

Bulgaria proposes 20% FIT cut for wind

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Bulgarian state energy regulator SEWRC is proposing to cut the feed-in-tariff (FIT) for wind energy more than 20%, in a new blow to the country's struggling wind energy sector.

"Everyone in the sector is extremely concerned," said Yordan Merakov of Danish developer Global Wind Power. "We had been expecting a maximum 5% cut."

For the one-year period beginning July 1, SEWRC has proposed a FIT of BGN 0.149/kWh (EUR 0.076/kWh) for the first 2,250 hours operation at the equivalent of a full-load, down 22% from the current rate. Above that production level, the purchase rate would drop to BGN 0.133/kWh, a 23% cut.

Industry players say SEWRC significantly underestimated investment costs for Bulgarian wind projects. They are also baffled by its decision to cut the targeted return for wind projects to 7% from 9%.

"The proposed IRR is too low and does not correspond to the actual financing cost conditions in Bulgaria, where just the interest rate from banks for RES projects is typically 9%," said Bulgarian wind energy association executive director Sebastian Noethlichs.

Legislative changes this year and last had already complicated wind project financing. Should the proposed FIT be confirmed when the regulator make its final decision June 28, Merakov expects "there would be no business case for projects using Western European (turbine) technology".

Source [windpowermonthly](#)