

The request for assessment of compliance with European rules on state aid refers to the amendments to the Energy Law from 2018 and 2019, which allow all producers of electricity with output equal to or greater than 1 MW to enter the free market.

The European Commission (EC) has not yet made a decision on the compensation scheme for producers of electricity from renewable sources on the Independent Bulgarian Energy Exchange (IBEX).

For producers who are entitled to preferential prices, the compensation scheme provides for the payment of the difference between the agreed and the price realized on the exchange. The new changes envisage that producers with power output from 500 kW to 1 MW will enter the free market as well.

The changes also refer to the abolition of the cold reserve services. This step was also welcomed by the Bulgarian Federation of Industrial Energy Consumers (BFIEC) in its opinion addressed to the energy regulator. The Association adds that it would be good practice to introduce transparency requirements for transactions to ensure availability of supply - for example, providing information on prices, quantities and available sources. In their opinion on the legal changes, BFIEC also proposed auction-based RES model, where the bidder with the best price and construction conditions would get the concession to build RES facilities.