

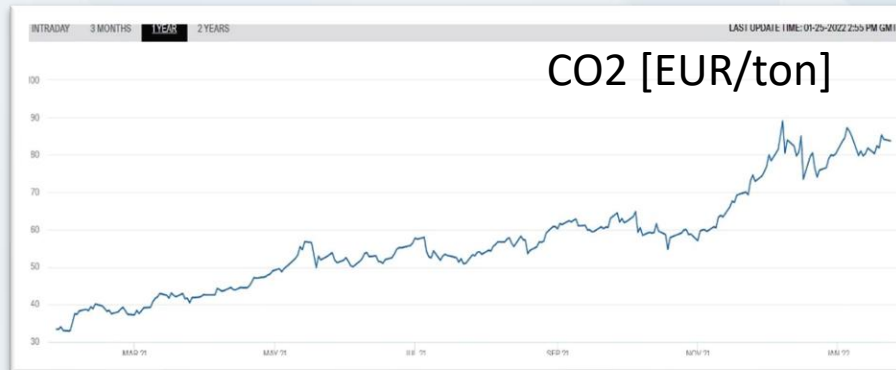
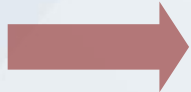
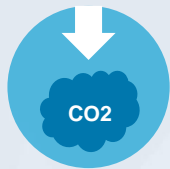
A silver laptop is open on a dark surface. The screen displays a presentation slide with a light blue and white geometric pattern. The text on the screen is centered and reads "Price mitigation measures" and "Bulgaria".

Price mitigation measures
Bulgaria

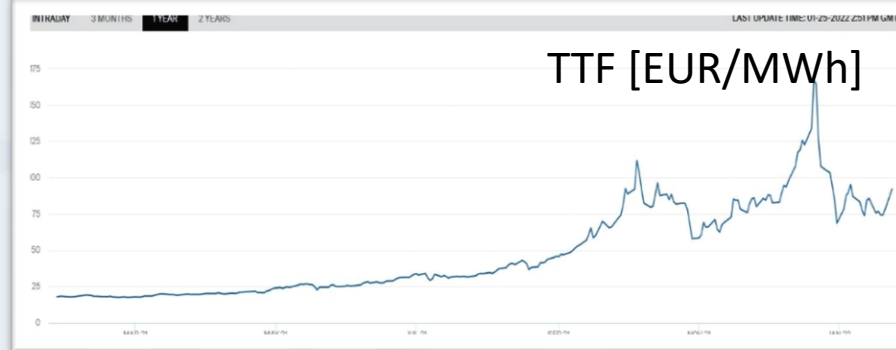
AFEER Conference VI

The electricity price situation in Bulgaria - factors

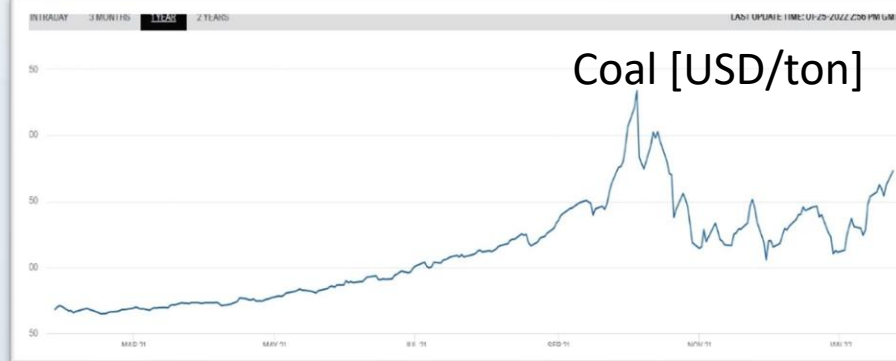
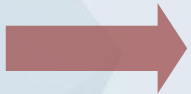
Emissions



Natural gas



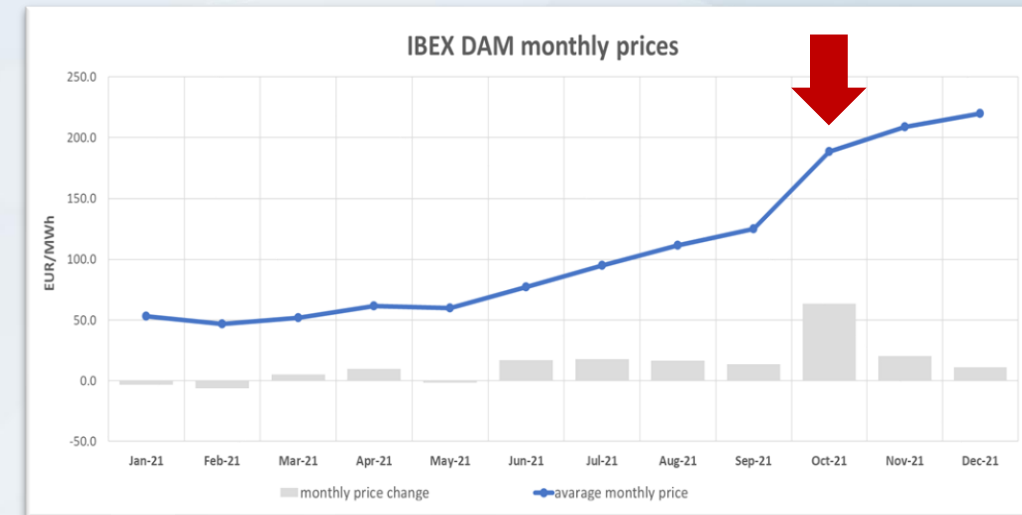
Coal



Electricity price



Support mechanism



3 EUR price difference between BG and RO

Discussed measures

➤ ~~Establishing separate platform on IDEX only for business consumers and retailers~~

➤ ~~Organising auctions by the NPP Kozloduy only for end consumers~~

➤ ~~Imposing ban on electricity exports~~

➤ ~~Reducing taxes and fees (e.g. VAT, fees for green electricity, etc.)~~

➤ Tax measures on windfall (excessive) profits **partial**

➤ Reform of the balancing market **partial**

➤ Direct financial compensations – discounts on monthly bills **in full**

**Many of the measures distort competition
and compromise market design**

Implemented measures

Direct financial compensations – discounts on monthly bills

Target: All non-household consumers (only business consumers) – 633 000 companies

Amount: Fixed for Oct and Nov ≈ 56 EUR/MWh; variable for DEC, JAN, FEB, MAR = $(75\% * (\text{IBEX} - 95))$ EUR/MWh

Origin of funds: Windfall profits of the state-owned power plants, State Budget, Emission allowances

Implementation: Traders discount the monthly bill with the amount of the compensation

Duration: OCT 2021 – MAR 2022; potential extension till MAY 2022

Effect: Lower electricity bills for all non-household consumers

Effect on traders: Liquidity problems

Implemented measures

Tax measures on windfall (excessive) profits

Affected: State-owned power plants and RES above 500kW (reduced premiums)

Effect on traders: Contracts with RES at risk of default

Reform of the balancing market

Measure: Prohibition of merging of balancing circles (large BRPs)

Effect: Increased costs for balancing services for RES, traders and end consumers

Conclusion



1. Measures were implemented with a delay

2. Measures didn't alter market model

3. Measures partially offset the higher prices

4. Price risks remain for traders and end consumers

5. Measures negatively influenced traders

6. Some of the measures had adverse effects on the el. price



Thank you for your attention!

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