Country Sections

Latvia

Handbook Update CLR II

Support service for citizens led renovation projects - ENER/2023/OP/0036

DIRECTORATE-GENERAL FOR ENERGY

Directorate B – Just Transition, Consumers, Energy Efficiency and Innovation Unit B1 - Consumers, Local Initiatives, Just Transition

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Introduction

Latvia's existing building stock offers significant scope for citizen-led renovation, especially in multi-apartment buildings built during the Soviet period, where heat losses through façades, roofs, and outdated heating/ventilation systems remain a major driver of household energy costs. Several analyses highlight the scale of the deep renovation need and the historically low renovation rate, making renovation a central lever for decarbonisation, energy affordability, and comfort improvements.[1]

Renovation policy is anchored in Latvia's building energy performance framework, which sets minimum energy efficiency requirements for buildings and establishes the legal basis for energy certification and inspections. The Law on the Energy Performance of Buildings (Ēku energoefektivitātes likums)[2] defines the scope of energy performance requirements and energy certification obligations, while Cabinet regulations specify the calculation methods and certification procedures used in practice. For citizen groups, these rules matter because energy certificates and audits are typically the entry point for defining renovation packages, demonstrating expected energy savings, and meeting grant or financing conditions.[3]

In parallel, Latvia has built a relatively sophisticated renovation financing ecosystem for multi-apartment buildings that combines loans/guarantees with capital rebates. The state development finance institution ALTUM has implemented multi-apartment energy efficiency programmes that combine financial instruments and grants, supporting hundreds of renovation projects and establishing a practical pathway for homeowner associations to deliver deep renovation at scale. Successor programmes continue under EU funding streams, aiming to avoid stop-start support cycles, an important factor for citizen-led initiatives that require multi-year preparation and collective decision-making.[4]

Latvia's energy transition is also increasingly linked to citizen participation in the energy system. Since 2023, amendments to the Energy Law[5] and Electricity Market Law[6] created a national framework for energy communities, including renewable energy communities and electricity energy communities (Latvia's analogue to citizen energy communities). More recently, Cabinet regulations have introduced detailed rules for electricity sharing and information exchange among market participants and system operators, opening concrete opportunities to combine renovation (demand reduction) with shared renewable generation and self-consumption models.[7]

For citizen-led renovation projects, this creates an integrated "renovation-plus" pathway: deep renovation reduces energy demand and improves affordability, while energy communities and electricity sharing can increase self-consumption of rooftop PV and create tangible benefits for members. However, the feasibility of such projects depends on governance readiness, metering/data arrangements, and the ability to coordinate technical upgrades in occupied buildings.[8]

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[1] Ekonomikas ministrija – Link
[2] Ēku energoefektivitātes likums – Link
[3] Ēku energoefektivitātes aprēķina metodes un ēku energosertifikācijas noteikumi – Link
[4] Financial instruments and grants combination for energy efficiency of multi-apartment buildings in Latvia – Link
[5] Enerģētikas likums – Link
[6] Elektroenergijas tirgus-likums - Link
[7] Energokopienu reģistrēšanas un darbības noteikumi – Link
[8] Energy Communities and Regulatory Framework – Link

Energy Communities in Latvia

Latvia's legal framework for energy communities was established through amendments adopted by Parliament in 2022 and effective from 1 January 2023, introducing two main types: renewable energy communities (RECs) and electricity energy communities (Latvian equivalent to citizen energy communities). These amendments are reflected in Latvia's Energy Law and Electricity Market Law, and they are intended to align national rules with the EU Clean Energy Package concepts of renewable energy communities and citizen energy communities.[9]

A key feature of Latvia's approach is the recognition that community energy should primarily deliver member/community benefits rather than profit, while allowing flexible internal agreements among participants. Independent policy assessments note that Latvia's definitions broadly align with EU requirements, but that secondary rules and practical enabling measures (simplification, support mechanisms, non-discriminatory access in practice) are essential to make participation workable for citizens. In other words, the legal recognition is necessary but not sufficient: uptake depends on implementation rules and "how it works" procedures. [10]

A major recent step is Latvia's move toward operationalising electricity sharing. Cabinet regulations adopted in 2024 (and updated in 2025) set out rules for electricity sharing conditions, information exchange among market participants and system operators, and the registration/operation of energy communities. These rules are especially relevant for renovation-linked projects where rooftop PV is installed and the community wants to allocate generation benefits among members (e.g., apartments within a building or groups of proximate participants). The regulations create a clearer compliance pathway for citizen projects, but also introduce administrative tasks such as registration steps, data handling, and internal governance arrangements.[11]

In practice, Latvia's emerging energy community landscape is still developing. Case examples and EU project documentation indicate that early community initiatives have often been supported by municipalities or demonstration projects, reflecting both growing interest and a need for facilitation capacity.[12] At the same time, Latvia has experienced rapid growth in prosumer activity and solar deployment in recent years, suggesting a widening base of citizens who could be future energy community participants, especially when paired with renovation financing programmes that already mobilise homeowner associations.[13]

[9] Latvia - REScoop – Link
[10] Energy Communities and Regulatory Framework – Link
[11] Energokopienu reģistrēšanas un darbības noteikumi – Link
[12] Energy communities in StartSun countries – Link
[13] Energy Citizenship in Energy Transition: The Case of the Baltic States | MDPI – Link

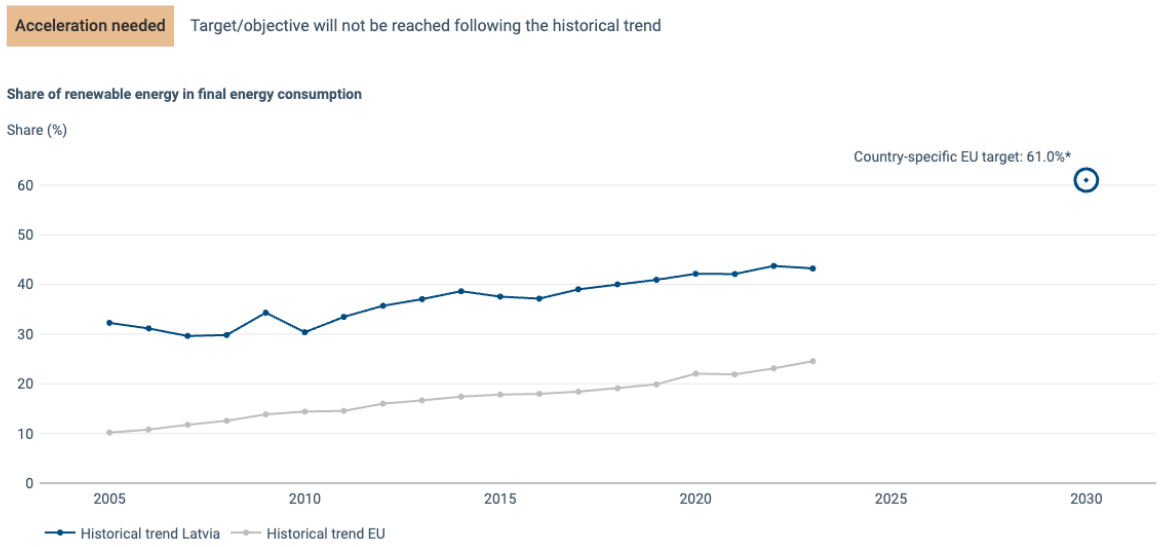

Fig. 1 Latvia's share of renewable energy in final energy consumption. Target/objective will not be reached following the historical trend[14]

For citizen-led renovation, the "energy community" dimension typically becomes relevant at three decision points:

1 whether to install PV (and possibly storage) as part of renovation;
2 how to allocate benefits among apartments/members;
3 whether to formalise the group as an energy community or use a simpler self consumption/prosumer arrangement where permitted. [15] These decisions should be made early, because they influence metering choices, procurement, financing eligibility, and contractual arrangements with suppliers and DSOs.[16]

[14] Share of renewable energy in final energy consumption | Latvia | Europe's environment 2025 (EEA) – Link
[15] Energokopienu reģistrēšanas un darbības noteikumi – Link
[16] Elektroenerģijas tirgus likums – Link

Country specific information on energy communities

Community forms and actors. Latvia's amendments allow energy communities to be formed under various legal forms (e.g., associations, foundations, cooperative societies, companies/partnerships) depending on how the group chooses to organise. In citizen-led renovation, the most practical "platform" is often an existing building governance entity, such as a homeowner association or cooperative, because it already has decision-making rules, a bank relationship, and contracting capacity for renovation works. [17] However, energy community governance still requires clear membership rules, benefit allocation principles, and compliance with applicable registration or reporting requirements.[18]

Electricity sharing and registration rules. Cabinet regulations on energy community registration and operation explicitly cover electricity sharing conditions and information exchange among market participants and system operators. For citizen groups, the practical implication is that "energy sharing" is not simply a technical feature; it is a regulated process with defined roles (community, supplier, DSO, data exchange), and it requires upfront design of allocation rules and metering/data readiness.[19] Projects combining renovation and PV should therefore treat electricity sharing setup as a workstream alongside energy audits, design, and procurement.[20]

Typical citizen-led pathway (renovation + community energy). A common Latvia pathway for multi-apartment buildings is:

1. Establish a project team within the homeowner association and select a facilitator;
2. Conduct an energy audit/energy certificate baseline and identify measures;
3. Develop a renovation concept (envelope + systems) and consider PV integration;
4. Confirm decision-making requirements and pass a formal resolution;
5. Apply for ALTUM-supported financing and capital rebate (and/or other programmes);
6. Procure works and implement renovation;[21]
7. If PV and sharing are included: implement metering/data steps and register/operate electricity sharing as applicable;
8. Monitor outcomes (energy savings, comfort, and financial performance). This sequencing reflects how Latvia's financing instruments have historically been implemented at scale and why homeowner association capacity is often a decisive factor for success. [22]

Constraints and risks. The main barriers for citizen initiatives include: (i) collective decision-making and trust among owners; (ii) project preparation complexity (audits, designs, procurement, permits); (iii) the need to coordinate works in occupied buildings; and (iv) administrative effort for electricity sharing/energy community compliance.[23] These are compounded by the fact that Latvia still has a large stock of buildings requiring deep renovation and an active need to scale delivery capacity. Strong

[17] Enerģētikas likums – Link
[18] Energy Communities and Regulatory Framework – Link
[19] Energokopienu reģistrēšanas un darbības noteikumi – Link
[20] Regulatory and Consumer Considerations for Decentralised Energy Opportunities – Link
[21] Altum – Link
[22] Financial instruments and grants combination for energy efficiency of multi-apartment buildings in Latvia – Link
[23] Energokopienu reģistrēšanas un darbības noteikumi – Link

facilitation, standardised templates, and clear communication are key to making energy-community-linked renovation repeatable.[24]

[24] Deep renovation roadmaps to decrease households vulnerability to energy poverty – Link

Relevant legislation

Renovation-related legislation

- Construction Law (Būvniecības likums) is Latvia's umbrella legislation governing construction processes, roles and responsibilities, certification/licensing of construction participants, and building supervision/control. For citizen-led renovation, this law underpins the permitting environment and establishes the professional responsibility framework (which matters when volunteers support non-technical tasks but licensed professionals execute construction works).[25]
- Law on the Energy Performance of Buildings (Ēku energoefektivitātes likums) establishes minimum energy performance requirements and the legal/organisational basis for building energy certification, heating and air-conditioning system inspection requirements, and related obligations. It is central to renovation projects because it defines the policy logic for upgrading buildings and provides the legal basis for energy certificates used in project design and verification.[26]
- Cabinet regulations on calculation methods and energy certification. The Cabinet regulations on building energy efficiency calculation and certification procedures specify how energy performance is assessed, what classes are used, how certification is carried out, and how compliance is demonstrated. For citizen groups, these rules are practically relevant because funding schemes and technical due diligence often rely on these standardised calculations and certification outputs.[27]
- Energy Efficiency Law (Energoefektivitātes likums) provides a broader framework for energy efficiency governance and obligations (especially relevant for larger entities), and it supports the policy backbone that shapes Latvia's energy saving targets and monitoring mechanisms. While citizen-led renovation is mostly building-focused, the broader legal context influences programme design and public sector roles in energy efficiency delivery.[28]

Legislation on engagement of neighbours and volunteers in the renovation

Latvia does not rely on a single dedicated "neighbour engagement" law for renovation. In practice, neighbour engagement is driven by the governance rules of the building's legal entity (e.g., homeowner association/cooperative), procurement and contracting requirements, and the procedural expectations of funding bodies. Because renovation projects often span multiple years, citizen groups should ensure that decisions (resolutions, mandates, cost-sharing rules) remain valid throughout the project lifecycle, especially if ownership changes occur.[29]

Volunteer involvement is feasible mainly for non-technical tasks, resident communication, organising information sessions, collecting feedback, supporting document coordination, or assisting with monitoring and engagement. Construction works, electrical installations, and regulated technical activities must be delivered by qualified professionals under the Construction Law framework. For citizen initiatives, the key "safe practice" is to separate volunteer engagement (social organisation)

[25] Būvniecības likums – Link
[26] Ēku energoefektivitātes likums – Link
[27] Ēku energoefektivitātes aprēķina metodes un ēku energosertifikācijas noteikumi – Link
[28] Energoefektivitātes likums – Link
[29] Energy One-Stop-Shop - A guide for energy efficiency in Home-Owned Multi-Apartment Buildings – Link

from licensed execution (technical works), and to ensure transparent communication so residents understand roles, liabilities, and safety boundaries.[30]

[30] Būvniecības likums – Link

Funding bodies and schemes

Funding bodies in Latvia

Multiple institutions support renovation and citizen-led energy initiatives:

- ALTUM[31] (state development finance institution). ALTUM is the central implementing actor for multi-apartment renovation financing instruments that combine loans/guarantees with capital rebates.[32] It has operated multiple successive programmes and provides structured pathways for homeowner associations to access financing under EU-supported instruments.[33]
- Ministry of Economics (Ekonomikas ministrija). The Ministry plays a key role in launching EU fund support programmes and setting policy direction for energy efficiency in multi-apartment buildings, including programme scale targets (e.g., number of buildings by a target year) and ESCO market development.[34]
- Public Utilities Commission (SPRK)[35]. SPRK is the national regulator overseeing energy market functioning and consumer protection. Its annual reporting provides sector-wide context (e.g., renewable production trends, protection of vulnerable customers) that shapes the enabling environment for citizen projects and energy communities.[36]
- Cabinet of Ministers / national legislation framework. Many operational details affecting citizen renovation and energy communities (e.g., electricity sharing rules) are established through Cabinet regulations based on authorisations in the Energy Law and Electricity Market Law. For citizens, these secondary regulations often matter as much as the primary law because they define process steps and practical conditions.[37]

Funding schemes in Latvia

- Energy efficiency programme for multi-apartment buildings (2021–2027). Under the ALTUM programme for apartment buildings, projects can receive financing via a commercial bank loan backed by an ALTUM guarantee or a direct ALTUM loan, with a capital rebate (capital discount) typically in the 40–50% range once the project is completed and energy saving targets are achieved. Programme rules also specify minimum energy savings thresholds and timeline requirements (e.g., completion by a defined deadline). This structure is highly relevant for citizen-led renovation because it reduces upfront barriers while rewarding verified energy savings. [38]
- EU funds programme for multi-apartment buildings (launched/approved 2024–2025; €173m envelope). Latvia approved a new EU fund support programme with a total funding envelope of €173 million, intended to renovate hundreds of multi-apartment buildings by 2029 and foster ESCO market development. This programme design explicitly uses a combined financial

[31] Altum – Link
[32] Financial instruments and grants combination for energy efficiency of multi-apartment buildings in Latvia – Link
[33] Financial instruments for an energy-efficient building stock: from EU support to local action | BUILD UP – Link
[34] Support program for increasing energy efficiency in multi-apartment buildings – Link
[35] The Public Utilities Commission (PUC) or the Regulator – Link
[36] 2024 Annual Report of the Public Utilities Commission of the Republic of Latvia on the National Energy Sector – Link
[37] Energokopienu reģistrēšanas un darbības noteikumi – Link
[38] Energy efficiency programme of apartment buildings 2021-2027 - Altum – Link

instrument approach (loan/guarantee + capital discount), reinforcing continuity with earlier successful models.[39]

- Continuity model: combining financial instruments with grants. International case studies (fi-compass/EIB) document Latvia's approach of combining financial instruments (loans/guarantees) with grants/capital rebates to scale multi-apartment renovation, including implementation results and lessons (e.g., project pipeline management, role of national promotional institutions). For handbook purposes, these sources support "why this model works" and what citizen initiatives should expect in terms of requirements and governance needs.[40]
- Complementary support and pilots. Municipal programmes and demonstration projects have supported early community-energy and renovation-linked initiatives. While these are not always permanent schemes, they can help citizen groups access facilitation support, data, and tested procurement/technical approaches, especially in early-stage energy community applications.[41]

Special grants for vulnerable households

Latvia addresses vulnerability and energy poverty through a combination of renovation instruments, consumer protection mechanisms, and targeted support measures.[42] Regulatory reporting and policy material highlight the importance of protecting vulnerable customers, and Latvia has implemented support approaches for protected or vulnerable electricity users (including discounted bills in earlier periods and regulated mechanisms through designated suppliers). While such measures are not a direct substitute for deep renovation, they can provide short-term relief and complement renovation strategies that deliver long-term structural reductions in energy bills.[43]

On the renovation side, the most socially impactful approach is often to use the multi-apartment building financing model (loan/guarantee + capital rebate) in ways that do not exclude low-income households. In practice, this means that homeowner associations and municipalities may need to support vulnerable residents through: (i) clear cost-sharing models; (ii) longer repayment horizons; (iii) bundled grants where available; and (iv) project facilitation that reduces administrative burden. The success of Latvia's multi-apartment renovation programmes has been closely tied to homeowner association capacity and the ability to coordinate collective action, factors that can be more challenging in buildings with a high share of vulnerable households.[44]

Latvia's broader policy discussion increasingly frames energy poverty as connected to housing efficiency and income constraints. Research on Latvia's energy poverty framework notes that energy poverty concepts have been strengthened in national policy discourse and linked to the ability of households to maintain adequate temperature and pay for energy services, reinforcing the relevance of deep renovation as a long-term solution.[45]

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[39] Support program for increasing energy efficiency in multi-apartment buildings – Link

[40] Financial instruments for an energy-efficient building stock: from EU support to local action | BUILD UP – Link

[41] First energy communities in Latvia. small-scale demonstration projects at Marupe municipality – Link

[42] Support for electricity consumers | Ekonomikas ministrija – Link

[43] Electricity bill reductions for protected users – Policies - IEA – Link

[44] Deep renovation roadmaps to decrease households vulnerability to energy poverty – Link

[45] Energy Poverty in the European Union – Link

Finally, citizen-led initiatives can also connect to EU-level social policy instruments (e.g., Social Climate Fund planning and ETS2-related mitigation measures) as Latvia develops and refines measures to protect vulnerable groups in the transition. While such programmes are still evolving, they provide an important future pathway for combining renovation support with targeted social inclusion.[46]

[46] Latvia - Social Climate Fund - REScoop – Link

Useful tools

- Likumi.lv (Latvian legal portal). Official texts of Latvia's core laws and Cabinet regulations are accessible via Likumi.lv. For citizen-led renovation and energy communities, the most relevant are: the Energy Law, Electricity Market Law, and the Cabinet regulations on energy community registration and electricity sharing.[47]
- ALTUM programme portals (multi-apartment renovation). ALTUM provides programme pages and guidance for the energy efficiency programme for apartment buildings (2021–2027), including eligibility, financing structure, energy savings thresholds, and capital rebate conditions. These portals are critical operational tools for citizen groups preparing projects.[48]
- Ministry of Economics – EU funds programme information. The Ministry publishes official announcements and programme descriptions for multi-apartment building energy efficiency support, including envelope size, targets, and application launch dates. This is a key source for "what is open now" and programme evolution.[49]
- SPRK reporting and sector data. SPRK's annual reporting provides reliable sector-level trends (renewables growth, consumer protection issues, market changes) that can help citizen groups benchmark their project assumptions and understand the broader regulatory environment.[50]

[47] Likumi.lv - Latvijas Republikas tiesību akti – Link

[48] Energy efficiency programme of apartment buildings 2021-2027 – Link

[49] Support program for increasing energy efficiency in multi-apartment buildings – Link

[50] 2024 Annual Report of the Public Utilities Commission of the Republic of Latvia on the National Energy Sector – Link