



Bulgaria: Energy Security Council to the Government to Coordinate the National Policy in the Energy Sector

by Lyubomir Talev (Sofia)

A new Energy Security Council to the Council of Ministers will coordinate the national policy in the energy sector and will set the Bulgarian priorities with regard to the European Energy Union. The decision has been taken on the government's session which took place on 1 July 2015. The role of the Council is to observe the implementation of the integrated energy policy for providing the consumers with accessible energy, for modernisation and completion of the national energy infrastructure and reforms in the energy sector. The Council will be responsible for the effective coordination between different departments having competences in the area of the country's energy security. It will follow up the energy politics and the foreign policy priorities related thereto, including the country's participation in the trans-border energy projects in Southeastern Europe. The Council will coordinate Bulgaria's positions in the energy area and will support international obligations such as the presidency of the South-East European Cooperation Process (SEECP), the Bulgarian presidency of the EU Council etc. The Deputy Prime Minister for the EU funds and economic policy has been appointed to chair the Energy Security Council. His deputies will be the Minister of Energetics and the Minister of Foreign Affairs. The sessions of the Council will be held once monthly at closed doors. An opportunity for extraordinary meetings under a proposal from the Chairman or the Deputy Chairmen is being provided.



Bulgaria: Amendments to the Bulgarian Energy Act

by Daniela Dzabarova Anagnostopoulou (Sofia)

The Bill for amendment and supplementation of the Energy Act was adopted on 22 July 2015 by the Bulgarian Parliament. Among others, the adopted amendments to the Energy Act (EA) refer to the following issues: A new fund under the name "Security of the electro energy system" is established in the form of a corporate legal entity with headquarters in Sofia (Article 36b from the EA). The aim of the fund is to manage the amounts for the cover of the costs of the public provider –NEK, resulting from its mandatory obligation under Article 93a (e.g. to purchase electricity under long term Power Purchase Agreements). The fund will be managed by the Board of Directors (BoD) and the members of the BoD will be elected as follows: the Chairman by the Minister of Energy, one member by the Minister of Finance, one member by the Minister of Environment and Water and two members by the producers of the electricity.

Furthermore, an obligation is imposed under Article 36e on all producers of electricity to provide mandatory monthly instalments to the Fund, amounting to 5% of their monthly revenues from sold electricity, VAT exclusive. Electricity traders, which import electricity in Bulgaria, are also required to contribute to the Fund by instalments amounting to 5% of their monthly revenues from imported electricity, VAT exclusive. Finally, according to the new Article 98, all Power Purchase Agreements for purchase in regulated prices concluded between the producers and the suppliers of last resort or the public provider are public and the parties have mandatory obligation to submit them to the Energy and Water Regulatory commission ("EWRC) within 14 days upon conclusion. On its side, the EWRC shall publish the agreements on its official website within 7 days.

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