



REPUBLIC OF BULGARIA

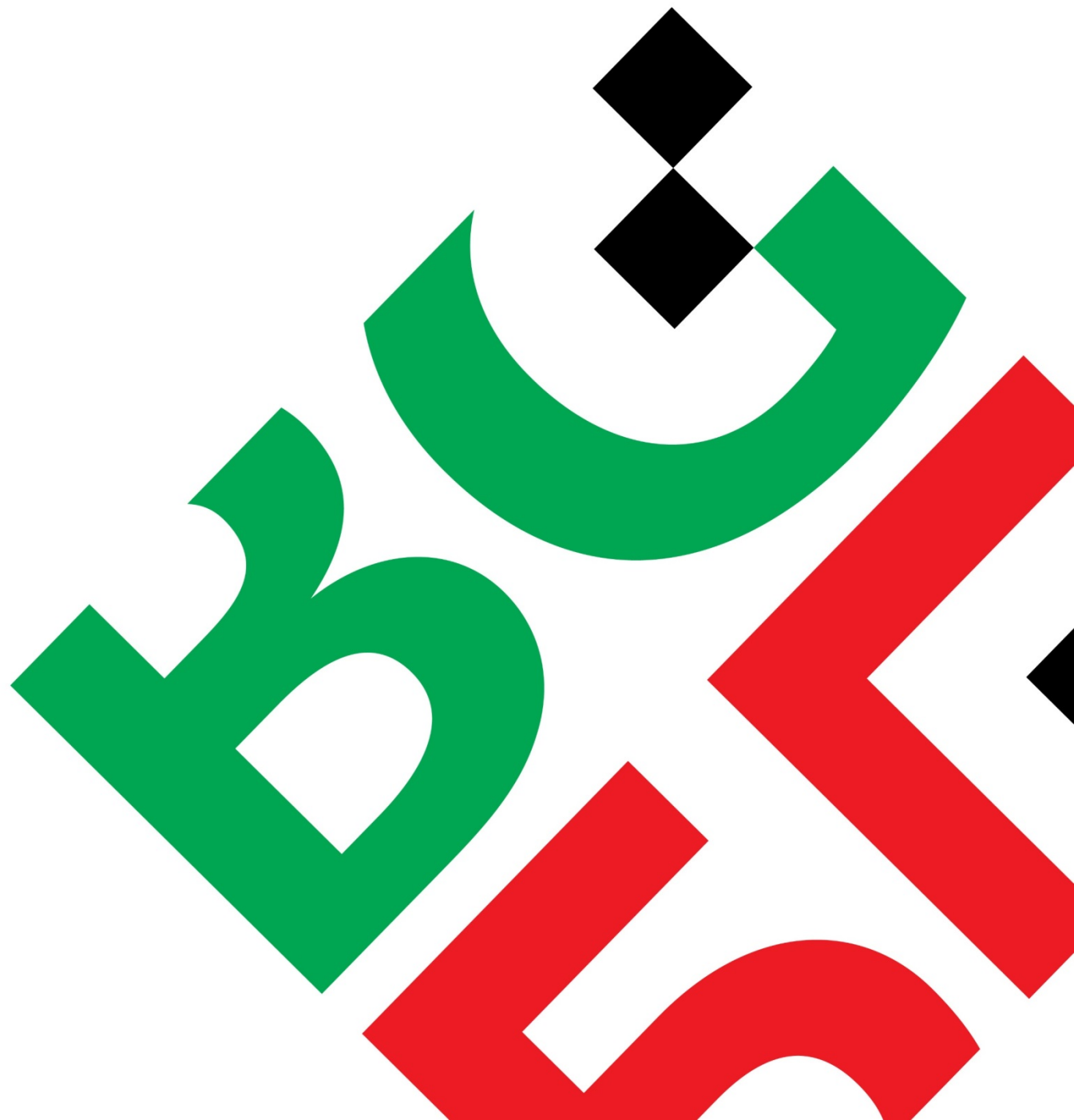
Ministry of Energy

Bulgaria and SEE Market Priorities



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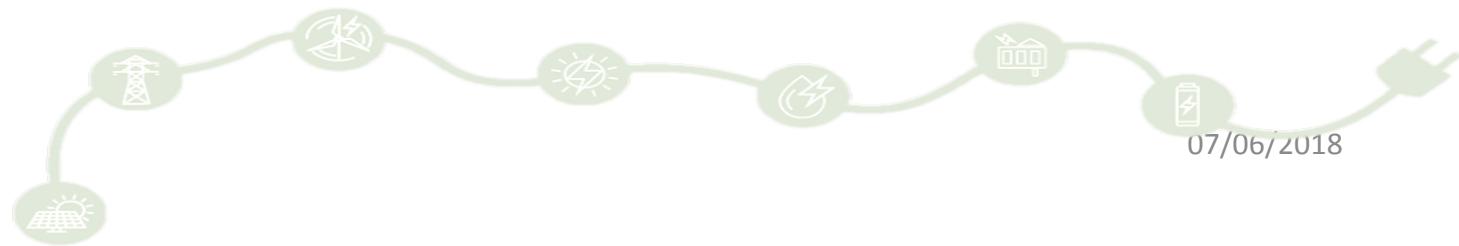
Bulgarian Presidency of the Council
of the European Union



❖ Bulgarian Presidency – Working programme

Key elements

- Achieving a stable European Energy Union
- Progress in the discussions on the proposals from the package 'Clean Energy for all Europeans' by seeking a balance in the interests of member-states
- Achieving a maximum progress in the negotiations with the European Parliament regarding legislative documents
- Energy security as a key element and one of the effective ways to achieve a low-carbon economy
- Development of regional cooperation
- High level of interconnectivity in the Western Balkans by constructing the missing infrastructure



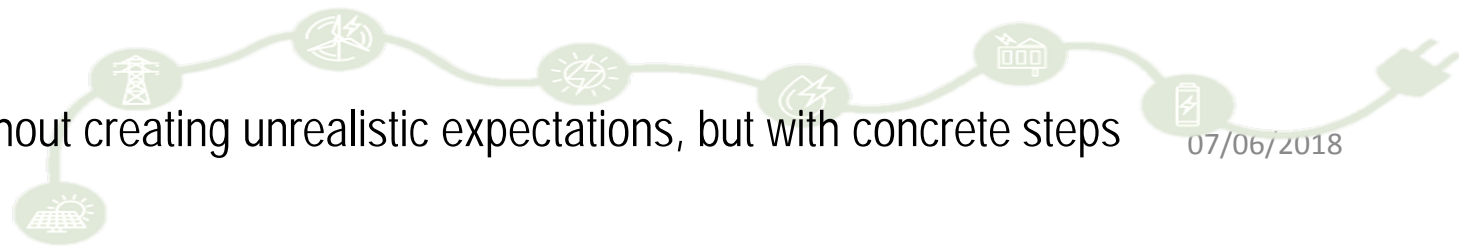
❖ Bulgarian Presidency – Western Balkan

Presidency main goals concerning WB

- Clear European perspective for the WB countries
- To provide connectivity to the Western Balkan countries – between them and with MSs – transport, energy, educational and digital. Bulgaria invests consequent efforts in this direction:
 - *Integration of the Western Balkans in the EU digital policies through gradual reduction of roaming charges and by increasing the possibilities for broadband internet access*
 - *developing and connecting transport infrastructure as a driving force for growth and job creation*
 - *achieving a stable European Energy Union*

Energy goals

- High level of interconnectivity
- Constructing missing infrastructure
- Clear action plan with each of the countries, without creating unrealistic expectations, but with concrete steps



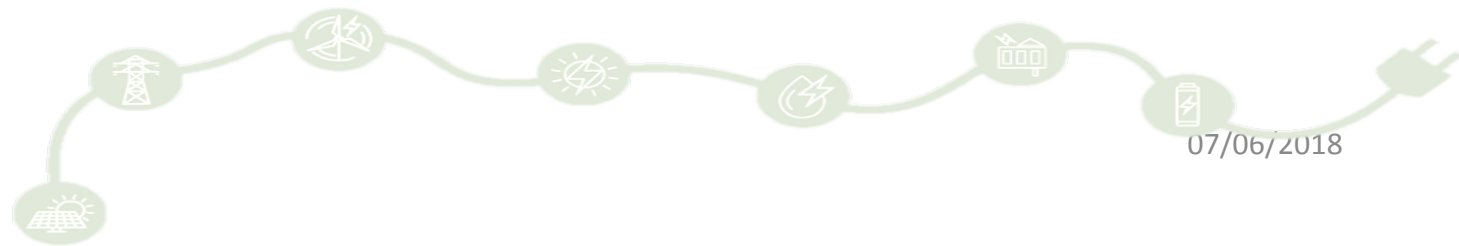
❖ Main outcomes

Short-terms perspectives

- Creating more opportunities for interaction between WB countries and MSs
- Enhancing the welfare of consumers in the region by creating more opportunities and a level playing field
- Improving the economic situation of the countries in the region by strengthening the connectivity of the markets
- Increasing economic efficiency, market integration and security of supply
- Market organized on the basis of the principles of non-discrimination and transparency
- Economic development and social stability

Long-term perspectives

- Creating a single market across Europe, with uniform rules and organization in place to provide consumers and businesses with a wide range of opportunities
- Security and prosperity in the region



❖ Bulgarian Presidency – EU & EC

European Union

One Electricity Market Organization
Legislation (3rd – 4th energy package)



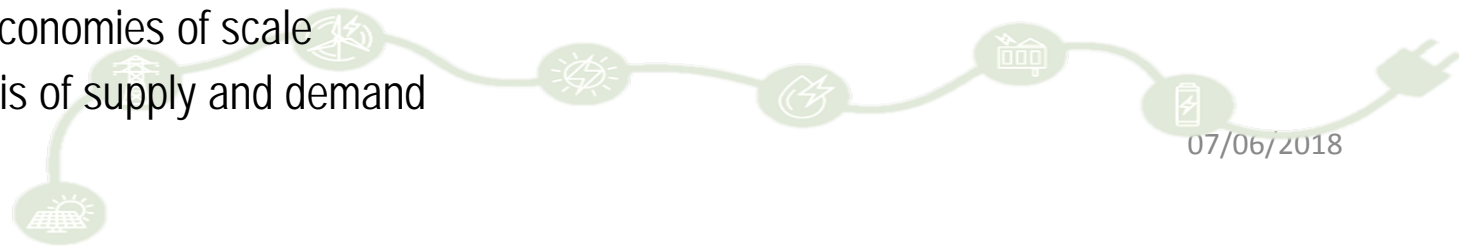
Western Balkans

Different Electricity Market Organization
Different Legislation

Energy Community and WB 6 initiative

Organization that brings together the EU and its neighbors to create an integrated pan-European energy market with the same principles through:



- Establishment of stable regulatory and market framework
- Attracting investment in power generation and networks
- Creating an integrated energy market allowing for cross-border energy trade and integration with the EU market
- Enhancing the security of supply to ensure stable and continuous energy supply
- Improving the environmental situation in relation with energy supply and foster the use of renewable energy and energy efficiency
- Developing competition at regional level to exploit economies of scale
- Achieving fair prices that are determined on the basis of supply and demand



❖ Western Balkans 6 initiative

WB6 countries committed in 2015 to implement a list of energy legal and regulatory measures that will remove existing legislative and regulatory barriers and enhance the institutional structures necessary for the functioning of this market developing:

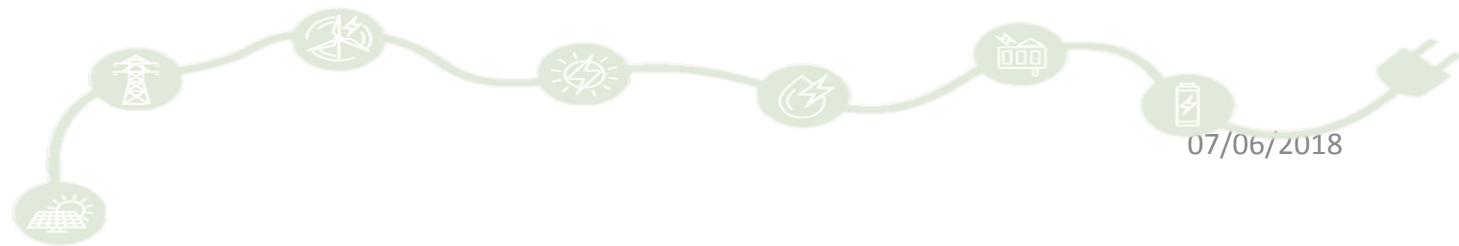
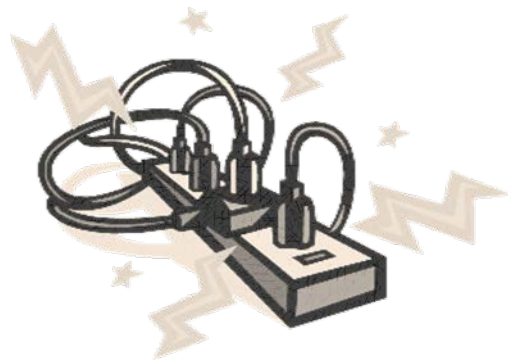
- spot trading and regional market coupling
- regional balancing and
- regional capacity allocation

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- ❖ Full implementation of the Third Energy Package
 - ❖ Close cooperation between all relevant entities in SEE
 - ❖ Competitive electricity market
 - ❖ Level playing field for all market participants
 - ❖ More efficient and sustainable supply of energy
 - ❖ Mature regional energy market

❖ WB 6 – Development and risks

Risks

- Political situation in the countries - change in government priorities
- Political priority - no political will on energy issues
- Legal and procedural difficulties in the respective countries
- Human resources - weak institutional memory
- Lack of commitment of some beneficiary countries to participate in some of the activities



07/06/2018

❖ WB 6 and DAM Development

Spot trading and regional market coupling development steps

Establishment of organized day-ahead market in each country: adhering to a power exchange or creating an own power exchange

Coupling between two neighbouring coupling-ready markets - Western Balkan and/or neighbouring EU

Full implementation of the coupling of day-ahead electricity markets in the Western Balkans and SEE region, pursuant to **CACM** Guideline principles and processes



❖ Bulgarian Participation in WB6

- **May 2017:** Bulgaria joins WB6 regional electricity market integration initiative. Bulgarian NRA (EWRC), Bulgarian TSO (ESO EAD) and the Bulgarian power exchange (IBEX EAD) formally declared their willingness to actively participate in the WB6 regional electricity market integration initiative
- **April 2018:** Memorandum of Understanding for the coupling of "Day ahead markets" of Bulgaria and FYR Macedonia was signed by IBEX EAD, TSO of FYR Macedonia (MEPSO), Energy Regulatory Commission (ERC) of FYR Macedonia and ESO EAD, TSO of Bulgaria
- **May 2018:** Memorandum between the Ministry of Energy of the Republic of Bulgaria and the Ministry of Economy of the Republic of Macedonia for coupling of "day-ahead" electricity markets was signed
- Kick-off meeting was held. The project is in progress.....



❖ Bulgarian Participation In WB6

Outcomes of the project

- Harmonise horizontal legal acts, as VAT, public procurement, custom duties, etc.
- Removal of all existing market entry barriers or practices that distort competition
- Establishment of the Macedonian power exchange
- Implicit auctioning implementation as a part of development of the coordinated congestion management in the SEE Region
- Go-live of the Macedonian organised day-ahead market in the coupled mode with the Bulgarian day-ahead market as an option for ensuring liquidity and competition



❖ Bulgarian Participation in WB6

Other projects in SEE region

➤ Interconnectors:

- *In the electricity sector Bulgaria have relatively good connectivity. The priority project is New interconnection line between Greece and Bulgaria, Maritsa East 1 - Nea Santa.*
- *The project "Construction of a new 400 kV interconnector between Republic of Bulgaria and the Republic of Serbia" is forthcoming. The assessment of the need to build the second interconnector between Bulgaria and Serbia was made in the context of market research carried out by the ENTSO-E regional group.*

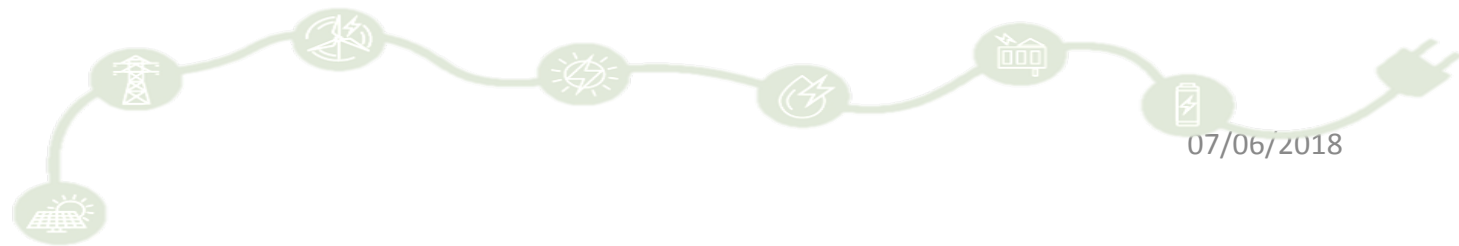
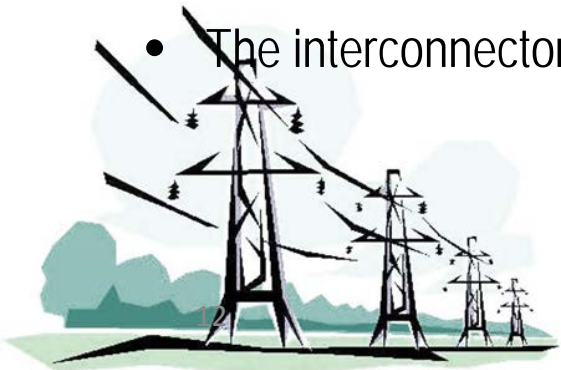


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❖ Bulgarian Projects in SEE region

Interconnector between Greece and Bulgaria, Maritsa East 1 - Nea Santa

- The project is defined as a project of Common Interest
- Construction of a new single circuit 400kV interconnection line between the substations Maritsa East 1 and Nea Santa
- The length of the line is approximately 130 km
- This project will increase the transfer capacity at the BG-GR borders and will contribute to the safe integration of renewable energy sources in Northeast Greece as well as in the Northeast and South Bulgaria.
- Will have a significant positive impact on the operational security of the interconnections between the European and Turkish power system
- The interconnector expected to be operational in the 2023





REPUBLIC OF BULGARIA

Ministry of Energy

Thank you for your attention!



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of the European Union

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