

**TO MR. RUMEN RADEV
MINISTER OF ENERGY
OF REPUBLIC OF BULGARIA**

STATEMENT

of Bulgarian Photovoltaic Association, UIC: 175801326

Subject: Draft Law on Amendment and Supplement to the Energy Act (EA), announced for public consultation on 27 July 2023

DEAR MR. MINISTER,

We support the legislative initiative to transpose into the Energy Act Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 relating to common rules for the internal electricity market, also related to the implementation of the Recovery and Sustainability Plan (reform C4.R8 and reform C4.R3), and we present to your attention a statement on the Draft Law on Amendment and Supplement to the Energy Act published for public consultation.

- I. On the proposal to terminate the role of National Electricity Company EAD (NEK) as the public supplier.

The consistent position of the Bulgarian Photovoltaic Association (BPVA), repeatedly defended over the years, is that the liberalisation of the electricity market should start with the elimination of NEK as a public supplier and a shift to a market mechanism for the supply of low voltage electricity to final residential customers through equal participation of suppliers. This ensures competition and freedom of choice of supplier for final household customers. Including, this will provide final residential customers with a choice of the source of the energy they consume, including green energy.

- II. On the proposal that the final suppliers or traders supply 60% low emission energy to final household customers.

The proposed approach is a good one for meeting the goals Bulgaria has set for a low-carbon energy transition. It proposes a market mechanism through which every household end-user can participate in

the energy transition. In view of the development of investments in renewable energy and the market mechanisms of the new Renewable Energy Directive, we propose to extend the possibilities for final suppliers and traders to conclude bilateral contracts for the purchase of renewable energy directly with renewable energy producers and due to the specificity of their non-guaranteed production.

III. On the proposal for energy communities, active customers and aggregators.

We find this part of the Draft Law on Amendment and Supplement to the Energy Act, which regulates energy communities, active customers and aggregators, extremely important for the practical participation of end-use customers in the energy transition by transforming them from consumers into producers of renewable electricity. The statutory regulation of the figures "energy community", "active customer" and "aggregator" will fill the long-standing vacuum in the regulation of this part of the market, motivate micro investments in renewable energy by facilitating market access.

With this statement, the Bulgarian Photovoltaic Association declares its support for the proposed changes in the Energy Act, which we define as progressive and urgent, and in the interest of the end household consumers. We state that we will make our specific proposals for refining the texts in the framework of the parliamentary discussion procedure.

26 August, 2023
Sofia, Bulgaria

BULGARIAN PHOTOVOLTAIC ASSOCIATION