

Bulgaria has not received gas from Gazprom for a week, but the expected apocalypse has not happened and the supply of consumers takes place regularly. This shows that the replacement of Russian gas is not only possible, but can be realized very quickly. And with a little luck - without raising the price.

The most difficult part, surprisingly, was the internal resistance - the opposition and parts of the ruling coalition, which began to look for flaws in all possible alternative directions, wanted to continue talks with Gazprom threatening unaffordable prices. The main problem - Russia unilaterally violated the agreement with Bulgaria and cut off gas supplies despite the payments of Bulgargaz - was not discussed by politicians at all.

The resistance completely exposed the line of Russian energy influence (and corruption), but at the same time it created a smokescreen through which the real situation is not visible.

The fact that Bulgaria has stopped relying on Russian gas is an unprecedented political and economic event. The events also put Sofia at the center of European and world events, and in a good way. The first meeting of regional energy ministers, including officials from Turkey and Azerbaijan, is being held in the country on May 5th, with the aim of preparing a joint solution for gas supplies. Agreements are expected to be reached by the end of the month, which will guarantee the region's gas supply at least a year in advance.

### **Did Bulgaria stop the gas itself**

The decision to stop the gas was entirely up to Russia. But Bulgaria did not succumb to Russian pressure and was ready for it.

The government in Sofia did not give in to pressure from Russian President Vladimir Putin and defended its position. Viewed in this way, it can be said that the Bulgarian government deliberately allowed the delivery of Russian gas to be suspended. This is also indicated by the country's readiness to react, without interrupting the supply of end customers. In other words, the scenario according to which Russian gas is canceled has been going on since February.

Undoubtedly, the state supplier Bulgargaz had preliminary talks on providing alternative quantities of gas in case of cessation of supplies from Russia - there is no way to explain the current reaction as early as April 27.

### **How to choose alternative suppliers**

There are two licensed gas exchanges in Bulgaria, but none of them has announced an auction for the purchase of gas by Bulgargaz. The company itself explains that on April 26, after receiving a letter of suspension from Gazprom Export, it sent a written request to 12 natural gas traders operating in the Bulgarian and regional markets to submit bids for gas supplies by the end of April and May 2022. . years.

Seven bids from three suppliers were received and they were ranked according to the "lowest delivery price" criterion. It has not been officially announced which companies are

in question, but the public has learned about at least two - MET Energy Bulgaria and Greek DEPA.

In addition, Bulgargaz says it has entered into several contracts to purchase additional quantities on the stock exchange.

**Will gas become more expensive?**

Compared to April, the price is likely to be higher, but it is also unknown how much it would be if the ruble payment request is met - Bulgargaz says the price is likely to change unpredictably due to inaccurate exchange rates and Bulgaria's inability to control currency conversion process.

For now, there is no official information on the exact prices at which Bulgargaz will receive alternative deliveries. The GERB MP spoke about the level of about 100 euros per MWh, which is significantly more than the regulated tariff for April of 75 euros per MWh. For the sake of comparison - the average value of the Dutch TTF index for April is 103 euros per MWh, and for the first four days of May - 100 euros per MWh.

The decision of the Energy and Water Regulatory Commission on the new price is expected on May 10, and Bulgargaz last requested a 35% increase (to just over 100 euros per MWh). However, Deputy Prime Minister Asen Vasilev announced that the increase may not be so great. According to Capital sources, such a thing would be possible if an increase in supplies from Azerbaijan is agreed.

In any case, the price of gas will not be higher than the market price in Europe.

Bulgaria is expected to join the European joint gas purchase in the medium term, which will ensure security of supply and a competitive price. The options mainly apply to LNG, but also to supplies from North Africa and Norway.

Source: capital.bg