

In recent months the price of CO<sub>2</sub> emissions has increased significantly and is already above the forecast of the Bulgarian Energy and Water Regulatory Commission (KEVR). Therefore, at the end of January, state-owned National Electricity Company (NEK) requested a review of the price of the two privately-owned coal-fired power plants in the Maritsa Basin - AES Galabovo and ContourGlobal Maritsa East 3. NEK said that their costs for buying electricity from the two TPPs are increasing significantly due to more expensive carbon dioxide emissions on global market. In its price calculation of 1 July 2020, KEVR set an estimated price of carbon allowances of 22 euros/ton, and in the second half of last year the price has already reached 29 euros/ton. At the moment the price exceeds 30 euros/ton, and at the end of last week it briefly reached a level of 40 euros/ton. Further growth of carbon emissions prices is expected in 2021. However, KEVR calculations show that the increased CO<sub>2</sub> quota prices will not create a deficit in the purchase of electricity under the long-term contracts with the two US-owned power plants, because of the higher revenues in the Electricity System Rescue Fund. According to the expert analysis, the costs incurred for the two plants increased from around 77 million euros to 126 million euros. However, additional income in the Fund increased by 81 million euros to around 129 million euros. Based on this calculation, KEVR will not allow NEK to change the price for the purchase of electricity from the two power plants, and accordingly the price of electricity on the regulated market. KEVR also determined that it is not necessary to increase the price set for the transmission system operator ESO to provide a reserve output during this regulatory period, which expires on 30 June 2021.