

Bulgarian Power Exports Slip on Capacity Cuts

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Bulgarian power exports fell by 22pc in January-June compared with the same period last year as interconnection capacity made available to the market was cut, Argus Media reported, as quoted by [energia.gr](#).

Bulgaria exported 3,853GWh in the first six months of this year, compared with 4,964GWh in the first half of 2011, according to data from European grid operator association Entso-E. The decline is mainly a result of sharp reductions in the amount of interconnection capacity that transmission system operator ESO offered to the market, although the unexpected curtailments of capacity earlier this year and export fees have also played a part, increasing risk for traders and reducing export demand.

Total export capacities auctioned monthly on Bulgaria's borders with Greece, Romania, Serbia and Macedonia have been cut by around 40pc this year compared with 2011, averaging approximately 520MW compared with 875MW previously, according to Argus calculations.

Annual capacity offered to the market in January-June was also down to a maximum of around 650MW, not including planned curtailment periods, compared with 725MW in 2011. According to Entso-E rules, capacities are agreed between neighbouring transmission system operators and in the case of disagreements the lower value is used.

Exports were halted for seven days in January because of problems with lignite supply, and for nine days in February as a result of low temperatures and heavy snow causing high demand and disruption to supply. But exports also declined over the rest of the first half of this year, except in March.

The reduction in capacity has the effect of keeping cheaper generation within Bulgaria, holding prices down for domestic consumers. But the inability to export power to the region also affects the profitability and investment potential for Bulgarian generation. The limited capacities have also pushed up the clearing prices for export capacities in auctions.

Separately, Bulgaria recently increased fees on exported power, furthering limiting the competitiveness of Bulgarian generation in international markets.

Source publics