

The Commission for Energy and Water Regulation (KEVR) last week approved the electricity prices to be applied during the next regulatory period from 1 July 2021 to 30 June 2022. The Prosecution Office asked KEVR to assess whether changes in the rules for determining the price of district heating services are needed and to clarify how the increased electricity prices were formed.

The statement said that on June 28, the Supreme Administrative Prosecution Office began an investigation prompted by media reports related to the increase of electricity and heating prices. According to the prosecution, the publications suggest evidence of an illegal increase. In addition, the current regulation on price formation creates preconditions for unrealistic pricing to the detriment of end users. After taking into account all pricing elements and applying the pricing methodology, the average price increase of electricity for consumers on the regulated market for the whole country is 4.4 %. The decision also approved the amount of 3.65 euros/MWh, excluding VAT, as a public obligation surcharge, the proceeds from which are collected by the Electricity System Security Fund. The main reason for the increase in electricity prices is the increased costs of the Security Fund to compensate for the electricity produced by thermal power plants, whose costs increase as well due to the higher prices of the primary fuel purchased by them - natural gas, as well as CO2 emissions. As a result of higher emission prices, the price of electricity produced by the two coal fired power plants owned by US companies and by state-owned TPP Maritsa East 2 is rising, which is reflected in the increase in the public obligation surcharge. The final decision of the regulator also took into account the additional increase in electricity after the inclusion of the TPP Maritsa East 2 in the mix for the regulated market with an annual quota of 1 TWh, according to the order of the Energy Ministry. The prosecution service found that the increase in heating prices as of 1 July is contrary to the Energy Act, according to which the production, transmission, distribution and trade of heat are carried out while ensuring the protection of consumer interests. Due to significant public interest, the Prosecution Office wants the KEVR Chairman to determine as soon as possible whether actions have been taken to change the bylaws in connection with heating prices.