

D9: EED

implementation in Bulgaria

Introduction:

Ministry of Economy and Energy is the responsible institution for EED implementation in Bulgaria. The monitoring and the control on EED execution is delegated to Sustainable Energy Development Agency (SEDA). SEDA is a legal entity at state budget support and has the status of an executive agency within the Ministry of Economy and Energy. A legal framework has been elaborated for the regulation of ESD transposition in Bulgarian legislation. EED is still not fully transposed in Bulgarian legislation. In May 2013 with a special Order by the Minister of Economy and Energy an inter-institutional working group was created. The main task of the working group is elaboration of new Energy Efficiency Act in accordance with the EED requirements. In the working group there are representatives of all institutions related to energy efficiency legislation including companies under the requirements of Article 7.

Legal context

Energy Efficiency Act was enforced by Bulgarian National Assembly and promulgated in State Gazette No. 98/14.11.2008. Last amendment of the law was made in July 2013. The law fully transposes Directive 2006/32/EC and Directive 2010/31/EC.

Regulations elaborated to develop the provisions of the Law:

1. Regulation defining the national indicative targets, the distribution sequence of the targets as individual objectives for energy savings among the legal entities under Art.10 (1) of the EE Act, the admissible EE measures, the methodologies for estimation and manners for energy saving acknowledgement.
2. Regulation specifying the conditions and sequence of size and refunding of EPC means, resulting in energy savings in buildings, which are state or municipal ownership.
3. Regulation specifying energy costs indicators, energy performances of industrial systems and the conditions and sequence of delivering EE audits in industrial systems;
4. Regulation for EE audits and certification of buildings;
5. Regulation for energy performances of buildings;
6. Regulation specifying the EE inspections of boilers and air-conditioning systems in buildings;
7. Regulation defining the circumstances, subjected to be registered in the Register of Entities delivering certification and EE audits in buildings and the rules for receiving information as well as the terms and rules for acquiring and acknowledgement of legal capacity.
8. Regulation specifying the contents, structure, terms and rules for selection and delivery of information.

The Energy Efficiency Act and the Regulations under it are foreseen to be changed in accordance to correspond to the EED requirements. According to Article 28 of EED Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with the Directive by 5 June 2014.

Status of the implementation

Notwithstanding the final date for the EED transposition in the National legislations, Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Article 4, the first subparagraph of Article 5(1), Article 5(5), Article 5(6), the last subparagraph of Article 7(9), Article 19(2), Article 24(1) and Article 24(2) and point (4) of Annex V by the dates specified therein.

Article	Final date	Current situation/Undertaken actions
Article 4	30 April 2014 (part of NEEAP)	Created inter-institutional working group for NEEAP development by an Order from the Minister of Economy and Energy.
First subparagraph of Article 5(1)	From 1 January 2014	The text is not transposed in the Energy Efficiency Law but there are actions undertaken to comply with the article. An inventory list of heated and/or cooled governmental and municipal buildings with a total useful floor area over 250 m ² was made and published

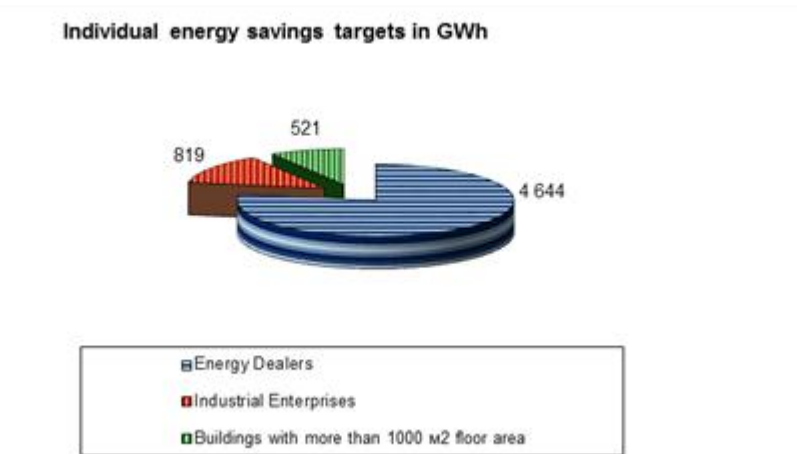
Article 5(5)	31 December 2013	The inventory list of heated and/or cooled governmental and municipal buildings with a total useful floor area over 250 m ² was made publicly available. The list is published on the Ministry of Economy and Energy Internet site: http://www.mi.government.bg/bg/pages/energiyna-efektivnost-52.html Direct link to the inventory list: http://www.mi.government.bg/files/useruploads/files/spisuk_sgradi.xls
Article 5(6)	31 December 2013 (alternative approach to Art. 5(5))	By now alternative approach is not chosen.
Last subparagraph of Article 7(9)	5 December 2013	National methodology for functioning of the energy efficiency obligation scheme under Art. 7(1) was submitted to the Commission in December 2013.
Article 19(2)	30 April 2014 (part of NEEAP)	Created inter-institutional working group for NEEAP development by an Order from the Minister of Economy and Energy.
Article 24(1)	30 April 2013	The report of the implementation of Second NEEAP and the progress achieved towards national energy efficiency targets, in accordance with Part 1 of Annex XIV, is submitted to the Commission in the mid of 2013. The same report is adopted by Bulgarian Council of Ministers and is publicly available at the following link: http://www.seea.government.bg/documents/VNPDEE_Otchet_2012.pdf
Article 24 (2)	30 April 2014 and every three years thereafter	Created inter-institutional working group for NEEAP development by an Order from the Minister of Economy and Energy.

Table 1 – Current situation according to preceding and forthcoming final dates in Directive 2012/27/EC

Additional information on the current status of the implementation:

1. Energy efficiency obligation scheme to 2016

Three groups of obligated under the EE Act parties have individual energy savings targets. The obligated parties are: energy sales companies, owners of industrial enterprises (SME's) with annual energy consumption more than 3 000 MWh and owners of municipal and state buildings with total floor area more than 1 000 sq. m. The list of the obligated parties and their individual energy savings targets is an Annex to NEEAP and is adopted by Bulgarian Council of Ministers. The list is publicly available on the Sustainable Energy Development Agency Internet page: <http://seea.government.bg>.



The total amount of the savings expected from the obligated persons in 2016 is 82% from the ESD National energy efficiency target.

Results:

Obligated parties with individual targets	Energy savings target for the period 2008-2013 GWh	Achieved savings GWh
Energy sales companies	2 322	948
Industrial enterprises	419,6	186,1
Municipal and state buildings	260,5	710,3

Table 2 – Energy savings targets for the period 200-2013 and their implementation by the obligated parties

2. Energy efficiency obligation scheme according to Article 7

In December 2013 Bulgaria reported to the Commission “National methodology for functioning of the energy efficiency obligation scheme under Art. 7(1)” The Methodology gives information about the obligated under Article 7 companies and details about the obligation calculations:

- The sales of energy, used in transport, are fully excluded from the calculations
- The obligation scheme includes all energy sales companies which: sale energy to final consumers in amount more than 74 GWh/annually (6.45 ktoe/ann.); have personnel more than 10 employees; have annual turnover more than 10 million BGN.

	2010	2011	2012	Average
Final energy consumption (excluding transport), ktoe	5 990	6 337	6 173	6 167

Table 3 – Final Energy Consumption in Bulgaria; Source: National Statistical Institute

According to the reported calculations the obligations are distributed for the period 2014-2020 as follows:

Year	Obligations excluding transport and using Article 7(2) options Ktoe
2014	69,38
2015	138,75
2016	208,13
2017	277,50
2018	346,88
2019	416,25
2020	485,63

Table 4 – Distribution of the obligations for the period 2014-2020

The permissible energy efficiency measures should contribute to the following requirements:

- The pay-back period should be no longer than the lifetime of the measures
- They should lead to savings of primary energy resources
- They should lead to greenhouse gases emissions decrease
- They should not aggravate the environment quality
- They should not aggravate the sanitary-hygiene standards

For the implementation of their individual targets the obligated parties can implement horizontal measures as information and publicity campaigns. Also they can fulfil their obligations by contributing annually to the “Energy Efficiency and Renewable Sources” Fund or to other funds an amount equal to the investments required to achieve those obligations. The obligated parties can implement measures in all Final consumption sectors – Industry, Transport, Households, Services, Public organizations, Agriculture, Forestry, Fish industry, etc. The energy sales companies are allowed to implement measures in the energy transformation, distribution and transmission sectors including efficient district heating and cooling infrastructure.

3. Energy audits and energy management systems (Article 8)

In Bulgaria there is an operative scheme for energy audits in public buildings and industrial enterprises. The scheme is introduced in Energy Efficiency Law and came into force in 2004. According to the provisions of the EEL all buildings whose useful floor area is over 500 m² and all industrial enterprises with annual energy consumption more than 3 000 MWh are subject of obligatory energy efficiency audits. Also the law sets mandatory energy efficiency inspections for hot water boilers and air-conditioning systems in buildings. The rules for the energy efficiency audits and inspections are objects of special Ordinances under the Energy Efficiency Law. Energy efficiency inspections, audits of buildings and Industrial enterprises, certification of buildings, making evaluations of compliance of development-project designs and preparation of energy savings evaluations shall be performed by persons entered in special public register. The register is maintained and administrated by Sustainable Energy Development Agency. SEDA is also responsible for the control on the qualification of the energy efficiency auditors.

4. Promotion of efficiency in heating and cooling and energy transformation, transmission and distribution (Articles 14 and 15)

The requirements in Article 14 and Article 15 are partially transposed in Bulgarian legislation with the Energy Act (last amendment 26.07.2013). This Act regulates the social relations associated with the activities of generation, import and export, transmission, transit transmission, distribution of electricity, heat and natural gas, oil and oil product transmission through pipelines, trade in electricity, heat and natural gas, as well as the powers of state bodies in formulating energy policy, regulation and control.

Additional efforts

Along with the existing energy efficiency obligation scheme there is already acting mechanism for voluntary agreements in Bulgaria. The mechanism is set in the Energy Efficiency Act. The voluntary agreements aimed to encourage reductions in energy consumption by provision of energy services and/or implementation of energy efficiency activities and measures by the retail energy sales companies and by energy efficiency audit and/or implementation of appropriate measures by the final consumers of energy. The voluntary agreements may be concluded between the Executive director of SEDA and the energy sales companies or the owners of industrial systems.

To this moment there are 4 signed voluntary agreements with the biggest electrical supplying companies on the country's territory and with the only Nuclear Power plant in Bulgaria. They all are obliged persons under the Bulgarian obligation scheme.

Future planning

The most important future goal is the full transposition of Directive 2012/27/EC in the National legislation. The final date according to Article 28 is 05.06.2014. As it was mentioned above in May 2013 with a special Order by the Minister of Economy and Energy an inter-institutional working group was created. The main task of the working group is elaboration of new Energy Efficiency Act in accordance with the EED requirements.

Bulgaria also has started the implementation of project, financed by the Operational Program "Development of the Competitiveness of the Bulgarian Economy". The beneficiary of the project finances is SEDA and one of the foreseen activities is analysis of the market environment, the legislation and the optimum scheme for the application of financial mechanism "White Certificates Trading Scheme". The project is expected to be finalized in 2015.

Relevant information

Ministry of Economy and Energy: www.mi.government.bg

Sustainable Energy Development Agency: <http://seea.government.bg>

Energy Efficiency and Renewable Sources Fund: <http://www.bgeef.com/display.aspx>

Energy Efficiency Act: http://seea.government.bg/documents/ZEE_EN.pdf

Energy Act: <http://www.mi.government.bg/library/index/download/lang/en/fileId/256>