

Country profile –Bulgaria

Country: Bulgaria												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
1. Direct subsidies												
Direct on-budget subsidies	4			5			6, 5					
Feed-in tariffs	2											
Feed-in premiums												
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others	3, 3			3			3					
2. Fiscal measures												
Energy Tax Allowance												
Energy Tax Exemptions												
		11, 10			16, 15, 14, 12	12	12	9				
Other Tax Deductions				7								
Earmarked refunds of taxes					13							
3. Transfer of risk to government												
Adjustment Aids												
Inherited liabilities												
Others												
17												
4. Other financial measures												
Adjustment Aids												
Other Tax Deductions												
Others												
5. Non-fiscal measures												
Quota obligations												
8												
Priority Grid Access												
1												
Others												

No.	Datasource	Description
1	RES-LEGAL	Plant operators are contractually entitled against the grid operator to the connection of a renewable energy plant to the grid (art. 116 par. 1 Energy Act). The right to priority connection was abolished by the latest amendment to the ERSA.
2	RES-LEGAL	Feed-in tariff - In Bulgaria, renewable energy generation is supported mainly through a feed-in tariff. The feed-in tariff applies to producers of electricity from renewable sources who export their electricity to the public grid. Plant operators are contractually entitled against the grid operator to the purchase and transmission of all electricity from renewable sources supplied (§ 18 par. 1 item 2 ERSA). The amount of tariff is determined annually by the State Energy and Water Commission (regulatory authority) (art. 32 par. 1 ERSA). On 14 September 2012, a retroactive grid usage fee was introduced for all RES plants connected to the grid since 2010, which has to be paid by RES plant operators to the grid operator in charge.
3	RES-LEGAL	Loan (Bulgarian Energy Efficiency and Renewable Energy Credit Line - BEERECL) - Under the BEERECL, the European Bank for Reconstruction and Development (EBRD) extends loans to the participating banks which on-lend to private sector companies for industrial energy efficiency projects and small renewable energy projects.
4	RES-LEGAL	Subsidy (OP Competitiveness) - The Operational Programme "Development of the Competitiveness of the Bulgarian Economy" (OP Competitiveness) is financed by the European Regional Development Fund (ERDF), which also provides support for renewable energy projects. According to the

		<p>Bulgarian NREAP, around € 66.5 million have been earmarked for renewable energy projects for the programming period 2007-2013. Under Priority Axis 2.1 (Improvement of technologies and management in enterprises), subsidies are granted through application for investments related to the generation of electricity from renewable sources. The scheme provides co-financing to eligible costs for preparation and implementation of feasibility studies, preparation of procurement documentation; investments in refurbishment, supply, delivery, installation and maintenance of production technologies and equipment for RES technologies.</p>
5	RES-LEGAL	<p>Loan (Bulgarian Energy Efficiency Fund – BGEEF) - The Bulgarian Energy Efficiency Fund (BGEEF) has been established by the Energy Efficiency Act and offers financing grants for projects aiming at improving the energy efficiency and supporting the use of renewable energy in public, industrial and residential buildings.</p> <p><i>Project Eligibility Criteria</i></p> <p>The project must apply a well proven energy saving technology At least 50 % of a project’s benefits must come from energy savings Investment payback period – up to 5 years Investment range: BGN 30,000 – 3,000,000 (EUR 15,000 – 1,500,000) Project developer’s equity contribution – at least: 10 % in case of co-financing (BGEEF & commercial bank) 25 % in case of financing solely from BGEEF Credit maturity period: up to 5 years</p>
6	RES-LEGAL	<p>Loan (Residential Energy Efficiency Credit Line - REECL) - The REECL facility aims to give householders or Associations of Home Owners across Bulgaria an opportunity to realise the benefits of energy efficiency home improvements by providing them with loans and incentive grants through local participating banks. Any householder or Association of Home Owners who takes a REECL loan is entitled to receive an incentive of 20%, 30% or 35% respectively toward the cost of the energy saving project once it has been completed at their residence, subject to terms and conditions.</p>
7	RES-LEGAL	<p>Tax regulation mechanism - The use of renewable energy technologies in buildings is promoted through a system of tax incentives for building owners. The incentive scheme provides that a building that has been granted a class A or B energy performance certificate can be exempted from property tax for a longer period of time if renewable energy technologies are used in the building. Buildings using renewable energy technologies with ‘A’ certificates are exempt from tax for 10 years (art. 24 No.18 b Local Tax Act), and buildings with ‘B’ certificates for 5 years (art. 24 no. 19 b Local Tax Act). A certifiable building must be fully completed. The certificates for energy efficient buildings are based on an ordinance issued by the Bulgarian Ministry of Energy. According to art. 11 of Ordinance No. RD-16-1057, energy performance certificates contain information about: the type of building, year of commissioning, total area, heated area values of integrated energy performance regarding energy consumption, specific energy consumption for heating, ventilation and hot water for domestic purposes</p>
8	RES-LEGAL	<p>Biofuel quota - Persons introducing liquid fuels of crude oil origin for transportation shall be obliged to offer market fuels for diesel and petrol engines blended with biofuels.</p>
9	RES-LEGAL	<p>Tax regulation mechanism (Tax Reduction for Biofuels) - Following financial</p>

		incentives are applied to promote the use of biofuels: a reduced rate of excise duty for unleaded petrol when bioethanol with 4 % to 5 % of volume has been added; a reduced rate of excise duty for gas oil when biodiesel with 4 % to 5 % of volume has been added.
10	IVM	Temporary concession charge waiver or reduction for exploitation of certain deposits of underground natural resources.
11	IVM	Temporary concession charge waiver or reduction for exploitation of certain deposits of underground natural resources. No estimates available.
12	IVM	VAT exemption for import of natural gas, electricity or heating. No estimates available.
13	IVM	Excise Tax Return for Motor Fuels Used in Agriculture.
14	IVM	Reduced excise duty on gas oil in agriculture.
15	IVM	Excise duty exemption on coal and coke for sale to individuals.
16	IVM	Excise duty exemption on natural gas for household use.
17	Heinrich Boll Stiftung	Estimated government liabilities associated with the construction of the Belene power plant. In 2013, Bulgarian Parliament voted to stop for good the construction of the Belene power plant http://www.worldnuclearreport.org/Bulgarian-Parliament-Votes-to.html . The amount is estimated at 10bn Euro but it is not clear what is this for. Part of this (300mln Euro) could be for the preparation of the BELENE project. Letter DG comp. 19/03/2010.