kopīgi radīt idejas esošo atbalsta pasākumu pilnveidei. Katra no KPR pašvaldībām ir aicināta dalīties ar savu apkopojumu par līdzšinējo pieredzi un uzstājumiem – kā notiek plānošana, kā atbalsts tiek organizēts pašlīc, kas strādā vislabāk u.c. Idejas sadarbības attīstībai vietējo un reģionālo mēroga atbalsta pasākumu izveidē.

Diskusijā par labas prakses piemēriem, izaicinājumiem un nākotnes aktivitātes piedalās:

- Inguna Tomsona**, Projektu vadītāja, Kurzemes plānošanas reģions
- Alla Kudīpa**, Projektu vadītāja, Kurzemes plānošanas reģions
- Kārlis Beihmanis**, Liepājas pilsētas pašvaldības administrācijas projektu vadītājs  
Klimata pārmaiņu un energoefektivitātes jautājumos
- Renāte Bražinska**, SIA "Solaspils siltums"

Jautājumi un atbildes

### 2. Ēku pārvaldība – no barjeras par iespēju finansējuma piesaistē un energoefektivitātes pasākumu ieviešanā

Sesiju moderē Gundars Rēders

Energoefektivitātes pasākumus daudzdzīvokļu ēkās ievieš namu apsaimniekotāji, tāpēc KPR pašvaldības un namu pārvaldītāji tiek aicināti dalīties pieredzē ar līdzšinējo pieredzi un kopīgi radīt idejas, kā veiksmīgāk attīstīt šo jomu. Kādus pienasumus pārvaldībā sniegs jaunā ALTUM programma daudzdzīvokļu māju energoefektivitātei? Kas mainīsies ēku pārvaldībā un iespējās ieviešot projektus saistībā ar BVKŠ pārvaldīto BIS datu sistēmu? Finanšu un sociālo ieguvumu popularizācija. Ņemot vērā lielo finansējuma nozīmi, diskusijā piedalās arī finanšu nozares pārstāvi.

Diskusijā par energoefektivitātes projektu ieviešanu un to atbalstu piedalās:

- Gunta Cēkule**, LABEĒF padomes locekle
- Edgars Augustiņš**, RīmEco direktors
- Ieva Vīrzemniece**, ALTUM Energoefektivitātes programmu departamenta vadītāja

Jautājumi un atbildes

13:30 Apaļā galda sesiju galvenās atziņas, diskusija un turpmākie soļi

14:00 Pasākuma noslēgums



12:00 PARALĒLO SESIJU DISKUSIJAS

### 1. Vidzemes plānošanas reģiona un pašvaldību aktivitātes energoefektivitātes veicināšanā

Sesiju moderē Gundars Rēders, žurnālists

Turpinājums janvārī notikušās apaļā galda diskusijā iesāktajam par plānošanas reģiona un pašvaldību aktualitāšu energoefektivitātes plānošanā un ieviešanā – ilgtspējīgas enerģētikas un klimata rīcības plāni, sadarbības projekti, vienas pieturas aģentūras ieviešanas idejas attīstīšana, dalīšanās pieredzē un ideju ģenerēšana jomas attīstībai.

Diskusijā piedalās (ar stāstījumu / prezentāciju):

- Valters Liberts Muzikants**, Rīgas enerģētikas aģentūras Energoefektivitātes speciālists Vienas pieturas aģentūras izveide reģionāla līmenī
- Maija Rieksta**, Vidzemes plānošanas reģiona projektu vadītāja
- Toms Simtiņš**, Valkas novada pašvaldība
- Edgars Pārpučis**, Ogres novada pašvaldība, Attīstības un plānošanas nodaļas vadītāja vietnieks
- Madonas novada pašvaldība**  
**Ramona Vucāne**, Nekustamā īpašuma pārvaldības un teritorijas plānošanas nodaļas vadītāja
- Lelde Celmiņa**, Vides un energopārvaldības speciālists
- Ieva Dille**, Smiltenes novada pašvaldības attīstības un plānošanas nodaļas vadītāja
- Valērijs Šeils**, Valmieras novada pašvaldības galvenais projektu vadītājs
- Valmieras novada pašvaldība**

### 2. Aktuālais privātā finansējuma piesaistē publiskā sektora energoefektivitātes pasākumiem

Sesiju moderē Reinis Āboliņš, enerģētikas politikas eksperts

Turpinājums iepriekšējām RoundBaltic diskusijām ar uzvaru uz jaunākajām aktualitāšu privātā finansējuma piesaistē publiskā sektora energoefektivitātes pasākumiem – līdz šim iezīmētais finansējums projektu ieviešanai, kas kopumā ir nepietiekams, lai sasniegtu klimata neitralitātes mērķus. Kādas iestādes līdz šim attīstītas un kopīga diskusija par iespējām jomas attīstībai, ideju ģenerēšana.

Diskusijā piedalās (ar stāstījumu / prezentāciju):

- Māris Saulājs**, Finanšu nozares asociācija, AS "SEB banka"
- Vīgants Lesausks**, SIA LightHouse
- Apgaisojuma energoefektivitāte ārtelpās un iekštelpās pašvaldībās**
- Ģirts Ieļa**, Limbažu novada pašvaldības Attīstības un projektu nodaļas vadītājs

13:30 Apaļā galda sesiju galvenās atziņas, diskusija un turpmākie soļi

14:00 Pasākuma noslēgums

Reģistrējies šeit



# 1. PART ONE. PLENARY MEETING: THE CURRENT FRAMEWORK OF SUSTAINABLE FINANCING AND PERSPECTIVES IN THE ATTRACTION OF PRIVATE FINANCING FOR ENERGY EFFICIENCY

## INTRODUCTION TO THE PLENARY

The moderator of the event, Reinis Āboltniš, gave an insight into the RoundBaltic project, its history, as well as the importance of the project. Additionally explained technical information and insight into the event. The topic of the event was chosen precisely as the sustainable financing framework, because it is clear that we cannot do without it, therefore constructive solutions are needed to attract and involve it in the financing of energy efficiency projects. Project activities within the targeted initiative of Smart Finance for Smart Buildings.

## THE CURRENT SITUATION IN FINANCING ENERGY EFFICIENCY IN LATVIA

### PRESENTATIONS

#### OPENING REMARKS - REINIS ABOLTINS, ENERGY POLICY EXPERT

The main thing that was emphasized in the introductory speech is the following: it is important not only to talk, but also to act in order to promote the implementation of energy efficiency measures. It is important to talk about practical issues, where this time the decisive role is played by municipalities, which are often the main ones that have to implement energy-efficient solutions. There are currently many measures that can be implemented to improve the overall situation. Considering the current situation on the energy market in Europe and the world, energy efficiency becomes an essential part of the development of every country. In this case, the public sector must set an example, which also follows from the European Union's position and planning documents, which stipulate that municipalities are obliged to renovate a certain amount of buildings in the specified period of time.

#### **Inese Suija-Markova, Deputy Chairperson of Cesu County Council, Deputy Chairperson of Vidzeme Planning Region Development Council**

It is important to look not only in the regional context, but how it goes together with the international strategy. The discussions that took place show the tendency that the era of cheap energy resources is over, so it is the last moment to promote energy efficiency and heat resistance. This aspect is still relatively low and needs to be promoted. The region has support mechanisms (switching from fossil resources to renewables) that stimulate entrepreneurs to invest in the new systems. Unfortunately, municipalities often do not have funding for large investments, so development is planned based on external funding sources - EU funds, loan programs, etc. financial mechanisms. These resources are wave-like and require a lot of preparation from municipalities. Since it does not solve all needs, it is necessary to think about state support programs. Negotiations are currently underway with the Ministry of Economy. Multifaceted availability of financial resources is the right direction to ensure continuity of funding.

## **Promotion of energy efficiency of public buildings – Gatis Silovs, Director of the Energy financial instruments department of the Ministry of Economy**

Currently, the Ministry of Climate and Energy is being formed, which partially takes over the functions of VARAM and EM. VARAM continues to work with the energy efficiency of municipal buildings. The Ministry of Energy is responsible for the energy efficiency of apartment buildings and public buildings. The energy efficiency of the centralized heat supply system, such as boiler houses, heating lines, etc., is a particularly important function and direction of the new ministry.

Available European support programs include self-support for climate and energy efficiency measures – 698.5 m euros. from them:

- business energy efficiency – 80.6 m euros
- energy efficiency of state buildings and multi-apartment houses – 348.7 m euros
- modernization of transmission and distribution networks – 80 m euros
- heating and cooling - 56.5 m euros
- promotion of biomethane production – 21.7 m euros
- RES in business and production – 111 m euros

From the side of VARAM, funding is also available within the Cohesion Program in the amount of almost 375 m euros, which affects such areas as increasing the energy efficiency of municipal buildings and adapting them to climate change. Although the total funding is large, more than ten billion euros are needed to fully achieve energy efficiency in public buildings.

Regarding the future trends that will affect the attraction of private funding in public buildings, it should be concluded that the activities are currently very slow. The full range of instruments available both from the EU and from the national side must be used. So far, EU resources and funds have been successfully used, but private financing in public buildings is an untapped potential. A strong incentive for the state to engage in cooperation with the private sector should be sought, especially considering that banks are ready to finance and thus increase the amount of renovated buildings.

CLICK HERE FOR THE FULL PRESENTATION: [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUifaQ0mbJkBg7U6EW1W_6)

## **Una Tetere-Teterovska, Aluksnes novada pašvaldības plānošanas un attīstības nodaļas projektu vadītāja**

At the moment, 38 energy efficiency projects were implemented in Alūksne, the total cost of which was 9,939,375 EUR, of which the municipal investment was 5,205,174 EUR and the co-financing of funds was 2,725,130 EUR (KF, KPFI, ERDF). Those responsible for implementation and follow-up are the managers of the parish administration/buildings and managed territories, as well as the planning and development department. Currently, 12 apartment buildings, which are under the control of the municipal corporation, have been renovated.

Regarding the action plan for the implementation of energy efficiency measures, it was developed in five educational institutions of the city of Alūksne, which have centralized heat supply. Energy baseline – average outdoor air temperature over a five-year period. In addition, the following improvements were introduced:

- Installed indoor climate monitoring base stations ARANET;
- Installed electricity intermediate meters for the lighting system;
- Heating automation control units were corrected;

- Water meters were installed for the hot water circuit, as well as sensor-type water exchangers to control water consumption.

One of the pilot projects in the Vidzeme planning region that was implemented is "Low temperature centralized heat supply for the Baltic Sea region" LowTEMP (Interreg Baltic Sea Region) "PII PIENENĪTE". Planned result and benefits:

- low temperature heat supplies
- system creation
- lower energy consumption
- analysis of results and data-based further decision-making.

Among the works started, it should be noted the decision made to develop and approve the Sustainable Energy Action Plan of Alūksnes District, where the task included the creation of an action plan for energy consumption reduction and the creation of an energy management system.

General goals until 2030:

- Reduce electricity by 10%
- Reduce heat energy consumption by 20%
- Reduce fuel consumption by 20%

Defined specific objectives:

- Improve heat energy supply and consumption in residential buildings;
- Increase the level of knowledge about energy efficiency in society;
- Reduce electricity and heat energy consumption of municipal buildings and infrastructure by 20%;
- Reduce fossil fuel consumption of municipal public transport.

CLICK HERE FOR THE FULL PRESENTATION: [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUifaQ0mbJkBg7U6EW1W_6)

## **Current aspects for increasing the energy efficiency of the public sector – Edite Biseniece, Deputy Director of the State Construction Control Bureau**

The State Construction Control Bureau carries out the following on a daily basis:

- ensuring control of the energy efficiency monitoring system, maintenance and administration of the register of company energy audit reports
- Supervision of state institutions and municipalities regarding the implementation of ISO50001
- Preparation of the list of state buildings

According to Article 5 of the Energy Efficiency Law and transitional provisions, local governments must implement the energy management system by the end of 2023 and will have to report on the achieved energy savings every year.

Benefits of implementing energy management:

- The level of energy efficiency of the municipality has been determined and the impact of the implementation of various measures on increasing energy efficiency has been evaluated
- the municipality can reduce expenses for energy resources

- the possibility to direct savings to perform other functions
- the possibility of making reasonable long-term planning
- Small investments, significant savings (communication with energy consumers, technology change, regulation of technology operation, regulation of modes of heating units and ventilation systems, etc.)
- When applying for support programs and funding, additional points can be obtained in the project evaluation process (Energy Efficiency Law)

Also, from 2023, all reports are accepted only in digital format, which includes:

- Report on conducting an energy audit or implementing a certified energy management or environmental management system
- Annual review of implemented energy efficiency improvement measures

Evaluating the last year's statistics for improving the energy efficiency of local governments, the absolute majority of funds (up to 96%) come from the implementation of projects, the rest is the budget of local governments. Main financial instruments:

- Instrument for auctioning emission allowances (ECII)
- European Union Fund projects
- European Regional Development Fund (ERDF) projects
- Cohesion Fund (CF) Project

According to the available data of the State Construction Control Office, the energy savings achieved by the municipality in 2021 amount to 8.65 GWh, or 73% compared to the previous period. Main savings items:

- Building energy efficiency improvement measures – 6.33 GWh
- Equipment energy efficiency improvement measures – 0.153 GWh
- Lighting modernization measures – 1,937 GWh
- Other energy efficiency improvement measures – 0.04 GWh
- Transport – 0.192 GWh

## **Energy efficiency of public buildings – an example of cooperation with the Ropaži municipality, Liene Žvigure, SIA “Eergoklima risinājumi” board member**

The main operating principle of the company is to provide ESCO service, providing the full range of services. Like any energy service company, it recovers its investments from the achieved energy savings (electricity, heat). The main aspects in the application of the ESCO principle are the recording of the energy consumption of the building before replacing the equipment, reaching an agreement that the customer continues to pay for the same amount of consumption, as well as the replacement of the equipment and system is carried out at the expense of the ESCO company.

Post two models of cooperation between ESCO and the municipality. One assumes that the ESCO invests its own funds and the client does not have to finance the project itself, and the ESCO assumes the risk and guarantees the savings. In the second option, ESKO guarantees savings, the project is financed by the client.

At the same time, cooperation is also taking place with ALTUM, when ESKO replaces old equipment and systems for its customers with new ones, the relevant investments pay off during their useful life and even significant savings occur, while reducing their negative impact on the environment, as well as ALTUM cooperates with ESKO to finance the equipment and systems to purchase or replace for your customers.



Basically, ESCO develops, manages the project, guarantees the achievement of energy efficiency goals, finances the project and provides the necessary works and maintains the relevant equipment, while at the end of the period, the customer receives the equipment and systems in his possession and shares the cash flow with ESCO.

The project is progressing:

- Survey/research
- Planned savings calculation, total investment and payback period
- Solution/project development/energy audit
- Improve energy efficiency in the ventilation system
- Improvement of the air distribution system
- System construction

Expected benefits:

- 0% contribution from the Municipality
- No design required
- Savings during the equipment life cycle (15-20 years)
- Equipment warranty service during the ESKO period
- Reduced CO2 emissions
- Risk of equipment payback and savings to the ESKO company

**CLICK HERE FOR THE FULL PRESENTATION:** [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUiifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUiifaQ0mbJkBg7U6EW1W_6)

The full recording is available here: <https://www.youtube.com/watch?v=9kvfRR5TOhs&t=1s>

## PART 2. BREAK OUT SESSION

### **SESSION 1: VIDZEMES PLANNING REGION ACTIVITIES IN PROMOTING THE ENERGY EFFICIENCY IN REGION'S MUNICIPALITIES**

Moderator - Gundars Rēders, journalist

#### **INTRODUCTION AND PURPOSE OF THE SESSION**

To discuss examples and ways of implementing energy efficiency projects, to emphasize problems and challenges, as well as examples of good practice, how local governments contribute to the achievement of energy efficiency goals at the regional and national level.

#### **Participants of the discussion:**

1. Valters Liberts Muzikants, Energy Efficiency Specialist of the Riga Energy Agency Creation of a one-stop agency at the regional level
2. Maija Rieksta, Vidzeme planning region project manager
3. Toms Simtins, municipality of Valka region
4. Edgars Pārpučis, Ogre County Municipality, Deputy Head of the Development and Planning Department Municipality of Madona county
5. Ramona Vucāne, Head of Real Estate Management and Territory Planning Department
6. Lelde Celmiņa, Environment and energy management specialist
7. Ieva Dille, head of the development and planning department of the municipality of Smiltene region
8. Valerijs Seilis, chief project manager of Valmiera region municipality

#### **Valters Liberts Muzikants, Energy Efficiency Specialist of the Riga Energy Agency Creation of a one-stop agency at the regional level**

The attendees were introduced to the activities of REA, the creation of a One Stop Shop and the related challenges. The biggest challenge is to work on reducing emissions until 2030, where the expected reduction should be at least 30%. The main emitters are:

- Transport
- Generates 42% of the total CO2 emissions in the city. The challenge is to reduce emissions, even though the number of vehicles on the streets is increasing every year.
- Building sector
- The housing fund is technically obsolete. At least 6,000 buildings need to be renovated. Creates the highest energy consumption.
- Heat supply
- Although the share of renewable energy resources in the city's centralized heat supply system was 31.8% in 2020, zero emission technologies are required for heat supply. Transition from fossil fuels to renewables in decentralized heat supply.

Regarding the development of the One-Stop Agency, the following are currently more important:

- Consultations

- Participation in informative meetings
- Preparation of thermographic reports
- Sample documentation
- Support for the preparation of technical survey opinions

In addition, there are informational campaigns and public awareness, which include trainings 1-2 times a month, distribution of video materials, open door days, public events. The application of various tools provides for the creation of a climate platform, energy efficiency calculation and municipal energy management tools.

**CLICK HERE FOR THE FULL PRESENTATION:** [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUifaQ0mbJkBg7U6EW1W_6)

### **Maija Rieksta, Vidzeme planning region project manager**

The central work is on the preparation of a regional energy and climate action plan. Planned activities:

- Vidzeme energy and action plan
- Alleviation of energy poverty and transition to climate neutrality
- To improve the abilities of municipalities to prepare, finance and implement their own SECAP - various trainings, consultations
- Project implementation time 2023-2024.

A one-stop-shop model is being created in the region to increase the renovation of multi-apartment buildings.

Planned activities:

- Creation of a one-stop agency model in the Vidzeme region - face-to-face and remote consultations on the renovation process of multi-apartment buildings - financial sources, engineering solutions, etc.
- Educational seminars and workshops for residents, local government specialists and entrepreneurs with the aim of promoting building renovation.
- Research on the intensity, progress and territorial coverage of building insulation and renovation in the territory of the Vidzeme planning region.
- Five buildings will be provided with an energy efficiency audit.

**CLICK HERE FOR THE FULL PRESENTATION:** [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUifaQ0mbJkBg7U6EW1W_6)

Local governments of the Vidzeme region shared their experience of warming public buildings by attracting funds from EU funds. The KPFI mechanism was also used. Many of the projects were implemented, but it was a big challenge to achieve effective indicators. The situation is better for the largest counties, as they have a

greater capacity to implement projects. On average, they are 60% of public buildings that were insulated and had energy efficiency measures taken. Lots of activity on sustainable energy action plans. Promotional measures to attract the private sector are a big reflection.

### Key takeaways

- The available resources must be synchronized, when municipalities cooperate together
- Development of a one-stop agency, combining similar activities and promoting citizen information
- Creation, updating and adaptation of the energy resources action plan to the current situation
- Attracting private capital to public buildings
- The interest rate determines a lot when applying for a loan, it is lower and more profitable for the State Treasury than for banks

The full recording is available here: <https://www.youtube.com/watch?v=bQJ7Vjsezbl&t=1350s>

## **SESSION 2: CURRENT ATTRACTION OF PRIVATE FINANCING FOR PUBLIC SECTOR ENERGY EFFICIENT MEASURES**

Moderator – Reinis Āboltiņš, energy policy expert

### **INTRODUCTION AND PURPOSE OF THE SESSION**

The evaluation of financing options for achieving energy efficiency goals can only take place if all parties involved have access to publicly reliable energy consumption data and a clear source of financing. The session is planned to discuss sustainable financing frameworks available in Europe and what are the conditions for their application.

### **Participants of the discussion:**

1. **Māris Saulājs, Financial Industry Association, AS "SEB banka"**
2. **Vigants Lesausks, SIA LightHouse, Lighting energy efficiency in outdoor and indoor spaces in municipalities**
3. **Ģirts Ieleja, Head of the Development and Projects Department of Limbažu County Municipality**

### **Māris Saulājs, Financial Industry Association, AS "SEB banka"**

The banking sector is happy to cooperate with municipalities, but the problem is the relatively small number of applications. Of those projects where there is cooperation, the experience is positive with good payment

discipline. The problem may be with the wave-like planning and cyclicity. The public sector is based on European money and banks are the acceptable alternative and this is promoted by the territorial reform that consolidates and organizes planned activities. This allows banks to plan cash flow and returns more efficiently. It is important to have professional company management, transparent financial flow and project management, incl. design and construction control. Climate neutrality goals are also present, incl. selection of heating type. Until now, renovation programs appear relatively slowly and clumsily, and it is difficult for banks to operate with them, because there are few opportunities to correct and clarify something.

### **Vigants Lesausks, SIA LightHouse, Energy efficiency of outdoor and indoor lighting in municipalities**

ESCO services and their types are currently used in the EU to increase the energy efficiency of buildings for the financing of projects, as well as for the financing of infrastructure energy efficiency projects (street and roof lighting, installation of solar panels and heat pumps, etc.). There are two financing models – the payment for the provided services is fully covered by the achievements in the field of energy efficiency improvement, or the payment for the provided services is partially covered by the achievements in the field of energy efficiency improvement.

Advantages of ESCO:

- It is a private investment for the implementation of the energy efficiency project, which is fully or partially covered by the energy savings achieved;
- ESCO has the opportunity to attract much larger financial resources for the implementation of an energy efficiency project than a state or local government institution or a capital company within its financial budget;
- In ESCO projects, the applicant assumes the risk of achieving energy efficiency results, not as in classical procurement, where all the risk is on the customer.

In general, ESCO projects have already been implemented in more than 40 local governments in Latvia, and available data prove the effectiveness of this cooperation model.

**CLICK HERE FOR THE FULL PRESENTATION:** [https://drive.google.com/drive/folders/1CmQp\\_iUakMsUifaQ0mbJkBg7U6EW1W\\_6](https://drive.google.com/drive/folders/1CmQp_iUakMsUifaQ0mbJkBg7U6EW1W_6)

### **Girts Ieleja, Head of the Development and Projects Department of Limbažu County Municipality**

- According to the developed plan, the energy efficiency measures were supposed to achieve effective results, a 30% reduction in energy resource consumption. Savings can be used to finance other projects. With ESCO, several projects were implemented in the field of lighting and in the arrangement of public buildings. The bigger problem is that there are many support programs that



cannot be implemented effectively. It is necessary to find a balance to improve the quality of life. PPP projects are one of the solutions, because it does not go to the credit portfolio of the municipality. Each project requires a thorough feasibility study to find the most optimal solution, because insulation is not always the best solution. Taking into account the technical condition of the buildings, it is sometimes more efficient to demolish them and build a new energy-efficient building that will last for many decades.

### Key takeaways

- ESCO company solutions are the most realistic way to involve private capital for municipalities, as there are fewer risks
- Energy efficiency projects have a good balance sheet and repayment discipline and are low-risk projects, making them more attractive to banks
- The creation of a portfolio of joint projects through the cooperation of several municipalities is welcome, thus making the implementation of projects much more effective and realistic
- It is important to conduct a feasibility study and economic justification to find a more suitable solution
- Avoid cyclical and funds, as this means waiting and losing time, as well as increasing costs

The full recording is available here: [https://www.youtube.com/watch?v=aPwM\\_b81yMA&t=2755s](https://www.youtube.com/watch?v=aPwM_b81yMA&t=2755s)