*[Data that has been automatically pre-filled in the templates for the cover notes is based on the operational arrangements which have last been updated on 2024-03-22. Should the respective CID and/or operational arrangements have been amended in the meantime, please reach out to ECFIN-RECOVER.]*

*[DATE]*

*[AUTHOR (Organisation, not name)]*

**LV-C[C7]-I[7-3-i-] Upgrading, digitalising and securing the electricity transmission and distribution networks**

**LV-C[C7]-I[7-3-i-]-M[227] Smart distribution network management solution**

**Date of completion:** **Q2 2026**

**1) Context: description of the measure and relevant context from the CID annex** [text in full from the English version]

The objective of this investment is to contribute to the clean energy transition and to increase electricity security by increasing the electricity grid capacity and flexibility to accommodate a greater integration of variable renewable energy, by refurbishing transmission networks, and by digitalising distribution networks. The investment shall cover the following elements. 1. To increase the national electricity grid capacity and flexibility to accommodate a greater integration of variable renewable energy, the investment shall deliver 70 MW of new electricity grid capacity, the construction of a digital substation in Kuldīga and the refurbishment of a substation in Carnikava. 2. To modernise energy transmission lines and increase the security and stability of electricity supply, the investment shall result in the replacement of at least 150 km of existing medium-voltage overhead power lines with cable lines. 3. To digitalise the electricity distribution network for a more efficient and flexible management of energy flows, the investment shall result in: - the implementation of an advanced smart distribution management solution; - the purchase and installation of remotely controlled medium voltage circuit breakers on cable lines in transformers substations and on lines at different switching points. 4. Two studies shall be completed that are expected to contribute to Latvia’s development towards becoming a green energy exporting country. The objective of the first study is to determine the maximum amount of renewable energy that could be connected to the electricity transmission network and assess the impact of higher renewable energy sources volumes on the network. The second study has the objective of estimating electricity consumption growth and electrification potential over a 10-year timeframe. Furthermore, an Environmental Impact Assessment for an electricity transmission line project between Ventspils, Brocēni and Telšiai shall be carried out. The implementation of the measure shall be completed by 31 August 2026.

**2) Copy of the milestone/target wording** [text in full from the English version]

| Seq.num | Measure (reform or investment) | Milestone/Target | Name | Qualitative indicators (for milestones) | Quantitative indicators (for targets) | | | Indicative timetable for completion | | Reporting and implementation responsibility | Description of each milestone and target |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Unit of measure | Baseline | Goal | Quarter | Year |
| 227 | C7.7-3-i- Upgrading, digitalising and securing the electricity transmission and distribution networks | Milestone | Smart distribution network management solution | A smart distribution network management solution has been introduced |  |  |  | Q2 | 2026 | Ministry of Climate and Energy | A smart grid management solution has been introduced. This shall consist of:  - the implementation of an advanced smart distribution management system (ADMS) solution;   - the purchase and installation of at least 285 remotely controlled medium voltage circuit breakers. |

Verification mechanism:

A summary document duly justifying how the milestone (including all the constitutive elements, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence. The document shall include as an annex: - the certificate(s) of completion signed by the contractor(s) and the contracting authority(ies) demonstrating that an advanced smart distribution management system (ADMS) solution has entered into operation; - copy of signed contract for the purchase of remotely controlled medium voltage circuit breakers; - certificate(s) of works completion demonstrating the installation of at least 285 purchased remotely controlled medium voltage circuit breakers.

Further specification: (if relevant)

**3) List of key evidence provided in FENIX**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Identifier [same as in FENIX] | Name of the evidence.  For legal acts please provide the full legal reference and date of entry into force | Short description | Link to the requirements below |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |

**4) Detailed justification**

*[Explain clearly how the achievement of the milestone/target is demonstrated by the evidence provided,* ***covering ALL elements of the milestone/target and the elements of the measure description that are directly or indirectly linked to the milestone/target’s requirements.***  *(e.g. the fact that (i) a certain institution had (ii) to accomplish something (iii) in a certain way in order (iv) to achieve a certain goal (v) by a certain date). Please provide* ***a clear link between all the below elements and the one or more evidence items listed above.***

Requirement 1: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 2: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

Requirement 3: ‘[excerpt from the milestones/target or the measure description]’

*[Explanation of fulfilment]*

[…]

Contribution to the achievement of other elements from the measure description: [evidence related to the elements that are not directly addressing the M/T but in the measure, where relevant]