

The Bulgarian government plans to keep its 4.9 GW total electricity generation capacity online and provide 1.4 GW of new renewable capacity combined with 600 MW of storage by the end of 2026, according to an updated version of the national recovery plan. and resilience (RRP) to be approved by the European Commission later this month.

This was announced by the President of the European Commission, Ursula von der Layen, and the Prime Minister, Kiril Petkov, at a joint press conference on Thursday.

Last December, the Commission recommended that Bulgaria withdraw at least 1.4 GW of coal capacity by 2026 in order to receive funds from the RDP, but this request was rejected. The latest version of Bulgaria's RRP also rejected plans to build a 1 GW combined cycle gas power plant to replace the 1.6 GW Marica East 2 (ME2) state-owned coal-fired power plant by 2025.

This means that ME2 will continue to operate at least until 2026, and if necessary after that, since the plant is crucial for security of supply and balancing of the network in Bulgaria and the region, Petkov said.

The announcement comes as EU countries try to move away from Russian gas, and the Commission has pledged to phase out Russian fossil fuels by 2027.

Bulgaria has pledged to reduce CO2 emissions by 40% by 2035, but this target remains uncertain given the ongoing debate on the country's coal production, local market participants said.

The country plans to shut down coal-fired power plants by 2040, the prime minister said in October.

Updated 10-year plan

In the long run, Bulgaria's state-owned power grid operator ESO plans to integrate 4.8 GW of renewables and 1 GW of new thermal capacity by 2031, the company said in its updated 10-year development plan.

The plan envisages that the share of energy from renewable sources in gross electricity consumption will reach 30% by 2031. The plan will have to be approved by the energy regulator by the end of April.

According to the plan, solar capacity would increase from 1.1 GW in 2022 to 4.4 GW in 2031, while wind capacity would increase from 700 MW to 1.1 GW. In this period, 1 GW of new thermal capacities is planned.

The ICIS Power Horizon model predicts that the country will have 4.3 GW of solar energy and 2.4 GW of wind on the grid by 2031.

ESO predicts a reduction in Bulgaria's electricity exports from 900 MW per day in 2022 to 350 MW in 2031.

The network operator expects that the absolute maximum load will be 7.7 GW in 2031 and the maximum load for the average working day will be 7.1 GW.

Bulgaria's electricity consumption is expected to increase from 38 TWh in 2022 to 42 TWh

in 2031.

ESO is also planning future access to ENTSO-E balancing platforms, which in turn will provide additional market opportunities for the country's balancing energy suppliers, as planned.

The day-ahead drift with Greece and Romania in 2021 improved the Bulgarian electricity market, optimized regional flows and had a positive effect on covering domestic energy consumption, a local trader said.

ESO will have the opportunity to activate balancing capacities from other market zones in the conditions of supply shortage in the country, another trader added.