

Ministry of Climate and Energy Republic of Latvia

LATVIA'S CLIMATE POLICY

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BALTIC CARBON FORUM 2023

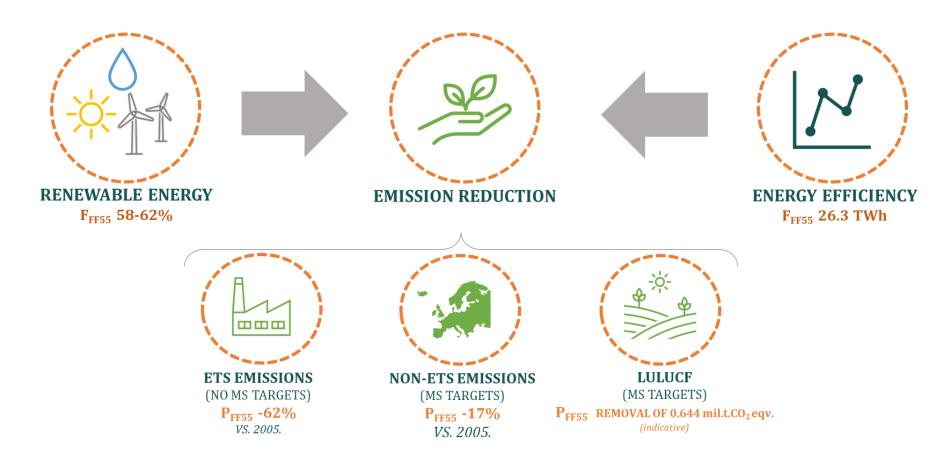
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Recent Developments AND AGENDA

The Ministry of Climate and Energy established in 2023

- In development:
 - Climate Neutrality Strategy 2050 (to be renewed)
 - The Climate Law
 - The renewed National Energy and Climate Plan 2030
 - Government Research Programme «Development of Support System for Decision Making to reach Climate Neutrality»

CLIMATE NEUTRALITY TARGETS & THE ROLE OF CLIMATE LAW



Currently under development: CLIMATE LAW

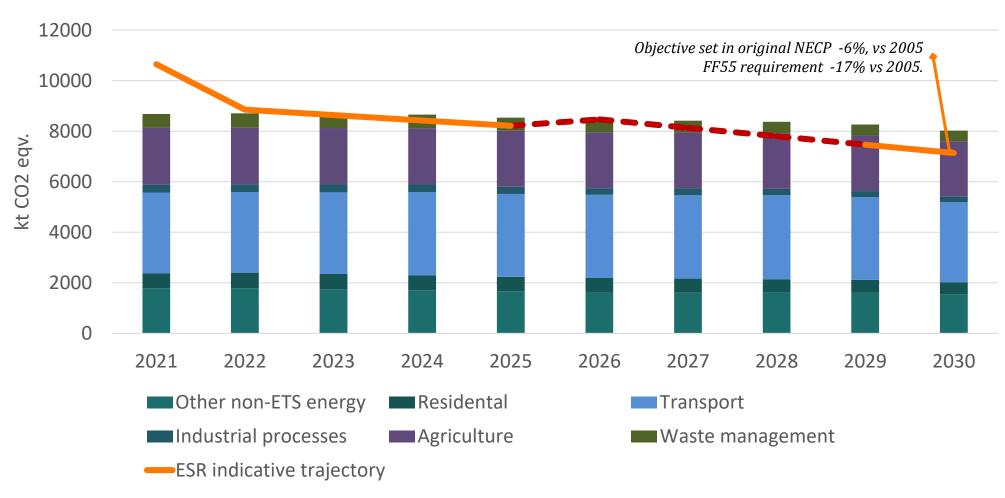
Aims at reaching climate neutrality on 2050. Sets sectoral targets and lead ministries for the implementation of these targets. Expected to be in force 2023.



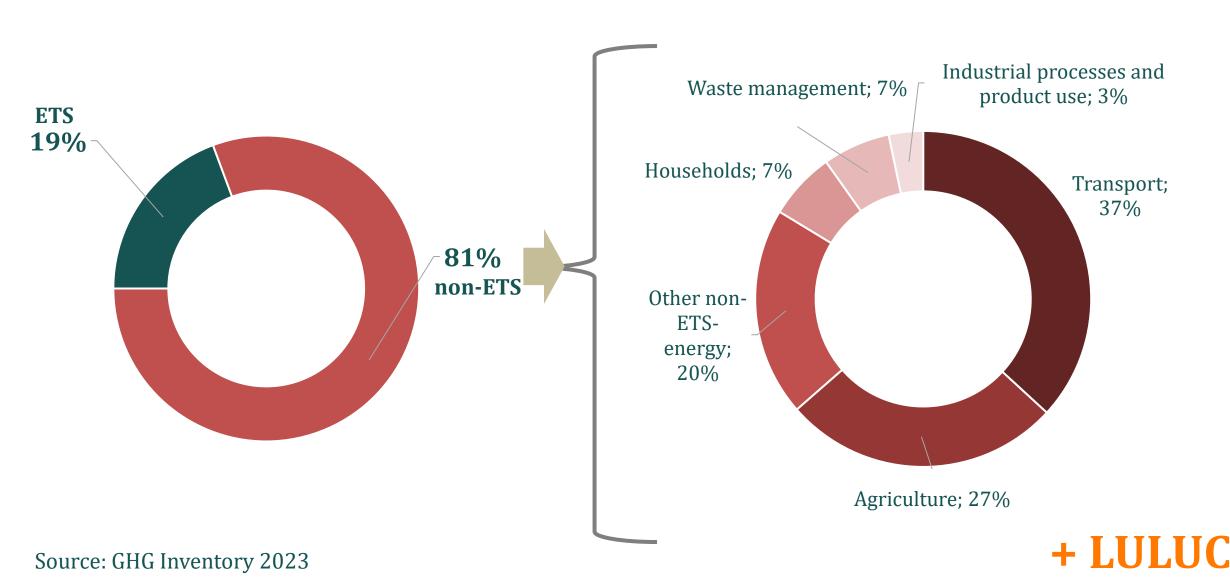
LATVIA'S CLIMATE LAW

- Latvia is currently finalizing the national Climate Law. The draft is undergoing public consultation.
- The main goal of the Law is to provide legal framework for implementing measures for mitigating climate change and facilitating climate resilience in order to achieve climate neutrality by 2050.
- The law establishes a framework for the following areas:
 - Climate change mitigation/GHG reduction long-term strategy,
 - GHG reduction targets by sector, reporting, EU ETS;
 - Adaptation to climate change adaption plan, climate change monitoring and forecasts, monitoring of the climate change impacts;
 - Climate financing.

LATVIA'S NON-ETS TARGET: ADDITIONAL ACTIONS EXPECTED



LATVIA'S GHG EMISSIONS





Law on Pollution is **present legal regulatory framework for CCS in Latvia**. Since 2013 $\mathbf{CO_2}$ **storage has been prohibited** on industrial scale. Injection is permitted of $\mathbf{CO_2}$ in amounts less than 100 Kt per year for research purposes. However, carbon transportation in Latvia is allowed (Law on Pollution, Section 8).

Currently Latvia is developing a new **Climate Law** with the aim of providing basis for further development of national climate policy, setting conditions related to regulation on greenhouse gas emissions.

According to current version of the draft law the ban on CO₂ storage in Latvia remains.

The ban was established considering that no special research was carried out with the aim of determining the suitability of underground structures for the safe storage of CO_2 .



Article 45 of the draft Climate Law deals with the carbon dioxide capture, transportation, storage, use and geological storage, - of which only the issue of carbon dioxide storage has been present in current regulation of the Law "On Pollution".

The first part of Article 45 of the draft Climate Law determines the activities permitted on the territory of Latvia, as well as the development of new regulations of the Cabinet of Ministers neccessary to determine the procedure for ensuring the <u>transportation of carbon dioxide to storage and geological storage sites, the conditions of carbon dioxide storage and use, as well as carbon dioxide flows purity criteria.</u>

The second part of Article 45 of the draft law stipulates that the geological storage of carbon dioxide in geological structures, as well as in the vertical water layer, is prohibited in territory of Latvia, its exclusive economic zone and the continental shelf.



According to requirements of Article 24.1 and Annex 2 of the **Law on Pollution**, **for stationary technological equipment in which CO2 capture is carried out from the equipment** (which is subject to the requirements of Directive 2003/87/EC[1] (EU ETS Directive)), CO2 transportation and/or for storage, it is **necessary to obtain a GHG permit**.

Until now, **permits for this type of polluting activities have not been issued in Latvia**. The potential to implement this type of project exists for large EU ETS participating companies, e.g. AS "Latvenergo" TEC 1 and TEC 2, as well as SIA "SCHWENK Latvija"

At the same time **the transitional provisions of the draft Climate Law** provide that a **Conceptual Report will be prepared by the Ministry until December 31, 2024,** to determine the future action regarding the geological storage of CO_2 in Latvia.

It is planned to carry out research on the economic costs of implementing potentially feasible CCS storage projects, thus the economic aspects being planned to evaluate.



A research on CO₂ storage is planned, tasks and costs are identified to determine the suitability of geological structures for CO₂ storage underground:

- Analysis of seismic and logging data available at The Latvian Environment, Geology and Meteorology Center (accessibility and quality of data, data collection, analysis, discussions on the need for reinterpretation);
- Characteristics of the collector layer and cage layer (porosity, open and closed porosity, densities, granulometry, filtration coefficient);
- Selection of potential structures, including the proximity of the infrastructure;
- Preparation of the further exploration plan (works, deadlines, costs), incl. experimental studies on the possibilities of gas injection and extraction (it is necessary to start with the list of selected structures and then it is possible to plan further additional research works).



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