**ENERGY**

AGREEMENTS REACHED (final document, 04.12.2021)

**Short-term measures**:

1. If there is an increase in household electricity prices, to extend the scope and size of the existing energy allowance scheme to 200 KWh per month per household (implementation within January at the latest).
2. Offering the possibility of paying by equal instalments and providing an ‘outstanding balance’ bill to domestic electricity consumers who are on or below the poverty line on an annual basis with suspension of electricity supply after a second unpaid monthly bill.
3. For State and Municipal institutions that provide public and social services (schools, kindergartens, etc.): the difference between what they pay and what is budgeted to be reconciled first from their budgets and then from what remains off the central budget, ensuring their normal activities (so that the entire budget does not go to energy with no funds left for their activities).
4. Changing the rules of trading on the exchange towards the possibility of long-term contracts.
5. Retaining and optimising existing business support mechanisms.
6. The ‘own needs’ costs for the EDCs and ESOs to be at the price of a public supplier – by revision of the old text of Regulation 1 of 2014.
7. Audit of all state-owned energy producers and grid operators, the Electricity System Security Fund, energy traders and the Energy Exchange. The programme to start with a mandatory independent external audit of Bulgarian Energy Holding, to include the costs of Belene and, Turkish Stream.
8. Analysis of the reasons for the large number of budget organisations receiving energy from the platform of last resort provider:

* Undertaking a communication strategy and information campaign.
* Exploring options for returning budget organisations to a regulated market.

1. Explore options for:

* Model contracts.
* Model contracts must include a price cap.

1. Taking adequate measures to close infringement proceedings against Bulgaria in the energy sector.
2. Establishing a formal definition of "energy poverty".
3. Preparation of a 5-year plan for overcoming energy poverty, in which the instruments for compensation are laid down and there are long- and short-term mechanisms.
4. Construction of the Greek gas interconnector in 2022 - to be completed.
5. Ensuring different sources of gas supply to Bulgaria through a 6-month expert review of gas purchase contracts with a view to diversifying sources, achieving lowest price and allowing flexibility in the choice of supplier.
6. Full transparency in the investigation of cartel practices by the Commission for Protection of Competition through a change in its composition and an increase in the Regulator's expert capacity.
7. Review of the requirements for the establishment, operation and analysis of access to tax warehouses to encourage greater competition.
8. Overhaul the way energy efficiency projects are financed. For example:

* Starting from the most effective projects.
* Better targeting.
* Better control in both the selection of beneficiaries and the reporting of projects.
* Development of new financial instruments.
* Review to remove regulatory constraints on the use of financial resources of obligated entities under Section 12 of the Energy Efficiency Act.

1. Publicity and optimisation of all costs in the state energy sector.
2. Transparency and control of all European Commission instruments.
3. Developing a national position on Fit for 55.
4. Negotiations with the European Commission on the possibility of limiting electricity exports at certain times (other than under force majeure conditions) to guarantee quantities needed for the domestic market are at affordable prices and a derogation is granted for this.

**Long-term measures:**

1. Nuclear science and energy development:

* Maintenance and development of nuclear capacity at Kozloduy NPP. This includes extending the lifetime of existing facilities.
* The need to build new nuclear capacity, and the specification of the type of reactors and sites, to be assessed after an independent expert analysis that is public and based on economic feasibility, lowest cost, and time to build.

1. Safeguarding of the Maritsa East energy complex and the employment and incomes of people in other coal regions:

* Negotiations with the EU to maximise the lifetime of power plants.
* Efforts to obtain funding under the Green Deal to turn the Maritsa East complex into an example of green investment.
* A list of alternative projects for the preservation of Maritsa-East as an energy complex to be developed - this list to be prepared in the next 6 months.
* Review of existing coal technologies and their feasibility within the complex.

1. Analysis of the need to, and impact of, bringing domestic consumers to the free market.
2. Support for renewable energy producers:

* Development of renewable energy capacity, including from hydropower, with priority given to energy for own consumption (both domestic and industrial).
* Development of capacity building and energy storage mechanisms.
* Focus on hydrogen as an energy storage option with a bias towards green.

1. Security of natural gas supply:

* Facilitation of conditions for exploration of local deposits.
* Diversification of routes and sources of supply on a market basis to achieve lowest prices. Continuing work on the urgent completion of the interconnector with Greece.
* Development of a long-term national programme to stimulate industrial and domestic gas use.

1. Making energy efficiency a national priority.
2. Seeking political consensus and comprehensive analysis of the 3rd Liberalisation Package (*considering its impact on energy prices*) and the Green Deal and necessary measures at national level, in the context of achieving the EU's 2050 targets.
3. To have a special structure in the Council of Ministers - Deputy Prime Minister for Climate - this area is horizontal.
4. Annual reports on mining, radioactive waste, oil and gas and decarbonisation strategies.
5. Preparation of modalities for the transition to the capacity mechanism.
6. Preparation of a projected power and energy balance, determination of the actual RES potential in Bulgaria and review of the status of declared and under construction RES.
7. Adoption of a new Sustainable Energy Development Strategy with compatibility analysis and Environmental Impact Assessment (EIA) and other national strategies.
8. Analysis of current barriers to RES connection and creation of a mechanism to incentivize investment projects.
9. Development of a national strategy for Bulgarian oil and gas extraction.
10. Enhancing the administrative capacity of the EWRC to control REMIT (exchange trading rules).
11. Amendments to the Public Enterprises Act and changes to the statutes of state-owned energy companies, management and control contracts based on best practices.
12. Study and assessment of Bulgaria's overall hydropower potential and the systemic effects of the two Danube hydropower projects, and the Gorna Arda, Tundzha and Yadenitsa hydropower plants; an EIA; prioritization of the projects based on cost of energy produced and strategic importance if they meet environmental requirements.
13. Amendment of the Concessions Act to protect Bulgaria's interests relating to current, granted, and future concessions.
14. Analysis of options for, and consequences of, restructuring or closure of Bulgarian Energy Holding (BEH).
15. Exploring the options and effects of removing Bulgargas' public supplier licence in the long-term context of energy restructuring.
16. Expanding the capacity of the EWRC to handle individual complaints.
17. Facilitating administrative conditions for energy storage investments.
18. Investigation of the possibilities of re-planning the gas transmission network and transforming the network to hydrogen.
19. Exploring the energy potential of the Black Sea.
20. Building smart grids with interactive management by users and producers.
21. Heat network and small district heating - efforts to be directed at ensuring a modern and affordable district heating service.
22. Geothermal energy:

* Complete mapping of the country's geothermal resources within 12-18 months.
* To have 1 or 2 pilot capacities built and to use the thermal potential.
* Amendment of the laws on water, concessions and energy.

1. Expanding the capacity of Chiren. Technical and economic analysis for the construction of other gas storage facilities.
2. Efforts to connect Turkish Stream to the national gas transmission network.
3. Review of the options, contracts, and regulatory documents (European and Bulgarian legislation) for limiting the reserved capacity to 50% from any one gas supplier.
4. Removing administrative barriers to facilitate captive renewables (without being able to feed back into the system). Notification regime instead of authorisation regime.
5. Removal of administrative barriers to facilitate self-supply of RES (up to certain KWh based on further analysis). Notification regime instead of authorisation regime.