

# **POLICY ON ENERGY EFFICIENCY AND RES AND POSSIBILITIES FOR PROJRCT FINANCING IN BULGARIA**

## **NEW Phase EE 21 Project**



**Energy Efficiency Agency**

**[www.seea.government.bg](http://www.seea.government.bg)**

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**GENEVA , 01-02.12.2005**

# State POLICY

State POLICY on Energy efficiency and RES is carried out by the **MINISTER of ECONOMY and ENERGY**

The measures and activities on EE improvements and RES Development are carried out by

- the **EXECUTIVE DIRECTOR** of the **ENERGY EFFICIENCY AGENCY** , together with
  - the **CENTRAL** and **TERROTORIAL EXECUTIVE POWER BODIES** , and
  - the other **STATE BODIES** ,
- which PREPARES , CONTROLS , COORDINATES and PRESENTS to the Minister of economy and energy National Long –term and Short – term programmes on EE and RES**

# State POLICY

- **Branch , Regional and Municipal EE programmes shall be worked out and implemented by central and territorial executive authority and shall be submitted to the Energy Efficiency Agency**
  
- **6 PLANNING REGIONS**
  - **6 Cities - Centers of Planning Regions – SOFIA , PLOVDIV , BOURGAS , VARNA , ROUSSE and VIDIN**
  - **embrace 28 districts and**
  - **264 Municipalities**
  - **28 District EE Councils are established in Year 2004**

# State POLICY

## The main accents of the Energy efficiency and RES

### POLICY :

- **High efficiency of all processes during energy generation, transmission, distribution and consumption**
- **Development of RES**
- **Promotion of investments in energy efficiency and RES**

# LAW S

➤ **ENERGY EFFICIENCY LAW**

➤ **ENERGY LAW**

# Energy Efficiency Law

Adopted by the 39th National Parliament on 19 February 2004, and published in SG, issue 18 dated 05/03/2004

**Energy Efficiency Law regulates the public relationships , connected with the carrying out of the State Energy Efficiency Policy .**

**It is based on the Bulgarian Energy strategy from 2002.**

# Energy Efficiency Law

## AIMS OF THE LAW

- **To determine the EE as a national priority at the carrying out of the state policy.**
- **To define the engagements and the state support for EE development**
- **To establish institutional, normative and financial conditions for realization of the national EE policy as precondition for the successful integration into the EU.**

# ENERGY EFFICIENCY MEASURES

- **EE management**

- **EE services**

- **By natural or juridical persons, registered by the Trade law, according to Chapter 3 , Section 2 by EEL ,**

- **EE Assessment of the objects**

- **Building Certification**

- **EE auditing**



# ***ENERGY LAW***

*Adopted by the Bulgarian Parliament on November 26,2003 and published in  
SG No 107 , 09.12.2003*

## **RES – LEGISLATIVE FRAMEWORK - *from art. 157 to art. 161***

### **CHAPTER 11 - «Promotion of power generation from RES and combined generation»**

#### **INCENTIVES**

**Art.159 mandatory purchasing of power, generated by RES .**

**The public supplier and/or public suppliers are obliged to purchase on regulated by SEWRC preferential prices the whole amount of power, generated by plants, using RES, registered with certificate for origin with installed capacity up to 10 MW .**



# ENERGY LAW

## RES – LEGISLATIVE FRAMEWORK

### ■ Art. 160

(1) The transmission company and the distribution companies shall be **obliged to connect by priority** all power plants generating electricity from RES, including HPPs, with **total installed capacity up to 10 MW** to the transmission / distribution network .

(2) **The connecting costs of the power plant** to the respective network up to the property boundary of the electrical equipments **shall be covered by the producer.**

(3) **The expansion and reconstruction of the transmission and/or distribution networks** involved in connecting the power plant pursuant to Paragraph 1, **shall be the responsibility of the transmission and respective distributor company.**





# **NATIONAL Short Term EE PROGRAMME 2005 - 2007**

## **Expected Results :**

- **Sectors – Industry , Transport , Agriculture ,  
Hausholds and Services**
- **Number of Projects - 302**
- **Investments - 203 M Leva**
- **Saved Fuels - 75 Ktoe/year**
- **Saved el. energy - 374 303 MWh/year**
- **Saved thermal energy - 78 390 MWh/year**
- **Annual economic effect – 68 M Leva**
- **Saved CO<sub>2</sub> emmissions - 504 Kt/year**

# ENERGY SERVICES

- **Energy AUDITING** - **418 enterprises with over 3 000 MWh/year**
- **Energy CERTIFICATION** – **state and municipal buildings with over 1 000 sq.m useful area**
- **Performance contracting**
- **TPF**

# **EE&RES PROJECT FINANCING**

- 1. Energy Efficiency Fund**
- 2. KIDSF – Kozlodui Fund**
- 3. Industrial EE&RE Credit Line**
- 4. Residential EE&RE Credit Line**
- 5. National Trust Fund ( EcoFund )**
- 6. Enterprise for Management of environmental protection activities (EMERA)**

# 1. Energy Efficiency Fund

- **Bulgarian Energy Efficiency Fund has been established as a revolving tool for attracting financial resources to promote Energy Efficiency Development ,**
- **The Fund provide**
  - **Low interest Loans for investment projects in the public and private sectors ,**
  - **Guaranties**

# 1. Energy Efficiency Fund

- **The Fund capital is \$ 17 million**
  - **\$ 10 million by GEF – WB**
  - **\$ 1,5 million by BG Government**
  - **\$ 5,5 million by other donors**
  - **Fund Manager assigned – starting period**

## **2. KIDSF – Kozlodui Fund**

- **The Fund is established in connection with decommissioning of 4 units in NPP Kozlodui ,**
- **Steering Committee in MEE is working ,**
- **The Fund**
  - **provide GRANTS for EE projects in public buildings , hospitals , schools ,**
  - **5 MEUR – first transfer**
  - **36 EE Projects started in Hospitals , Schools , Cultural institutions – public property**

## **3. INDUSTRIAL EE&RE Credit Line**

**Credit Line = EBRD's Credit + KIDSF's Grant**

- **6 Bulgarian Trade Banks**
- **50 MEUR Credit for EE&RES Projects**
- **10 MEUR GRANT for EE&RES Projects**
- **Small Projects – up to 1,5 M EUR**
- **7,5 % GRANT for EE Projects**
- **20 % GRANT for RES Projects – Solar , Wind , Hydro , Biomass , Geothermal , Biogas**
- **Provision of Consulting Services**

## **4. RESIDENTIAL EE&RE Credit Line**

**Credit Line = EBRD's Credit + KIDSF's Grant**

- **4 Trade Bulgarian Banks**
- **Total 60 MEUR**
  - **50 MEUR Credit**
  - **10 MEUR GRANT**
- **30 000 Small Projects – up to 7,500 EUR**
- **20 % GRANT for EE&RES – household appliances ; Solar , Wind , Hydro , Biomass , Geothermal , Biogas systems (not more 850E)**
- **Provision of Technical Assistance**

## **5. National TRUST Fund (EcoFund)**

### **Co-financing for EE&RES Projects (debt to a nature)**

**Priority Area : - Reduction of green – house gas emissions**

- Provides : - GRANT up to 30 % of the total project costs , or  
- LOAN up to 50 % of the total project costs**
- Eligible candidates : - budget organizations , municipalities , companies , NGO , etc.**

## **6. ENTERPRISE for management of environmental protection activities (EMERA)**

- **PURPOSE** – to finance implementation environmental projects and activities pursuant of national and municipal strategies and programmes
- **Provides :- GRANTS (only to the municipalities)**
  - **Interest Free LOANS** , up to 70 % of the total project costs ,
  - **Low interest LOANS** , up to 70 % of the total project costs ,
- **Eligible candidates:-companies&municipalities**

# **New Phase EE 21 Project Improving Business Plans**

- **Close collaboration with the Local Authorities - Recipients ,**
- **Defining the most appropriate Projects from the programmes , which contribute to the Local EE & RES Policy implementation ,**
- **Taking into account existing energy prices ,**
- **Part with financial parameters – NPV ; IRR ; PBP ,**
- **Part with calculating of expected CO<sub>2</sub> emissions .**

# **THANK YOU FOR THE ATTENTION!**

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