

Questionnaire:

1. Is the role of Gazprom & Itera and of Russian capital in general in the Latvian energy market considered a problem? Is this situation viewed similarly by everyone or are there differing opinions?

- Yes, the dominance of Gazprom and Itera is considered to be a problem in Latvia, but it is not a problem to be solved quickly. Solving this problem requires caution and consideration. There are different opinions on this. Most parties that form the ruling coalition are in favor of reducing the Gazprom and Itera influence in natural gas market. The largest party in the parliament – Harmony Center, however, is not in favor of dismantling the monopoly. The presence of Russian capital in Latvia is also largely viewed with suspicion, but there is too little information whether it is just business or business with political strings attached.

2. What importance does gas market regulation and in particular ownership unbundling have in Latvian energy policy? Is the status of Latvijas Gāze as a monopoly supplier and a vertically integrated utility seen as a problem in Latvian politics?

- Yes, Latvijas Gāze monopoly in Latvia is seen as a problem by most Latvian political parties and general public. Ownership unbundling is a worthy political goal to be achieved because that is going to introduce competition and lower natural gas prices. But, again, this is not a problem to be solved quickly because there are political and legal issues involved.

3. Are there major differences about gas market regulation among Latvian parties, industry associations, and perhaps other civil society groups (trade unions, ecological movements)?

- Most Latvian political parties, with few exceptions, are in favor of natural gas market liberalization, and so are civil society groups. I have no information regarding industry associations.

4. Would you say that one can see certain guidelines or priorities in Latvian energy policy over the last few years? More specifically, are there any drivers of policy making one can detect? For example, the 'Energiewende' in Germany, the attempt to turn away from nuclear energy and towards renewable, has been the general theme in German energy policy. Is there anything similar in Latvia?

- The most important trend in Latvian energy policy has been interconnections with neighbor countries and gradual reduction of energy dependence on Russia.

5. In the official "Latvian Energy Long Term Strategy - 2030" the view is expressed that energy policy primarily has to serve economic growth and improve the competitiveness of Latvia's industry. The issue of energy security and in particular diminishing the dependence on Russian energy imports are considered less important. Would you confirm that supply security takes a less prominent role in Latvian energy policy than do purely economic considerations?

- I would say that there is little interest in approaching the issue of energy security in confrontational terms. It has become increasingly clear that monopolies will charge a higher price therefore talks about energy serving the need of industries and economic growth has an in-built component of gradually shedding energy dependence on Russia and liberalizing natural gas market.

6. What is your opinion on the nature of the policy making process? To what degree are decisions made on technical grounds or on considerations of daily politics? Do these decisions reflect a long-term vision or could they be regarded as being the result of politicking and presumably lobbying by interest groups? Could you give some indicators, why you would describe Latvian energy policy one way or the other?

- Decisions are mainly taken with a view of slowly moving towards less dependence on Russian energy supplies. The policy process is slow, and mostly energy issues are seen as trying to balance our relations with Russia and facilitating greater energy independence. The process is slowly moving in the right direction towards building interconnections with Sweden and unbundling of Latvijas Gāze monopoly.

7. What do you think are the reasons that Latvia has delayed the implementation of the EU Third Energy Package for so long? Using at first an exemption in the directive as an 'energy island' for not opening its market for competition and then only deciding on March 13rd 2014 to demand full ownership unbundling of Latvijas Gāze (while Lithuania for example has done so in 2010).

- Latvia has enjoyed a certain level of security of supply to Inčukalns underground gas storage facility. Also, Latvia has been able to get a slightly better price than Lithuania. There are also political and legal issues involved therefore unbundling has not yet taken place. Also, infrastructure, that would allow Latvia to receive benefits of competition, has not been put in place, for example, LNG facilities have been absent. Thus, Latvia has decided to pursue a more gradual path towards liberalization.