

The government in Sofia and representatives of Bulgarian companies have agreed to raise the ceiling for electricity subsidies, it was announced at the press conference of the Council of Ministers.

The Minister of Energy, Aleksandar Nikolov, specified that subsidies for companies for May and June will be paid for prices of over 200 leva (about 102 euros) per MWh. So far, the level above when subsidies were paid has been set at 185.59 leva (95 euros) per MWh. Prior to the meeting, the Council of Ministers presented its proposal for compensation of high electricity costs. It envisages the payment of 85% of the difference between the stock exchange price in May and the reference value from July 2021, with the raising of the support ceiling. According to the bill, the aid should amount to 160 leva (about 82 euros) per MWh.

Over the weekend, Finance Minister Asen Vasilev commented that the government could afford compensation for electricity due to the fact that Bulgaria is less dependent on movements in international electricity markets thanks to local resources - more precisely coal.

At the same time, Vasilev says little can be done about gas and fuel prices, where Bulgaria is highly exposed to developments in international markets. However, he announced that the reduction of excise duties on certain fuels is imminent, which is allowed by European directives.

On Friday, May 13, the Energy and Water Regulatory Commission approved a 14.3% increase in gas prices for this month, to just over 162 leva (82.8 euros) per MWh.

The government expects that in June, thanks to LNG deliveries from the USA, the price will return to the level from April, and from July 1, Bulgaria will receive gas from Azerbaijan in full agreed volume. Two tankers with American liquefied gas should arrive in Bulgaria on June 8th and 23rd, Prime Minister Kirill Petkov said.

Among the long-term measures to support the energy sector, the government is proposing to tax the "surplus profits" of energy companies under the auspices of the Bulgarian Energy Holding (BEH), which will be redistributed through the Electricity System Security Fund.

Source: investor.bg