UNECE

Workshop "Strengthening national capacity in applying sustainable energy policies and practices based on the recommendations of the Environmental Performance Reviews"

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Bulgaria - 3rd EPR

Report	No.	Topic	SDG	Recommendation (quote)	Implementation	Implementation Updated
Part I	*2.7*	Legal, Policy and Institutional framework		*The Government should review the existing system of full or partial exemptions from excise duties on certain energy products with a view to determining whether they are really the most effective and efficient instruments for achieving the underlying policy objectives.*	*Bulgaria levies excise duties on energy products used as motor fuels and for heating by households and industry, in line with the existing EU legal provisions. At the same time, the Government also uses the existing scope for exemptions from some of these taxes for households, and farmers, in the pursuit of mainly social objectives. However, the question is whether tax expenditures are really the most cost-efficient instrument for achieving these objectives. A case in point is the indiscriminate exemption of all households, rich and poor, from excise duties on certain energy products, as is the refund of excise duties on the use of diesel to all agricultural producers.*	Not implemented.
	2.9 (a) (b) (c)	Energy efficiency Legal, Policy and Institutional framework; Support to vulnerable groups, awareness, access		*The Government, in cooperation with the Energy and Water Regulatory Commission, should: (a) Initiate a tariff reform that leads to a gradual increase in household electricity tariffs to cost reflective levels taking into account the need*	*Electricity tariffs for households are below cost recovery levels, reflecting the use of tariffs as a social policy instrument. This policy, however, has mainly benefited above-average income earners, which tend to have higher energy consumption than lower income households. Despite a high bill collection rate, revenues*	Implemented. (a), (b): With the latest amendments to the Energy Act of October 1st, 2020, all low-voltage business consumers who have so far purchased electricity from a regulated market now choose their supplier from the free electricity market. This change

				for support to vulnerable consumers through preferential block tariffs and other non-tariff exemptions and protection and/or through the social welfare system; *(b) Ensure transparency for consumers as regards the costs of social policy support for energy consumption as well as of support for renewable energy sources through feed-in tariffs;* *(c) Promote measures designed to improve the energy efficiency of buildings to reduce energy costs for final energy users.*	*from tariffs in the electricity sector are insufficient for financing adequate maintenance of the infrastructure and new investments. This partly also reflects the hidden costs of generous feed-in tariffs for RES for end users of electricity, which rather fell on the distribution companies and the public provider NEK.*	removes the suspicion of cross-subsidization between electricity prices between business and household consumers. From July 1st, 2021 all renewable energy producers with installed capacity of 0.5 and over 0.5 MW switch from a support scheme with preferential prices to a support scheme with preferential premiums. Preferential premiums place renewable energy producers in a competitive environment, stimulating them to sell their produced electricity on a competitive basis, receiving a premium for each amount of electricity sold on the free market. (c): In accordance with the requirements of Directive (EU) 2018/844 on the energy performance of buildings, Bulgaria elaborated a Long-term national strategy to support the renovation of the national building stock of residential and non-residential buildings until 2050. The strategy envisages the renovation of 60% of the residential building stock and nearly 17% of the non-residential building by 2050, which will lead to energy savings of 7,329 GWh/year. Energy savings are expected to reduce greenhouse gas emissions by 3,274,453 tonnes of CO2. The Strategy also envisages establishment of a National decarbonisation fund to support investment in low-carbon development through sustainable and targeted financing of a wide group of beneficiaries – end users of energy – in order to maximise the goals of decarbonisation of the Bulgarian economy.
Part III	*7.3 (a) (b)*	Energy efficiency		*The Government should:*	*The composition of particulate matter in Sofia during winter points to domestic heating being an important source of PM10. The composition*	Implemented. For the purposes of reducing air pollution from fine particulate matter, a National Air Quality Improvement Program

				(a) Promote the use of better heating appliances and the switch to clean fuels; *(b) Improve thermal insulation of houses, starting in large urban areas, to reduce the consumption of fuel during winter.*	*of dust during winter could be related to the composition of biomass fuels used for domestic heating. To prevent local emissions during the winter, the use of solid fuels for residential heating is to be reduced. This can be achieved by reducing energy demand, starting with improving the thermal insulation of houses, and by improving the efficiency of heating equipment. Along with better use of solid fuels, a fuel switch is needed. Use of natural gas is an option, but renewable energy can be an alternative. Geothermal energy is well suited for low temperature applications such as residential heating.*	(2018-2024) and a National Air Pollution Control Program (2020-2030) were adopted. The programs include the following measures: reconnection or connection to the gas transmission network, reconnection or connection to central heating; replacement of old heaters and boilers with ones that meet the eco-design standards. Also, by virtue of by-laws, requirements for the quality of solid fuels (coal and briquettes) used for domestic heating by the population, as well as for wood that is offered to the population for domestic heating have been introduced - Ordinance № 6 of October 7, 2019 on the Minister of Agriculture, Food and Forestry for the requirements and control over the wood used for domestic heating and Ordinance on the requirements for the quality of solid fuels used for domestic heating, the conditions, procedure and procedure for their control, which determines the technical requirements of solid fuels used for domestic heating.
	10.1	Infrastructures		*The Ministry of Energy should continue implementing measures to reduce emissions of the main pollutants into atmospheric air from thermal power stations.*	*Since 2007, Bulgaria substantially reduced the total amount of emissions of the main pollutants into atmospheric air from power stations, including sulphur oxides (a fivefold decrease) and nitrogen oxides (some 50 per cent decrease). Despite this remarkable achievement, the total emissions of some pollutants, especially sulphur oxides, are still not negligible, e.g. 139,860 tons in 2014.*	Implemented. According to the data from the National Inventory of Emissions of Air Pollutants for 2018 (reported in 2020), the reduction of nitrogen oxide emissions (from 54.79kt to 16.40kt from thermal power plants) compared to the base year 2005 amounts to 64%, and that of sulfur dioxide emissions amounts to 95% (from 757.95kt to 37.71kt for the same sector). These values show a significant reduction in the total amount of emissions from heat and power plants in the country.
	10.2	Infrastructures	7.2	*The Ministry of Energy should continue improve the electronic grid capacity to accommodate the*	*In 2004, Bulgaria's share of renewables in gross final energy consumption amounted to 9.6 per cent. Since then, the country made remarkable progress and in 2012 the country's*	Ongoing. The need to support the integration of renewable electricity into the transmission and distribution networks, the need for a more extensive use of smart

				increase of generation of wind energy.	*share of renewables in gross final energy consumption already stood at 16.3 per cent, against a target of 16 per cent for 2020. Thanks to the support mechanisms introduced in 2007, the Bulgarian wind energy market was able to triple its installed capacity during a single year (from 112.6 MW at the end of 2008 to 335 MW by the end of 2009). After the very rapid development and construction of 488 MW in the period 2007 through 2010, the grid capacity faced its technical limits. The issue became so apparent that the Bulgarian authorities had to start imposing limits on wind power development.*	networks and use of energy storage systems was identified and will be among the primary and important measures in the period 2021—2030. In turn, this entails better and timely planning and building of the infrastructure required to ensure smooth connection and transmission of the renewable electricity generated. The Electricity System Operator and the operators of distribution networks envisage measures and investments necessary to ensure a secure and reliable operation of the electricity system in Bulgaria while taking account of the increased number of power plants generating renewable energy, including wind and solar power. The measures concerned are included in their respective development plans. Bulgaria plans to develop several projects for electricity storage with a view to balancing and ensuring the flexibility of its system, enhancing its position as exporter and ensuring cross-border flexibility. These projects will also facilitate the further development of renewable sources and their integration into the national energy system, taking into account the variability inherent in such sources.