

Intelligent Energy  Europe



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Barriers for the incorporation of RES in Bulgaria

Different barriers

- Administrative
- Technical
- National
- There is a relation between these barriers
- All of them are acting together, so they have to be discussed as a complex issue

From: Renewable and Alternative Energy Sources and Biofuels Act

- The transmission and distribution enterprises shall allocate resources for grids development
- The transmission company and/or distribution companies shall be obligated to assign priority
- The costs pertaining to the connection of the energy site of the producer shall be borne by the transmission company or the relevant distribution company, whereby the producer shall pay connection fee covering only the direct connection costs

What is in reality

- There is a little development of the grid
- There are a lot of projects, which will never be build (only on paper), but they are occupying the resources of the grid and nowadays is very difficult to find free capacity, even though almost nothing is build
- All the costs pertaining to the connection of the facilities are taken by the producer now

From: Renewable and Alternative Energy
Sources and Biofuels Act

Section IV: Prices of Electricity Generated
from Renewable Energy Sources

Section IV: Prices of Electricity Generated from Renewable Energy Sources

- **Art. 21.** (1) Each year no later than 31 March, the State Energy and Water Regulatory Committee shall determine the preferential prices for sale of electricity generated from renewable or alternative energy sources
- (2) The preferential price of electricity generated from renewable energy sources under para. 1 shall be determined at 80 percent of the average sale price for public utilities or end suppliers for the preceding calendar year plus an addition
- (3) The addition referred to in para. 2 for the next calendar year **may not be less than 95 percent** of the addition for the current year (there is a possibility for lowering the price with 5percent each year)

What kind of barriers arise for future investments?

- There is no stable predictability for the preferential prices
- The price may vary in a large range
- The price may change every year

Other barriers

- Bad image of Bulgaria
- Bureaucracy
- Not enough legal security
- The preferences for producers on slide 3 can be got round, because of leaks in the law

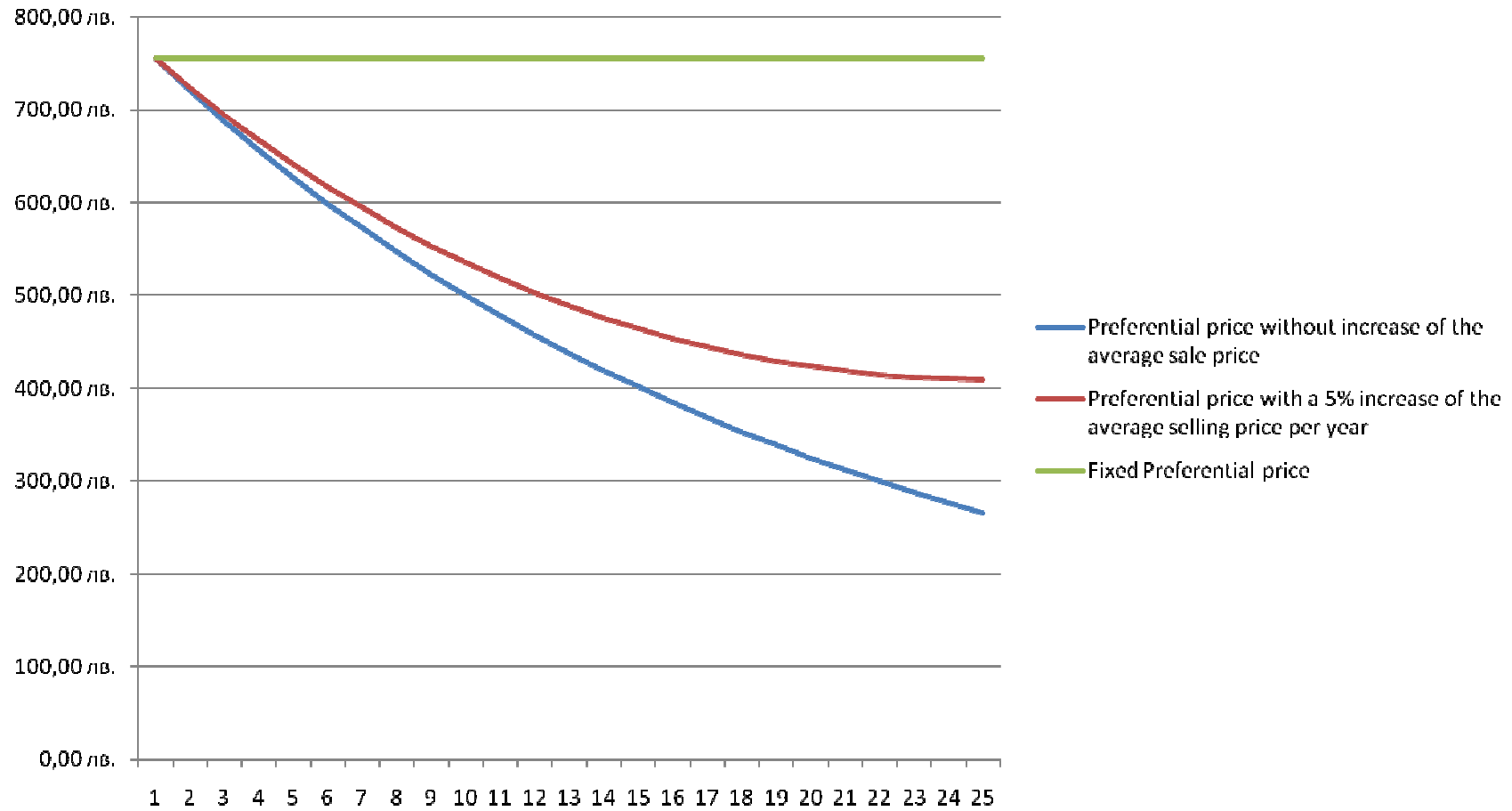
Scenarios for the progress of the preferential price for electricity produced from photovoltaic systems

- Scenario 1 – fixed price
- Scenario 2 – worst case (5 percent lowering per year of the preferential price)
- Scenario 3 – worst case, but with growing average sale price with

Preferential price analysis

ME	80 percent of the average sale price for public utilities for 2008	80 percent of the average sale price for public utilities with 5% growth per year on base of 2008	Addition corresponding art. 21, (2) of the RAESB act, worst case scenario	Preferential price without increase of the average sale price	Preferential price with a 5% increase of the average selling price per year	Fixed Preferential price	year
BGN/MWh	64,40	64,40	690,60	755,00	755,00	755,00	1
BGN/MWh	64,40	67,62	656,07	720,47	723,69	755,00	2
BGN/MWh	64,40	71,00	623,27	687,67	694,27	755,00	3
BGN/MWh	64,40	74,55	592,10	656,50	666,65	755,00	4
BGN/MWh	64,40	78,28	562,50	626,90	640,78	755,00	5
BGN/MWh	64,40	82,19	534,37	598,77	616,57	755,00	6
BGN/MWh	64,40	86,30	507,65	572,05	593,96	755,00	7
BGN/MWh	64,40	90,62	482,27	546,67	572,89	755,00	8
BGN/MWh	64,40	95,15	458,16	522,56	553,31	755,00	9
BGN/MWh	64,40	99,91	435,25	499,65	535,16	755,00	10
BGN/MWh	64,40	104,90	413,49	477,89	518,39	755,00	11
BGN/MWh	64,40	110,15	392,81	457,21	502,96	755,00	12
BGN/MWh	64,40	115,65	373,17	437,57	488,83	755,00	13
BGN/MWh	64,40	121,44	354,51	418,91	475,95	755,00	14
BGN/MWh	64,40	127,51	336,79	401,19	464,30	755,00	15
BGN/MWh	64,40	133,88	319,95	384,35	453,83	755,00	16
BGN/MWh	64,40	140,58	303,95	368,35	444,53	755,00	17
BGN/MWh	64,40	147,61	288,75	353,15	436,36	755,00	18
BGN/MWh	64,40	154,99	274,32	338,72	429,30	755,00	19
BGN/MWh	64,40	162,74	260,60	325,00	423,34	755,00	20
BGN/MWh	64,40	170,87	247,57	311,97	418,44	755,00	21
BGN/MWh	64,40	179,42	235,19	299,59	414,61	755,00	22
BGN/MWh	64,40	188,39	223,43	287,83	411,82	755,00	23
BGN/MWh	64,40	197,81	212,26	276,66	410,07	755,00	25
BGN/MWh	64,40	207,70	201,65	266,05	409,34	755,00	25

The scenarios



Thank you for your attention!

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