



**Energy and Water Regulatory Commission (EWRC)
Bulgaria**

**Annual Report
to the European Commission**

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LIST OF ABBREVIATIONS

ACER	Agency for the Cooperation of Energy Regulators
AEAV	Act for Establishing an Administrative Violation
CCP	Commission for Consumer Protection
CCR SEE	Capacity Calculation Region South East Europe
CDM	Central Dispatching Management
CEER	Council of European Energy Regulators
CEREMP	Centralized European register of market participants
CPC	Competition Protection Commission
DAM	Day-Ahead Market
DSOs	Distribution System Operators
EA	Energy Act
ENTSOE	European Network of Transmission System Operators for Electricity
ENTSOG	European Network of Transmission System Operators for Gas
EPP	Electric Power Plant
EPS	Electric power system
ESO EAD	Electricity System Operator EAD
ETR	Electricity Trading Rules
EU	European Union
EWRC, the Regulator	Energy and Water Regulatory Commission
GDN	Gas Distribution Network
HECG	High-efficient cogeneration
IBEX EAD	Independent Bulgarian Energy Exchange EAD
ITO	Independent Transmission Operator
NEK EAD	National Electricity Company EAD
OEPR	Ordinance № 1 of 14 March 2017 on electricity price regulation
OLAES	Ordinance № 3 of 21 March 2013 on licensing the activities in energy sector
ONGPR	Ordinance № 2 of 19 March 2013 on natural gas price regulation
PCI	Project of common interest
PPAT	Person professionally arranging transactions
PvPP	Photovoltaic power plant
RES	Renewable energy sources
REMIT	Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on Wholesale Energy Market Integrity and Transparency
REMIT Division	Division “Monitoring and Control of Implementation of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on Wholesale Energy Market Integrity and Transparency”
SLP	Standardized Load Profiles
TSO	Transmission System Operator
UMM	Urgent market messages
VTP	Virtual trading point
WPP	Wind power plant



FOREWORD BY THE CHAIRMAN

2025 defined the harmonization of the by-laws with the current European and national legislation in the **electricity and thermal power sector** as priority for the Energy and Water Regulatory Commission. In view of the changes related to the new market design, the main task of the Regulator was to update the secondary legislation. Ordinance No. 1 on electricity price regulation was amended, regulating at the sub-legislative level the conditions for full liberalization of the wholesale electricity market, as well as the mechanism for a smooth transition to market-based prices for household end customers. The Electricity Trading Rules were also amended in this regard. A new trading mechanism in the bilateral contracts market segment was introduced in the Power Exchange Operational Rules, including non-standard long-term products, in order to ensure the new market design, accelerate market integration, exclude opportunities for discrimination, promote competition and fully functioning of the market. EWRC also amended Regulation No. 3 of 21.03.2013 on licensing the activities in the energy sector in order to adapt the procedures and licensing requirements to the latest legal changes and other regulatory changes, including technological and market reforms.

In its pricing decisions, EWRC consistently applied a balanced and conservative approach, taking into account the interests of all participants. The total electricity and network services prices for the regulated market remained practically unchanged - for the period 01.07.2025 - 30.06.2026 the

weighted average increase for household customers was 2.58%. EWRC also managed to limit the increase in marginal heat prices and during the heating season 2025-2026 it remained within 4.54%.

Regarding the licensing of energy activities, a steady increase in the number of licenses issued by EWRC for electricity produced from RES was observed, which contributed to competition and liquidity in the market. Licenses issued in 2025 were 18, while in 2024 they were 15, and in 2023 – 10.

With regard to complaints and signals received from consumers and companies during the reported year, the Regulator complied with the statutory deadlines for their consideration, ruling 1 117 decisions, of which 908 were in the energy sector.

In 2025, EWRC's activities in the **natural gas sector** aimed at ensuring the stable functioning of the natural gas market, guaranteeing natural gas supplies, developing a competitive market environment, monitoring the development of the natural gas market and implementing European and national legislation. A sustained decrease in the natural gas price and a gradual stabilization of the market environment were reported, which had an impact on regulatory activity and market processes. As of December 2025, the price was about 23% lower than in January 2025. Natural gas supplies from Azerbaijan provided stability and lower prices in the mix, the role of the Chiren UGS was also important, which at the beginning of the 2024/2025 winter season was filled up to the level of around 100%. The amendments and supplements to the Market Rules for Operation of the Organized Exchange Market of Balkan Gas Hub EAD approved by EWRC introduced clearing services and regulated the obligation of the exchange market operator to effectively fulfill its obligations under the amended Regulation (EU) 2024/1106 in relation to improving the Union's protection against manipulation of the wholesale energy market.

EWRC continued its activity in issuing licenses for the activity of “natural gas trading”. The new licensed traders were 28, thus bringing their total number to 161. That contributed to the increasing of liquidity and

competition in the natural gas market. A significant increase in transactions has been reported in the various segments of the organized natural gas exchange market of Balkan Gas Hub EAD. A positive trend was the continued development of gas networks in the country. In 2025, by its decisions, EWRC approved special capacity products Route 1, Route 2 and Route 3 for the transmission of natural gas along the route Greece - Bulgaria - Romania - Moldova - Ukraine, which Bulgartransgaz EAD, respectively ICGB AD, together with the gas transmission network operators of Greece - DESFA SA, Romania - Transgaz SA, Moldova - VestMoldTransgaz SRS and Ukraine - Gas TSO of Ukraine, would offer on the Regional Booking Platform. The offering of these products was also approved by the regulatory authorities of Greece, Romania, Moldova and Ukraine, thus creating conditions for effectively covering the needs of Ukraine for natural gas, increasing the security of supplies in the region and the effective use of the gas transmission infrastructure.

The implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT) has led to a downward trend in the number of market abuse reports received by the Regulator. In 2025, EWRC received 10 reports of alleged violations under REMIT, bringing their total number since the beginning of 2019 to 87. The sanctions imposed and ongoing proceedings in recent years have given a clear signal to unscrupulous market participants that the Regulator is effectively exercising its monitoring and control functions over the wholesale energy market. By its decisions in the period 2022-2024, the Regulator sanctioned ten market participants with a total of EUR 2 197 918.53 for market manipulation or attempted manipulation within the meaning of REMIT.

The majority of the sanctioned individuals resorted to the manipulative practice qualified by ACER as "pre-arranged trading". Additionally, the amount of EUR 80 272.83 represents penalties imposed for violations of the obligation regarding disclosure of inside information.

Within the framework of the Regulator's controlling activities, a total of 55 preliminary investigations were carried out in the period 2019-2025, with preliminary investigations carried out on two signals in 2025. At the end of 2025, EWRC assisted ACER in 2 cases of preliminary investigations to establish manipulations on the wholesale energy market through cross-border transactions.

The deep energy crisis in 2022-2023 showed that, predictable and flexible regulatory actions at both European and national level are key factors against market and price shocks. In the context of the Bulgarian energy market connectivity with the European and regional markets, the national regulatory policy should be linked to reducing dependence on external energy supplies, strengthening regional cooperation, increasing the competitiveness of the energy sector in order to achieve a balance between accessibility, investment attractiveness and decarbonization. Under these conditions, the regulatory framework should aim at achieving price stability and accessibility for all household and non-household consumers, security of supply and empowerment of consumers, who will have an increasingly active role through energy generation, active demand response or participation in energy communities.

PLAMEN MLADENOVSKI

Chairman

Water and Energy Regulatory Commission

1. MAIN DEVELOPMENTS IN THE ELECTRICITY AND GAS MARKETS

During the reporting period, the Energy and Water Regulatory Commission (EWRC, the Regulator) continued its activities to improve the secondary legislation within the framework of its legal powers, taking into account the dynamics in the development of public relationship in the energy sector and the need to bring the regulatory framework into line with the amendments to national and European legislation. The adopted amendments aimed at ensuring conditions for the effective functioning and development of the electricity and natural gas markets, increasing transparency and competition, as well as overcoming difficulties practically identified in the implementation of the current regulatory acts.

The Ordinance amending and supplementing Ordinance № 1 of 14 March 2017 on electricity price regulation (promulgated in State Gazette, issue 52 of 27.06.2025) introduced rules and procedures for determining by the Regulator the base electricity price for 1 MWh, which household end customers pay during the relevant regulatory period. In addition, the mechanism for determining monthly compensations intended to cover part of the household end customers costs for purchasing electricity from end suppliers was regulated, in order to ensure a smooth transition to the new market design functioning.

Rules for Amendments and Supplements to the Electricity Trading Rules (published in the State Gazette, issue 52 of 27.06.2025) introduced amendments resulting from changes in the Energy Act, necessary to implement the full liberalization of the wholesale electricity market as of 1 July 2025. The amendments create the required regulatory prerequisites for functioning of the liberalized market under equal conditions for all market participants and in accordance with the European requirements.

Rules for Amendments and Supplements to the Power Exchange Operational Rules (promulgated in the State Gazette, issue 46 of 06.06.2025) expanded the possibility of offering new exchange products aiming acceleration of the processes of market integration and increasing market liquidity. The amendments limit the possibility of discriminatory treatment of market participants, promote competition and create prerequisites for a more efficient and transparent functioning of the organized exchange market.

The Ordinance amending and supplementing Ordinance No. 3 of 21.03.2013 on licensing the activities in the energy sector (promulgated in the State Gazette, issue 52 of 27.06.2025, effective from 1.07.2025) updated the regulatory framework on licensing regimes by refining the definitions used and the references to the Energy Act, as well as by reflecting the new types of licensed activities and the applicable procedures. The amendments aim to ensure consistency and legal certainty in the application of the licensing regime in accordance with the current legislation.

In conclusion, the amendments to the secondary legislation adopted during the reporting period created the necessary regulatory prerequisites for completing the process of the electricity market liberalization, increasing its transparency, competitiveness and integration with the internal energy market of the European Union, while at the same time ensuring protection of household end customers in the transition period to the new market design.

The Regulator's activities in the natural gas sector in 2025 aimed at ensuring stable functioning of the natural gas market, guaranteeing natural gas supplies, developing a competitive market environment, monitoring the development of the natural gas market and implementing European and national legislation.

The amendments and supplements to the Market Rules for Operation of the Organized Exchange Market of Balkan Gas Hub EAD approved by EWRC introduced clearing services and regulated the obligation of the exchange market operator to effectively fulfill its obligations under the amended Regulation (EU) 2024/1106 in relation to improving the Union's protection against manipulation of the wholesale energy market.

In 2025, the public supplier Bulgargaz EAD secured the necessary quantities of natural gas for its customers under the long-term contract for the supply of pipeline natural gas with an Azerbaijani

company, under contracts for the supply of LNG at prices mainly dependent on the Title Transfer Facility (TTF) front month index of the Dutch Gas Exchange, as well as from production from the Chiren underground gas storage facility (UGS). Deliveries of liquefied natural gas (LNG) were carried out through terminals on the territory of Greece and Turkey. The natural gas price from the public supplier Bulgargaz EAD has undergone significant fluctuations, starting from relatively high levels at the beginning of the year and ending with a downward trend. As of December 2025, the price was about 23% lower than in January 2025. The natural gas price from the public supplier in January 2025 was 81.94 BGN/MWh, which represented an increase in the price by about 8% compared to the price in December 2024. There was an increase in the price in the months of January, February and March 2025. In April 2025, the natural gas price began to decrease and was at the rate of 75.08 BGN/MWh. In May, June and July 2025, the price stabilized in a range of around 64 BGN/MWh. In August and September 2025, the natural gas price continued its moderate decline, with the price in September being 60.52 BGN /MWh. In October the price remained at a level close to that in September. In November, the price of natural gas from the public supplier was 65.82 BGN/MWh, and in December 2025 it was 63.01 BGN/MWh, or 4.3% lower than in November 2025.

The main reasons for the change in the natural gas price in 2025 related to the price levels on the European gas exchanges (TTF index). Seasonal natural gas consumption in the country and lower temperatures recorded at the beginning of 2025 temporarily increased demand, which had an impact on natural gas prices. Natural gas supplies from Azerbaijan ensured stability and lower prices in the mix in 2025. The key events and factors that led to a change in natural gas prices in 2025 in Europe and, respectively, in Bulgaria related to the suspension of Russian gas transit through gas pipelines through Ukraine, which resulted in price spikes. The lower average temperatures reported at the beginning of the year affected natural gas consumption for heating, which also affected the fullness levels of underground gas storage facilities, with inventory levels falling below 50% in February. The military conflicts in 2025 also affected natural gas price levels.

Chiren Underground Gas Storage Facility (UGS) is a key element for the energy security of Bulgaria. The occupancy rate of Chiren UGS at the beginning of winter season 2024/2025 was around 100%. During the winter season, natural gas was produced at a moderate rate, with the storage capacity level at the end of March being around 34%, which is close to the average for the European Union countries during that period. The main quantities of natural gas required for consumption in the country have been supplied by imports, with minor quantities supplied by local production. Natural gas supply on the territory of Bulgaria is carried out through the gas transmission network, owned by Bulgartransgaz EAD for directly connected non-household customers and through the gas distribution networks (GDN), owned by the respective gas distribution companies, to which non-household and household customers are connected. Through the gas transmission network, natural gas is also transported to the neighboring countries of Bulgaria - Romania, Turkey, Greece, North Macedonia and Serbia, as well as to and from Chiren UGS. Greece-Bulgaria Interconnector (IGB), which was put into commercial operation on 1 October 2022, physically connects the gas transmission networks of Greece and Bulgaria, through which natural gas is supplied to the gas transmission network of Bulgartransgaz EAD and to the gas distribution network on the territory of Kardzhali municipality.

In 2025, by its decisions, EWRC approved special capacity products Route 1, Route 2 and Route 3 for gas transmission along the route Greece - Bulgaria - Romania - Moldova - Ukraine, which Bulgartransgaz EAD, respectively ICGB AD, together with the gas transmission network operators of Greece - DESFA SA, Romania - Transgaz SA, Moldova - VestMoldTransgaz SRS, and Ukraine - Gas TSO of Ukraine, would offer on the Regional Booking Platform. The supply of these products was also approved by the regulatory authorities of Greece, Romania, Moldova and Ukraine, thus creating conditions for effectively covering the natural gas needs of Ukraine, increasing the security of supplies in the region and the effective use of the gas transmission infrastructure.

1.1. Evaluation of the market development and regulation

The Energy and Water Regulatory Commissions (EWRC, the Regulator) took necessary actions to develop and improve the secondary legislation in accordance with its legal powers and considering the dynamically developing public relationship in the energy field. The purpose of that activity was for EWRC acts to comply with the national and European legislation in the relevant areas, to create conditions for the electricity markets development, as well as to overcome problems identified in the practice of applying EWRC acts.

In the electricity sector during the period 01.01.2025 - 31.12.2025, EWRC adopted the following secondary legislation acts:

Ordinance amending and supplementing Ordinance No. 1 of 14.03.2017 on regulating electricity prices (published in the State Gazette, issue 52 of 27.06.2025, OAS of OEPR). By adopting the OAS of the OEPR, the secondary legislation has been brought into line with the amendments and supplements to the Energy Act (EA), which regulate new powers for EWRC to determine: base electricity value for 1 MWh, which the household end customer pays for the relevant regulatory period; end supplier's price component in connection with the electricity supply to household end customers through universal service, as well as monthly compensations to cover part of the costs of household end customers for electricity purchased from end suppliers. In this way, the OAS of the OEPR regulates at the sub-legislative level the conditions provided for in the EA for full liberalization of the wholesale electricity market, as well as the mechanism ensuring a smooth transition to market-based prices for household end customers. The OAS of the OEPR provides an opportunity for a smooth transition to full liberalization of the retail market after the removal of the public electricity supplier role in EA, as well as the price regulation of end suppliers. A Transitional Provision in the OAS of the OEPR updated accordingly the provisions in Ordinance No. 3 of 21.03.2013 on licensing the activities in the energy sector in connection to the removal of the activity “public supply of electricity” and the “public supplier” role.



Public consultation regarding changes to Ordinance No. 1 of 14.03.2017 on electricity price regulation

Rules amending and supplementing the Electricity Trading Rules (published in the State Gazette, issue 52 of 27.06.2025, RAS of ETR). The adoption of RAS of ETR has been conditioned by the need to bring the secondary legislation acts into line with the amendments and supplements to EA related to: full liberalization of the wholesale electricity market as of 1 July 2025, namely: removal of the public electricity supplier role; abolition of EWRC obligation to determine the estimated monthly availability for electricity generation of producers from which the public supplier should purchase electricity and electricity quantity in accordance with which the public supplier should conclude transactions with end suppliers; new obligations of end suppliers to supply electricity to household end customers through a universal service and to sell the electricity purchased at preferential prices on the organized exchange market. Also, RAS of ETR has rearranged the relations on the

balancing market, eliminating some of the balancing groups, namely: combined balancing groups, as well as the special balancing groups of the public supplier, and has refined provisions in the existing version of the act in order to achieve their correct, accurate and consistent application.

Rules amending and supplementing the Power Exchange Operational Rules (published in the State Gazette, issue 46 of 06.06.2025, RAS of PEOR). The adoption of RAS of PEOR in accordance with European legislation regulated the introduction of 15-minute products in the day ahead market segment of the organized electricity exchange market. Creating rules for the provision of such products aimed to accelerate market integration, eliminate opportunities for discrimination, promote competition and the full functioning of the market. Also, RAS of PEOR regulates norms on the basis of which the exchange market operator - Bulgarian Independent Energy Exchange EAD, would effectively fulfill its obligations under Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No 1227/2011 and (EU) 2019/942 as regards improving Union protection against wholesale energy market manipulation, to report to ACER data on orders and transactions in wholesale energy products in its capacity as a certified registered reporting mechanism. The RAS of PEOR has refined the provisions of the rules as a result of the experience gained in their enforcement.

Ordinance amending and supplementing Ordinance No. 3 of 21.03.2013 on licensing the activities in energy sector (OAS of OLAES) amend., SG issue 52 of 27.06.2025, effective from 01.07.2025. In OAS of OLAES the Regulator updated definitions and references to EA. Changes have been introduced in the text that bring the terminology and references fully into line with the provisions of EA, including with regard to new types of activities or licensing procedures.

The amended texts contain more clearly regulated rules for submission, registration and processing of applications for issuance, amendment, extension and termination of licenses. Applications and documents to them should meet new requirements for content and form, including electronic submission using qualified electronic signature, as provided for in Regulation (EU) No 910/2014 on electronic identification. Since EA has been amended in the period up to 2025, the Ordinance has also been brought into line with regard to the types of activities for which licenses would be issued, as well as with regard to the procedures for their management and control.

The changes to OLAES in 2025 aim to adapt the procedures and licensing requirements to the latest changes in the Energy Act and other regulatory changes, including technological and market reforms. That was necessitated by new market rules regarding the electricity market liberalization, natural gas trading, etc.

Defining clear procedures, electronic submission and exact deadlines for considering applications and complaints aims to make the licensing process more transparent, more efficient and in line with good administrative practices. The amendments are motivated by the need for harmonisation with European regulatory standards, including in terms of e-governance, energy market balancing and accountability of regulatory procedures.

Renewable energy sources

According to Art. 6, para. 1, item 1 of the Renewable Energy Sources Act (RESA), the Regulator determines preferential prices (feed-in tariffs) for the purchase of electricity from renewable sources, produced by energy cites with a total installed capacity of up to 30 kW inclusive, which are planned to be built on roof and facade structures of buildings connected to the electricity distribution network and on real estate in urbanized areas (SG, issue 86 of 2023, effective from 13.10.2023).

In this regard, pursuant to Art. 32, para. 1, item 1 of RESA, by 30 June 2025, the Regulator has determined feed-in tariffs for the purchase of electricity generated from renewable sources, with the exception of energy generated by hydroelectric power plants with an installed capacity of over 10 MW. The provision of Art. 32, para. 2 of RESA specifies in detail the criteria and pricing factors that are taken into account when determining preferential prices under the terms and conditions of Ordinance No. 1 of 14.03.2017 on the regulation of electricity prices (OREP).

Next, by 30 June 2025 EWRC updated the feed-in tariffs of electricity produced from biomass with a coefficient that reflects the change in the value of the price-forming elements - costs of raw materials for energy production, costs of fuels for transport and costs of labor and wages.

Pursuant to §28, para. 3 of the Transitional and Final Provisions to AAS of EA (published in the State Gazette, issue 9 of 2021), EWRC determined premiums for electricity from renewable sources produced by power plants with a total installed electrical capacity of 500 kW and over 500 kW, as the difference between the feed-in tariffs determined until the entry into force of the same law, the updated feed-in tariffs of the site, respectively, and the estimated market price determined for that period for electricity produced from renewable sources depending on the primary energy source.

During the period 2023-2025 in the renewable energy sources sector, EWRC adopted a total of:

- **in 2025, 5 decisions on prices and premiums**, including decisions of the Supreme Administrative Court (SAC) that had already entered into force, namely: EWRC's decisions No. II-1 of 01.01.2025, No. II-7 of 31.01.2025, No. II-11 of 12.02.2025, No. II-23 of 30.06.2025 (effective as of 01.07.2025) and No. II-40 of 30.12.2025, on determining preferential prices for electricity produced from renewable sources, updating preferential prices for electricity produced from biomass and determining premiums for producers of electricity from renewable sources with a total installed capacity of 500 kW and over 500 kW;

- **in 2024, 1 decision on prices and premiums**, namely: Decision No. II-15 of 30.06.2024 of EWRC on determining preferential prices for electricity produced from renewable sources, updating preferential prices for electricity produced from biomass and determining premiums for producers of electricity from renewable sources with a total installed capacity of 500 kW and over 500 kW, effective as of 01.07.2024;

- **in 2023, 2 decisions on prices and/or premiums**, including decisions of the Supreme Administrative Court (SAC) that had already entered into force, namely: Decision No. II-9 of 19.05.2023 of EWRC (on determining a preferential price for purchasing electricity produced by wind power plants operating for over 2 250 hours, effective as of 01.07.2012 and establishing net specific production of electricity, on the basis of which the preferential price was determined in EWRC's Decision No. II-29 of 16.11.2017, after its repeal in the part under item 2 by Decision No. 7642 of 08.08.2022 of SAC and EWRC's Decision No. II-13 of 30.06.2023 on determining preferential prices for electricity produced from renewable sources, updating preferential prices for electricity produced from biomass and determining premiums for producers of electricity from renewable sources with a total installed capacity of 500 kW and over 500 kW, effective as of 01.07.2023.

Data on the number of decisions regarding EWRC powers in price regulation in the renewable energy sector, distributed by type of production in the period 2023 - 2025, are presented in the following table:

Number of decisions by type of proceedings	2023	2024	2025
- Determination, update of preferential prices for electricity produced from biomass and determination of premiums for producers of electricity from renewable sources with a total installed capacity of 500 kW and over 500 kW, effective as of 01.07. of the relevant year	1	1	1
- Premium changes	0	0	2
- Following entered-into-force decisions of the Supreme Administrative Court	1	0	2

The increased interest of investors in 2025 in the implementation of projects for the construction of solar power plants and those including electricity storage systems related to the receipt of a subsidy under procedure BG-RRP-4.033 "Support for new power generation capacities from renewable sources and electricity storage with an installed capacity of 200 kW"

announced by the Ministry of Energy, Investment C4.I6: “*Support for new renewable energy generation and energy storage capacities*”, financed by the Recovery and Resilience Facility. In this regard, the majority of industrial consumers prefer to invest in facilities of this type, on one hand, to reduce their costs by covering the electricity needs at their own sites and/or factories or to realize the same on one of the platforms of IBEX EAD, and on the other, investment in power storage facilities enables investors, by controlling the time range for start-up in the system, to sell energy at better prices and at a time far from generation time, which makes projects of this type even more attractive. In this regard, the option when sale is made at a time as close as possible to the generation moment of the relevant electricity amount and at lower prices is not preferred by investors, since the peak in production from the PV plant and the peak in consumption diverge.

Electronic certificates of origin for electricity generated in a highly efficient combined heat and power (CHP) manner.

On the basis of Art.21, para.1, item 18 of EA, the Regulator issues, transfers and cancels monthly certificates of origin to electricity generators of electricity generated from high-efficient combined generation (HECG) of electricity and heat. The terms and conditions for issuing, transfer and cancelation of certificates of origin for electricity from highly efficient combined heat and power generation, as well as the recognition of certificates of origin issued by the competent authorities in other Member States of the European Union, are regulated in Ordinance No. 7 of 19.07.2017 on issuing, transfer and cancelation of certificates of origin for electricity produced from highly efficient combined heat and power generation, issued by EWRC.

The Certificate of origin is an electronic document (e-CO) issued for 1 MWh of electricity to a producer for the net generation of electricity, measured at the power plant outlet and fed into the relevant electricity grid, subject to the requirements for accuracy, reliability and impossibility of forgery. It should be noted that there are cases where the number of e-COs issued differs from the number of those transferred due to a discrepancy with the quotas set for the relevant company for the price period.

In 2025, the Regulator adopted 12 decisions for the issuance and transfer of electronic certificates of origin for the commodity “electricity” produced in a highly efficient manner by combined heat and power plants (e-CO).

In the Natural Gas sector during the period 01.01.2025 - 31.12.2025, EWRC approved **Rules amending and supplementing the Market Rules for Operation on the Organized Exchange Market of Balkan Gas Hub EAD (published in the State Gazette, issue 65 of 08.08.2025, RAS of MROOEM)**. The approval of RAS of MROOEM achieved effective introduction and management of clearing services on the organized natural gas exchange market of Balkan Gas Hub EAD in connection with the requirement of EA that organized natural gas exchange market operators ensure payment guarantees for concluded transactions by concluding contracts with a person providing clearing services. Also, the RAS of MROOEM regulate norms on the basis of which the exchange market operator - Balkan Gas Hub EAD to effectively fulfill its obligations in its capacity as a certified registered reporting mechanism, under Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No 1227/2011 and (EU) 2019/942 in relation to improving the Union's protection against wholesale energy market manipulation, to report the data on orders and transactions in wholesale energy products to ACER. RAS of MROOEM added new products to the market segments, as well as the possibility of administering bilateral contracts on a non-anonymous basis in a separate segment. The amendments and additions to the rules also provide for facilitating the change of traders' tariff plan, ensuring greater flexibility and optimization of the trading process, forming price indices and benchmark analyses based on the concluded transactions with clearing products, as well as creating a methodology for determining the long-term products settlement price, thus creating transparency and clarity on the relevant prices formation method with a view to predictability.



Public consultation on changes to the Market Rules for the Operation on Organized Exchange Market of Balkan Gas Hub EAD

1.2. Report on the implementation of the Clean Energy Package

According to the provision of Art.59, para.1 (u) of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market in electricity and amending Directive 2012/27/EU (Directive (EU) 2019/944), EWRC has the obligation to monitor the implementation of rules relating to the roles and responsibilities of transmission system operators, distribution system operators, suppliers, customers and other market participants pursuant to Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity. This provision of the Directive has not been transposed into the legislation of the Republic of Bulgaria. In this regard, it should be borne in mind that EWRC has no powers to start up legislative initiative.

2. ELECTRICITY MARKET

2.1. Networks regulation and technical functioning

2.1.1. Unbundling

Pursuant to Article 59 (1), (j) of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (Directive (EU) 2019/944), EWRC should ensure that there is no cross-subsidisation between transmission, distribution and supply activities or other electricity or non-electricity activities. In this regard, Article 39, paragraph 1 of the Energy Act describes the types of activities subject to licensing. EWRC issues a license for each of the indicated activities, for a certain period and with specific conditions, which are an integral part of the decision for its issuance.

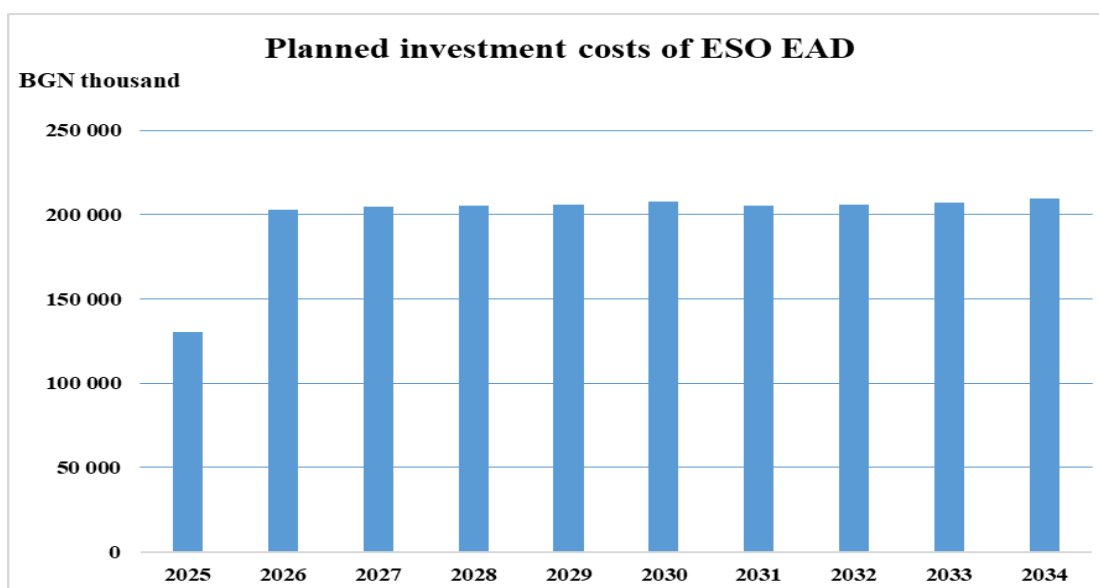
Pursuant to Article 37 of EA, energy companies keep separate accounting records for each activity subject to licensing, the activities subject to licensing and other activities, for each branch and enterprise, as well as for activities at regulated and freely negotiated prices. The rules for the separate accounting of energy undertakings, including the assets for the purposes of pricing by groups of customers, as well as the accounts form and content for regulatory purposes, shall be determined by a decision of the Regulator. In addition, it should be noted that energy companies subject to an independent financial audit submit to the Regulator an audit report on compliance with the rules for keeping separate accounts.

2.1.2. Network extension and optimization

Pursuant to Article 59, paragraph 1, (k) of Directive (EU) 2019/944, EWRC shall monitor the investment plans of the transmission system operators and provides in its annual report an assessment of the investment plans of the transmission system operators as regards their consistency with the ten-year Union-wide network development plan; such assessment may include recommendations to amend those investment plans.

In accordance with its powers, the Regulator annually approves a Ten-Year Network Development Plan (TYNDP) of the Republic of Bulgaria. Pursuant to the provisions of Art. 81d of the Energy Act, ESO EAD annually develops this plan in accordance with Section Three of the Electricity System Management Rules, in line with the requirements of the European Network of Transmission System Operators for Electricity (ENTSO-E). By Decision No. ДПМ-2 of 25.09.2025, EWRC approved the Ten-Year Network Development Plan (TYNDP) of the Republic of Bulgaria of ESO EAD for the period 2025 - 2034, which contains the main infrastructure for the transmission of electricity, which is planned for construction, expansion, reconstruction and modernization over the next ten years. The annual estimated values of all costs for construction, expansion, reconstruction and modernization of the power transmission network facilities and the protection and management systems of the electric power system (EPS) for the period of the TYNDP for the period 2025 - 2034 are in the amount of BGN 1 985 299 thousand. For the period 2025 – 2027, ESO EAD intends to make investments in the amount of BGN 537 982 thousand or 27% of the total investment costs specified in the plan.

The largest amount of investments is planned for the development of substations - BGN 958 254 thousand (48.27%) and power lines - BGN 821 751 thousand (41.39%). The amount of investments financed with own funds, distributed by years in the period from 2025 to 2034, is presented in the following diagram:



2.1.3. Network tariffs

As of 1 July 2025, important changes in the electricity pricing model for household consumers entered into force in Bulgaria, mainly related to the abolition of the quota model and the introduction of a transitional mechanism to a liberalized market. The main changes can be summarized as follows: as of 1 July 2025, EWRC's obligation to set electricity sale prices between producers, the public supplier and end suppliers shall be abolished. Electricity generation fixed quotas for the regulated market have been removed, which means that end supplier companies now purchase electricity mainly

from the exchange market, rather than according to administratively determined quotas. In connection with the above and within EWRC powers, specified in Art. 21, para. 1, item 8 of the Energy Act, the Regulator shall determine the basic electricity value for 1 MWh, which the household end customer should pay during the relevant regulatory period, as well as an end supplier price component related to the household end customers electricity supply.

According to Art. 32, para. 2, item 3 of the Energy Act, EWRC may determine hourly, seasonal and other tariff structures of the base value under Art. 30b of the Energy Act. According to Art. 30c, para. 4 of the Energy Act, the values under the base value tariff structure should be the same for all end suppliers.

The provision of Art. 30, para. 1, items 10, 13, 15 and 17 of EA also provides that certain electricity prices, which are of significant importance for the energy market functioning and public interest protection, are also subject to regulation by EWRC. EWRC regulates the following prices:

- access and/or transmission to/through the transmission network;
- access and/or transmission to/through the distribution networks;
- distribution of traction electrical energy on the railway transport distribution networks;
- price or price component through which all end customers connected to the electricity system, including the transmission system operator and the distribution system operators, participate in compensating for the costs under Art. 34 and Art. 35 of the Energy Act.

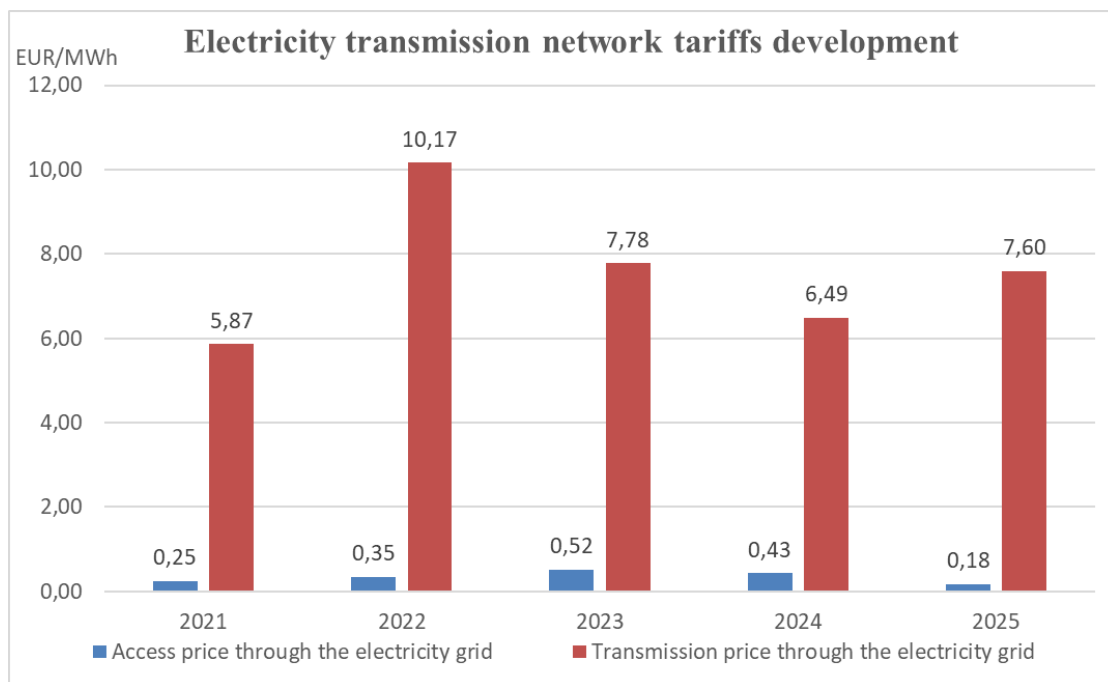
Pursuant to Art. 36b, para. 1, items 1-2 and 5-6 of EA, the Electricity System Security Fund (ESSF, Fund) manages the funds to cover: costs incurred by an energy enterprise in its capacity as a public supplier for electricity purchase under long-term contracts and at preferential prices, as well as those arising from its obligation to purchase electricity in its capacity as an electricity trader; costs of providing a premium to a producer under Art. 162a of EA and a producer with a facility with a total installed capacity of 500 kW and over 500 kW under EA; costs of providing compensation through the end supplier, covering part of the electricity costs of household end customers for facilities connected to the low-voltage electricity distribution network; costs incurred by the end suppliers under Art. 94a, para. 3 of EA.

Network tariffs development for the period 2021 - 2025 is presented in the table below:

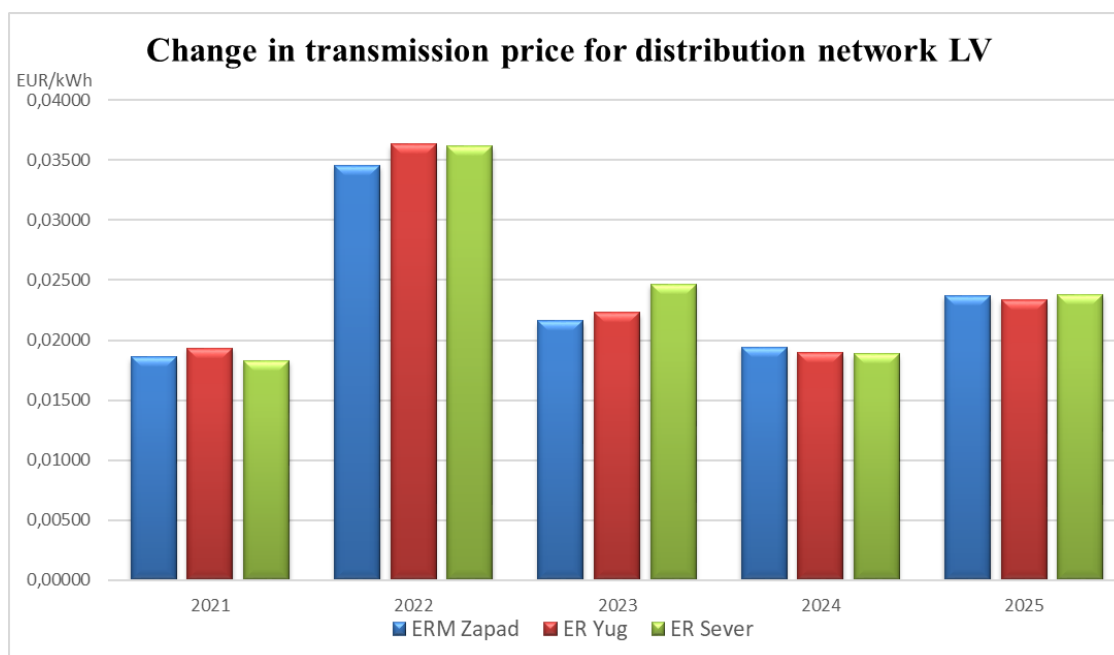
			2021	2022	2023	2024	2025
ESO EAD	Access price to the transmission network	EUR/MWh	0.25	0.35	0.52	0.43	0.18
	Transmission price through the transmission network	EUR/MWh	5.87	10.17	7.78	6.49	7.60
	Access price to the transmission network for PvPP and WPP	EUR/MWh	2.76	2.69	2.48	3.14	2.81
	Access price to the transmission network for power generators, excluding PvPP and WPP generators	EUR/MWh	1.237326	1.18	1.24	2.38	2.16

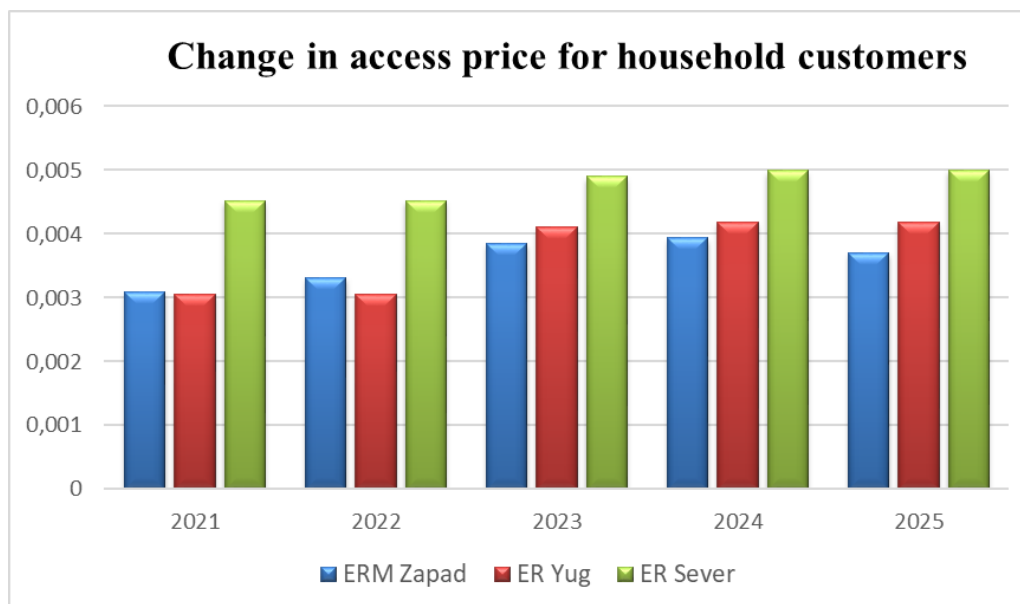
			2021	2022	2023	2024	2025
ERM Zapad EAD	Transmission price through the distribution network MV	EUR/kWh	0.005502	0.00845	0.00545	0.005997	0.00802
	Transmission price through the distribution network LV	EUR/kWh	0.018591	0.03456	0.02164	0.019444	0.02374
	Access price of non-household customers	EUR/kWh/ден	0.010998	0.011	0.01372	0.014015	0.01506
	Access price of household customers	EUR/kWh	0.003093	0.00331	0.00386	0.003937	0.00371
EP Yug AD	Transmission price through the distribution network MV	EUR/kWh	0.005082	0.0084	0.00552	0.005875	0.00899
	Transmission price through the distribution network LV	EUR/kWh	0.019342	0.03633	0.02232	0.018938	0.02337
	Access price of non-household customers	EUR/kWh/ден	0.010533	0.01153	0.01338	0.013662	0.01454
	Access price of household customers	EUR/kWh	0.003058	0.00306	0.00411	0.004187	0.00419
ERP Sever EAD	Transmission price through the distribution network MV	EUR/kWh	0.006708	0.01354	0.01078	0.006539	0.00917
	Transmission price through the distribution network LV	EUR/kWh	0.01832	0.03616	0.02467	0.018862	0.02383
	Access price of non-household customers	EUR/kWh/ден	0.010599	0.01182	0.0158	0.014817	0.01602
	Access price of household customers	EUR/kWh	0.004525	0.00452	0.0049	0.004995	0.00500
ERP Zlatni Piasaci AD	Transmission price through the distribution network LV	EUR/kWh	0.030856	0.02316	0.0222	0.019133	0.01834
	Access price of non-household customers	EUR/kWh	0.006775	0.00423	0.00651	0.010476	0.01048
	Access price of household customers	EUR/kWh	0.006775	0.00423	0.00651	0.00474	0.00366

The graph below shows the change in transmission and access prices for the last five years.



The following two graphs show the changes in the transmission price through low-voltage electricity distribution networks and the access price for household customers over the last five years.





2.1.4. Security and reliability regulation

Auction rules on conditions for access to the network for cross-border exchange of electricity (Rules on transmission capacity allocation) and regional cooperation between transmission system operators have been developed in line with Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity (Regulation (EU) 2019/943), by introducing common rules and procedures for the allocation and provision of available transmission capacity in both directions on the interconnections of the Bulgarian EPS and neighbouring power systems. The rules have also been drafted in conjunction with Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (Regulation (EU) 2016/1719) and Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing guidelines on capacity allocation and congestion management (Regulation (EU) 2015/1222). The purpose of these rules is to ensure optimal transmission network bottlenecks management, promoting energy exchanges development and coordinated allocation of cross-border capacity through non-discriminatory market-based solutions.

The Rules on transmission capacities allocation are to be submitted by ESO EAD every year for approval by EWRC, and the Harmonized allocation rules for long-term transmission capacities at the common borders between EU member states were approved on 29 Oct 2019 by ACER. Auction rules, users' registers and agreed transmission capacities to be allocated are published on ESO EAD website. The results of the annual, monthly and daily auctions organized by ESO EAD are publicly available on ESO EAD website and in the public section of the electricity market administration system. As of 1 Jan 2019 Serbia has signed an agreement for the implementation of the Harmonized Rules for the Allocation of Long-Term Rights on the Border of Bidding Zones Bulgaria - Serbia. By signing this annex, the Republic of Serbia agrees to apply the Harmonized Rules for the Allocation of Long-Term Transmission Rights pursuant to Art. 51 of Regulation 1719/2016 and joins the single allocation platform.

On the Bulgaria-North Macedonia bidding border, transmission capacities shall be allocated by the bidding office JAO S.A., as part of the Adria project, as a result of which the borders between the bidding zones of Serbia, North Macedonia, Montenegro and Italy shall also pass to JAO S.A. Adria project implementation is a first step towards integrating the electricity markets of the Western Balkans into the electricity markets of the European Union member states. According to the agreements reached, the North Macedonian transmission operator MEPSO AD agrees to apply the

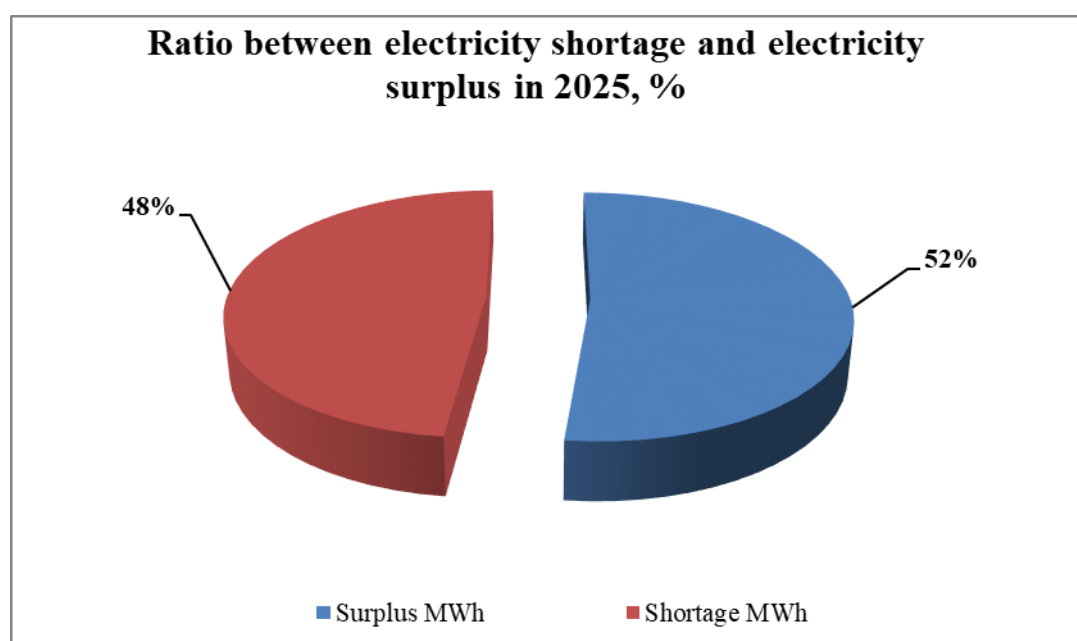
Harmonized Rules for the Allocation of Long-Term Transmission Rights with an Annex for Specific Conditions on the Auction Borders with Bulgaria and Serbia. In addition, MEPSO AD agrees with JAO S.A. to explicitly allocate daily transmission capacities for the Bulgaria-North Macedonia auction border in accordance with the Rules for Explicit Daily Transmission Capacity Allocation on the Border and the Annex thereto.

On the border of the Bulgaria - Turkey bidding zones, the current situation remains, in which ECO EAD - acting as an auction operator - offers, allocates and provides 50% of the available transmission capacity for electricity transmission in both directions between the power systems of Bulgaria and Turkey.

ESO EAD manages the auction procedure for the division and allocation of 50% of physical rights for the transmission of annual, monthly and daily transmission capacities in the direction from Bulgaria to Turkey and in the direction from Turkey to Bulgaria. For the purposes of these auction rules, the auction operator also acts as the auction office.

2.1.5. Monitoring supply and demand balance

Total energy shortage in 2025 has increased by 22% and amounted to 1 421 674 MWh compared to 1 162 795 MWh in 2024. Total energy surplus in 2025 was 1 529 046 MWh compared to 1 410 347 MWh in 2024, which also marks an increase of 8%. Percentages of electricity shortage and electricity surplus in 2025 are shown in the figure below:



The amount of electricity used for upward regulation in 2025 has decreased by nearly 30% compared to 2024, as well as the amount of energy for downward regulation by 24% compared to 2024, according to ESO EAD data. 2025 data include activated balancing energy in the control area of the Republic of Bulgaria, both to cover imbalances in the country and to cover imbalances in the control areas of other operators joined to PICASSO - a European platform focused on cross-border exchange of balancing energy from frequency restoration reserves from automatic activation and exchange capacities, which the transmission operator joined on 10 Feb 2025.

Rules amending and supplementing the EMR, prom.SG, 76 of 2022, as of 1 Oct 2022, introduced a 15-minutes settlement period on the electricity balancing market in compliance with the requirements of Commission Regulation (EU) 2017/2195 of 23 Nov 2017 establishing a guideline on electricity balancing and Regulation (EU) 2019/943 of the European Parliament and of the Council of

5 June 2019 on the internal market for electricity. This amendment leads to a fourfold increase in the number of settlement periods, respectively it can have a significant impact on the way and accuracy of forecasting the purchase/sale electricity quantities. At present, the lack of sufficient real data on the application of the 15-minute settlement interval does not allow an analysis of the achieved price levels for surplus and shortage. To that end, until accumulating a sufficient volume of real data on the reported amounts of imbalances of the balancing groups and the achieved price levels, it is not possible to justify the need to change the approach that EWRC has used in determining the currently applied marginal contract price of transactions on the balancing energy market.

2.1.6. Cross-border issues

Regarding the technical cooperation between the EU transmission system operators and third countries, the Bulgarian TSO is in close cooperation with the operators - members of the European Network of Transmission System Operators for Electricity (ENTSO-E). In connection with the entry into force of Regulation (EU) 2019/943, ESO EAD has sent letters with a proposal for cooperation with third countries in the South East Europe Region (non-EU members of ENTSO-E: Turkey, North Macedonia and Serbia) for the coordinated calculation of inter-zonal capacity under ACER methodologies for determining the 70% threshold of the cross-zonal capacity and for the coordinated calculation of operational security.

Project on introducing 15-minute resolution products on the Day-ahead market segment

The project is being implemented simultaneously for all market areas, part of the European integrated market (SDAC), with planned start date being 11 June 2025. The transition to 15-minute products in SDAC is a significant achievement in the development of energy markets in Europe. After a re-evaluation of the project schedule by the regional NEMOs and TSOs, a date has been set for the introduction of the new products – 11 June 2025, with a delivery date 12 June 2025. In order to ensure the continuity of the day-ahead market coupling and taking into account the proposals of trading participants, NEMOs and TSOs agreed to follow an approach with a shorter period (1 week) during which the previous configuration of the systems could be returned. The introduction of 15-minute products to that market aimed to increase the precision of trading operations to better integrate renewable energy sources in support of greater efficiency and flexibility in the market. By improving responsiveness to variable production and consumption, the new products shall enable more accurate pricing and scheduling. Comprehensive testing is currently underway to ensure a smooth transition to this market-leading change. On 10 Oct 2025, electricity trading officially launched on the day ahead market segment of all NEMOs with a delivery interval of 15 minutes.

Electricity System Operator EAD joined the balancing energy platform PICASSO

On 10 Feb 2025, ESO EAD successfully joined the PICASSO platform and became the first electricity transmission operator in Southeastern Europe connected to the European balancing platform. The European platform is focused on cross-border exchange of balancing energy from frequency restoration reserves with automatic activation and exchange capacities. There are 26 transmission system operators, part of ENTSO-E, participating in the international PICASSO project.

The PICASSO platform provides common rules for the activation of balancing energy from frequency restoration reserves with automatic activation and exchange capacities for all connected transmission system operators.

One of the key changes that will occur after joining the platform is the pricing method for balancing energy when activating the frequency restoration reserves with automatic activation and exchange capacity control service (aFRR). The platform will collect and sort by offered price all available offers for balancing energy from aFRR and a Common Merit Order List (CMOL) will be prepared. The operation of the European balancing platform optimizes, within the framework of cross-border exchange, the activation of balancing energy between the individual control blocks in the Continental Europe synchronous area, taking into account the available transmission capacities.

By successfully connecting to the PICASSO platform, ESO EAD fulfilled its obligations arising from Article 21 of Regulation (EU) 2017/2195 of the European Commission of 23 November 2017 establishing guidelines for electricity balancing.

ESO EAD is the first operator from the South-Eastern European capacity calculation region to join PICASSO and currently has no common electricity border with transmission system operators effectively participating in the project. Until at least one transmission system operator from Bulgaria's neighboring countries joins the platform, there will be no real exchange of balancing energy from frequency restoration reserves with automatic activation and exchange capacities (aFRR). For this objective reason, the formation of the marginal price for Bulgaria, used as a pricing factor in the Methodology for determining prices for balancing energy, will continue to be determined by the activated local sources of balancing services.

The accession of ESO EAD to the European balancing platform PICASSO is a key step in the process of building a sustainable and efficient single European energy market.

Realized commercial electricity exchange according to schedules of trade participants

EXCHANGES		
Realized commercial electricity exchange according to schedules of trade participants		
Border/Direction	2024	2025
	MWh	MWh
Bulgaria - Romania	5 852 074	6 783 753
Romania - Bulgaria	5 849 657	6 345 241
Bulgaria - Serbia	1 825 562	2 169 880
Serbia - Bulgaria	2 009 710	1 790 899
Bulgaria – N Macedonia	2 189 876	2 532 035
N Macedonia - Bulgaria	1 455 064	1 367 099
Bulgaria - Greece	3 669 171	3 336 091
Greece - Bulgaria	2 921 915	3 533 372
Bulgaria - Türkiye	471 531	393 218
Türkiye - Bulgaria	1 013 291	938 846
Physical electricity exchange between Bulgarian EPS and EPS of neighbouring countries		
Border/Direction		
	2024	2025
Import	MWh	MWh
Physical border - total	5 921 469	5 606 770
Including:		
- Romania	3 164 785	2 615 241
- Serbia	544 393	375 679
- North Macedonia	242 890	221 876
- Türkiye	1 039 061	1 188 581
- Greece	930 338	1 205 394
Export		
Physical border - total	6 908 453	6 928 563
Including:		
- Romania	2 318 304	2 945 839
- Serbia	1 151 420	1 537 164
- North Macedonia	996 703	986 049
- Türkiye	539 528	407 320
- Greece	1 902 496	1 052 191
Physical exchange with distribution companies *		
	2024	2025
	MWh	MWh
Between ESO EAD and ERM Zapad AD	8 961 845	9 340 521
Between ESO EAD and ERP Sever EAD	4 658 661	4 975 584

Between ESO EAD and EP Yug AD	8 003 397	7 999 532
Between ESO EAD and ERP Zlatni Piasaci AD	59 887	64 690
Between ESO EAD and SE NRIC - Electricity distribution unit	307 158	286 667
Between ESO EAD and OZRM BALKAN AD	-41 917	-72 499

* net volumes

2.1.7. Implementation of network codes and guidelines

In compliance with the European regulations and with the aim of ensuring full transparency and publicity, in 2025 EWRC continued to fulfil its obligations under network codes and regulations. During the said period, activities were carried out on the adoption of methodologies and accompanying papers, filling out questionnaires and providing data in implementation of the European regulations in order to ensure the smooth operation of the activities for the single market coupling and to ensure the required available cross-border transmission capacity.

Given the above, in 2025 EWRC approved the following documents:

- Proposal of the South-Eastern European Transmission System Operators for amending the Common Methodology for calculating transmission capacity for the day-ahead and intraday market time periods, in accordance with Article 21 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing guidelines on capacity allocation and congestion management;
- Proposal from all transmission system operators for the designation of load and frequency control blocks for the Continental Europe Synchronous Zone in accordance with Article 141(2) of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing guidelines on electricity transmission system operation;
- Amendment of the proposal of the transmission system operators of South-East Europe for a common methodology for calculating long-term capacity, in accordance with Article 10 of Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing guidelines on the preliminary allocation of capacity;
- Request for a derogation from the obligation to introduce a 30-minute market closure period for intraday cross-zonal capacity transactions pursuant to Article 8(1a) of Regulation (EU) 2024/1747 of the European Parliament and of the Council of 13 June 2024 amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the design of the Union electricity market.

2.2. Competition and market functioning

2.2.1. Wholesale markets

Data on electricity generated and installed capacities in the period 2024 - 2025 have been summarized by years in the table below:

Electricity generated by energy sources	Installed capacity in MW		Electricity generated in MWh	
	2024	2025	2024	2025
1. NPP	1 893	1 893	14 959 004	14 539 227
2. TPP lignite coal	3 601	3 601	8 372 886	9 240 233
3. TPP black and brown coal	240	240	234 333	285 399
4. TPP natural gas	504	509	1 282 001	1 282 010
5. HPP, incl.	2 867	2 865	2 273 115	2 268 239
5.1. PSHPP generation	1 386	1 386	501 708	580 058
5.2. PSHPP pumps *	932	932	173 628	449 525
6. RES, incl.:	2 096	3 138	3 164 633	3 715 401

6.1. WPP	358	358	715 943	655 417
6.2. PvPP	1 713	2 771	2 448 173	3 058 304
6.3. Biomass PP	25	10	518	1 681
7. Storage systems	27.6/55.05	842/2144	0	72 966
7.1. Storage systems intake **	28	842	0	72 966
7.2. Storage systems output ***	28	842	6 544	164 062
Total: 1+2+3+4+5+6+7.1	11 200	13 088	30 285 973	31 403 476

* The operation of the PSHPP in pumping mode is electricity consumption and the quantities of electricity under item 5.2. do not participate in the amount under item 5

**Includes only energy received from independent electricity storage sites (ESS), since the electricity received in the Power grid from the non-stand-alone ESS to the EPP is reported in the row for the respective EPP, since it cannot be separated from its own production

** Installed capacity from Batteries includes both stand-alone ESS and non-stand-alone ESS connected to the transmission grid (including facilities in samples)

*** Includes, in addition to consumption from Power grid of ESS, electricity for own consumption/needs of site(s) of EPP with non-stand-alone ESS

Data used for the installed capacities connected to the transmission network and the generated net electricity in 2024 and 2025 has been provided by ESO EAD. Regarding installed capacities, an increase in photovoltaic power plants (PvPP) has been reported, and in 2025, they were 2 771 MW compared to 2024, when they were 1 713 MW. As to electricity storage systems, installed capacities also showed significant growth, from 28 MW in 2024 to 842 MW in 2025.

The total electricity generated by producers connected to the transmission network for 2025 was 31 403 476 MWh and was nearly 3.7% more than the net electricity generated in 2024, which amounted to 30,285,973 MWh.

When analysing the differences between the generated electricity quantities of the plants connected to the electricity transmission network in 2025, in comparison to 2024, the following trends can be observed: increase in the generation from TPP lignite coal by 10 %, increase in the generation from TPP black and brown coal by 22%, respectively an insignificant decrease in NPP by 2.8%, an insignificant decrease in the generation from HPP by 0.21%, increase in the electricity generation from photovoltaic plants by 25%.

The following table presents the installed capacity in MW, connected to the electricity distribution networks and the energy produced in 2025 in MWh.

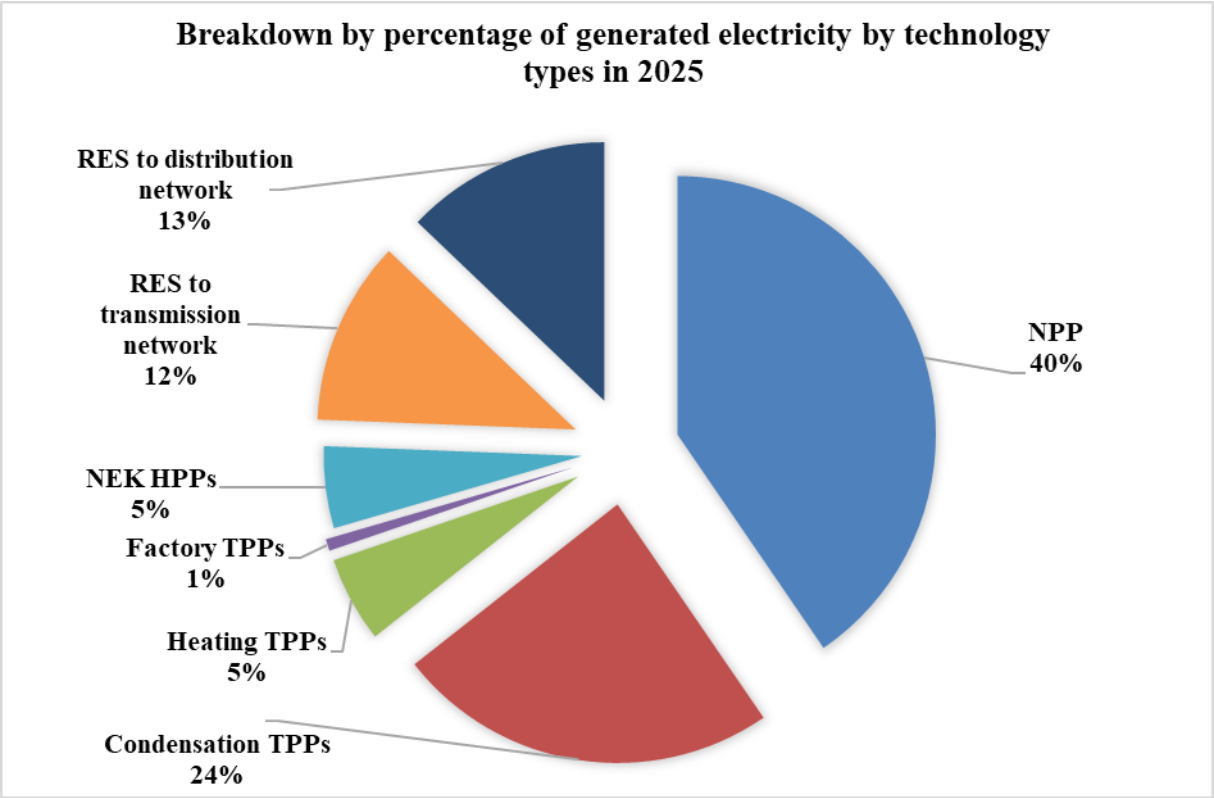
	ERM Zapad EAD		EP Yug AD		ERP Sever EAD		ERP Zlatni Piasaci AD		Total	
	Installed capacities MW	Gen. electricity MWh	Installed capacities MW	Gen. electricity MWh	Installed capacities MW	Gen. electricity MWh	Installed capacities MW	Gen. electricity MWh	Installed capacities MW	Gen. electricity MWh
Coal	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0
Natural gas	39.50	143 746	20.81	46 719	27.68	111 175	0.00	0.00	88	301 640
HPP	222.80	449 803	99.00	129 510	14.29	19 495	0.00	0.00	336	598 808
WPP	21.40	25 926	51.00	50 322	285.45	549 944	0.00	0.00	358	626 192
PvPP	1019.80	1 105 534	1486.31	1 608 999	564.36	519 330	0.91	508.74	3 071	3 234 372
Other	13.70	51 563	28.72	94 712	5.91	19 517	0.00	0.00	48	165 792
Total	1 317	1 776 571	1 686	1 930 262	898	1 219 461	1	509	3 902	4 926 803

From the data presented, it becomes clear that the largest amount of installed capacities for electricity generation have been connected to the distribution network of EP Yug AD amounted 1 686

MW, respectively, the biggest amount of electricity produced was there amounted 1 930 262 MWh. Total generation capacities connected to the electricity distribution networks were 3 902 MW and the energy produced 4 926 803 MWh. In 2025, installed capacities connected to the electricity distribution companies increased by 10%, with the largest increase in PvPP, namely by 22%, respectively the electricity generated increased by 13% compared to 2024.

The total installed capacity connected to the electricity transmission and distribution networks in 2025 was 16 059 MW, or 11% more than in 2024, and the amount generated was 5% more in 2025 compared to 2024. The production of electricity from the PvPP for 2025 was 15% more compared to 2024.

The graph below shows the percentage allocation of electricity generated in 2025 by technology type. The total amount of electricity generated by producers connected to the transmission and distribution networks in the Republic of Bulgaria in 2025 was 35 955 674 MWh, distributed depending on the source of primary energy and the generation technology used. The largest share in the production of electricity is held by NPP at 14 539 227 MWh or 40%, condensing TPP at 8 609 616 MWh or 24% and followed by RES at 8 769 032 MWh or about 25% (respectively distributed renewable energy to the transmission network 12% and renewable energy to the distribution network 13%).



Monitoring the level of prices, the level of transparency, the level and effectiveness of market opening and competition

In connection with the obligation under Art.59, par.1(n) of Directive (EU) 2019/944, EWRC monitors the level of transparency, including wholesale prices, and ensures that electricity companies fulfil transparency obligations. In this regard, an analysis of the wholesale trade in electricity has been made.

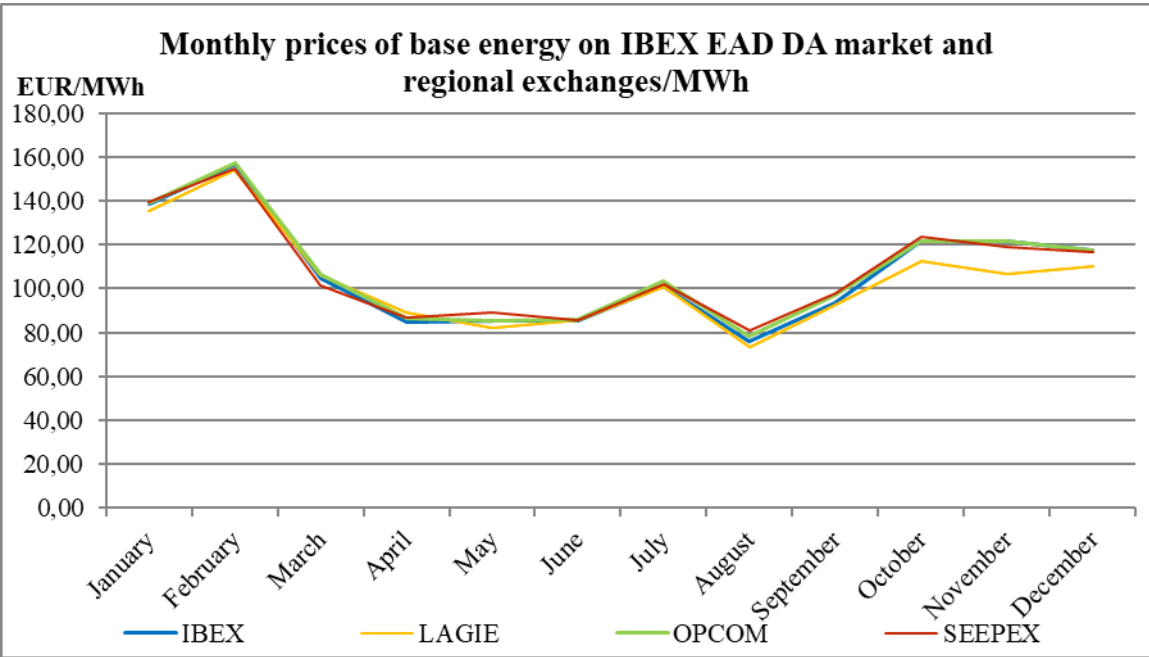
The main wholesale trade is carried out through the following segments of the Independent Bulgarian Energy Exchange EAD (IBEX EAD), namely day-ahead market, intraday market, bilateral contracts market, intraday auctions and centralized bilateral contracts end suppliers market.

Day-ahead Market

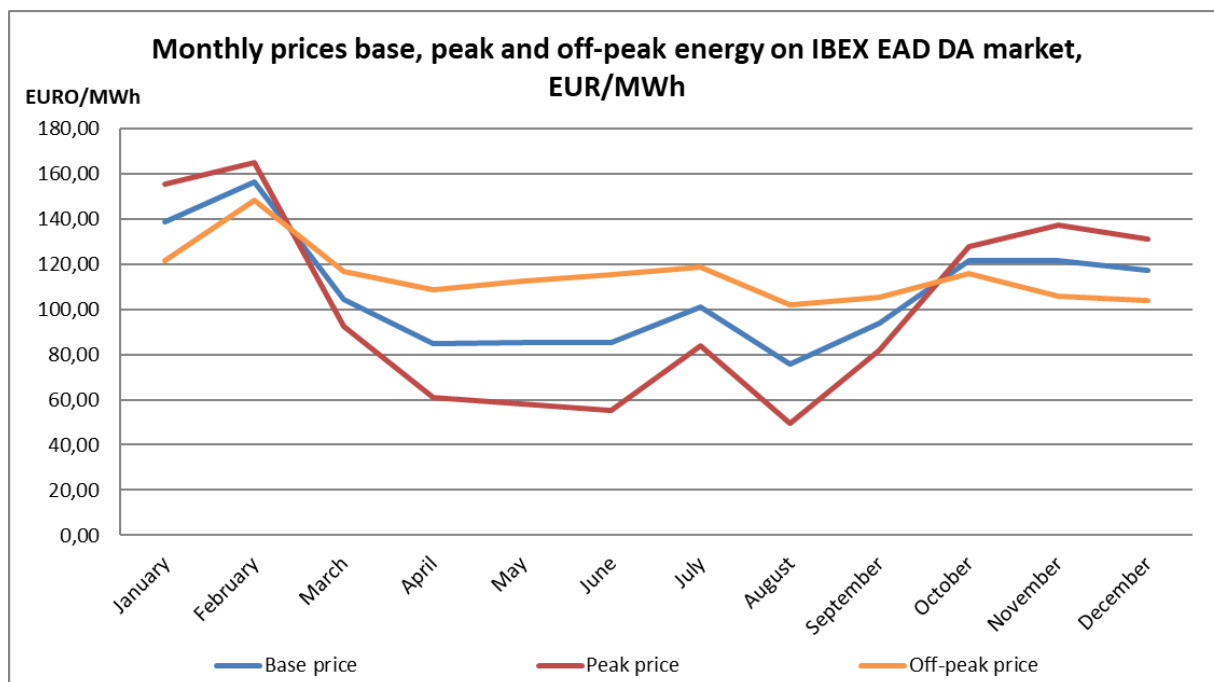
In 2025, the traded volumes of baseload energy on the Day-ahead market compared to 2024 were 2.63% more, and data for the last eight years can be seen below.



A comparative graph of prices and traded volumes on IBEX EAD day-ahead (DA) market and on regional exchanges is presented in the following figure. The analysis includes average monthly prices for baseload EUR/MWh of traded volumes on the day-ahead market in 2025 on the following regional exchanges: IBEX (Bulgaria), LAGIE (Greece), OPCOM (Romania) and SEEPEX (Serbia).



The next graph shows the levels of monthly prices of base, peak and off-peak energy on IBEX EAD day-ahead market, in EUR/MWh:

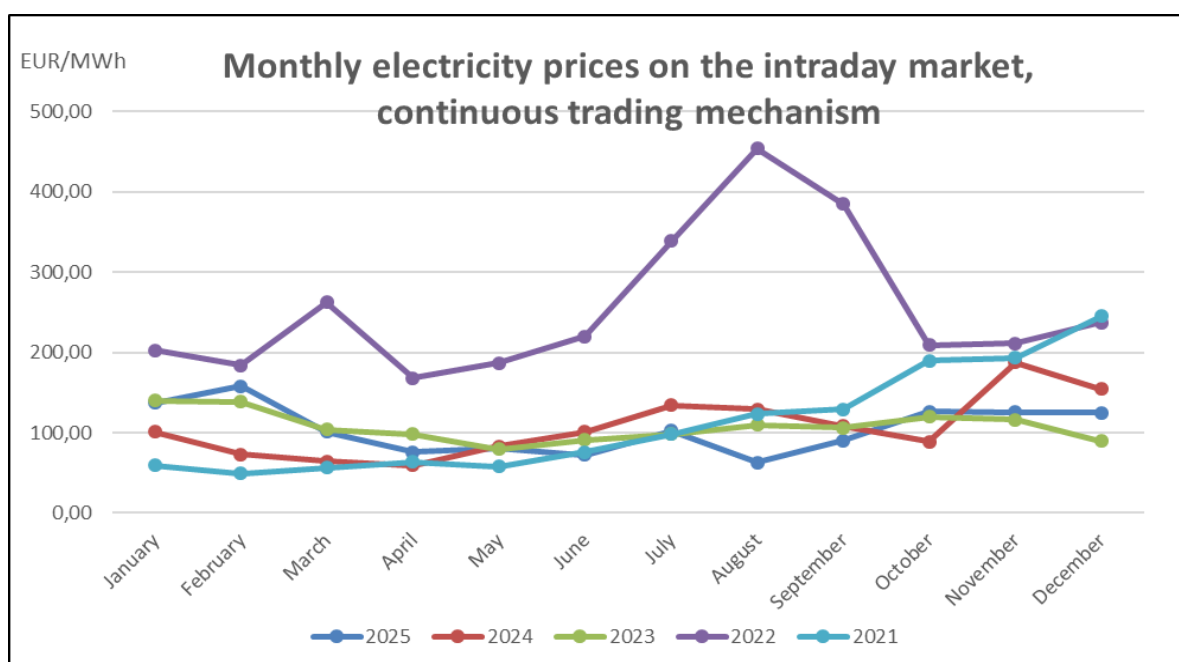


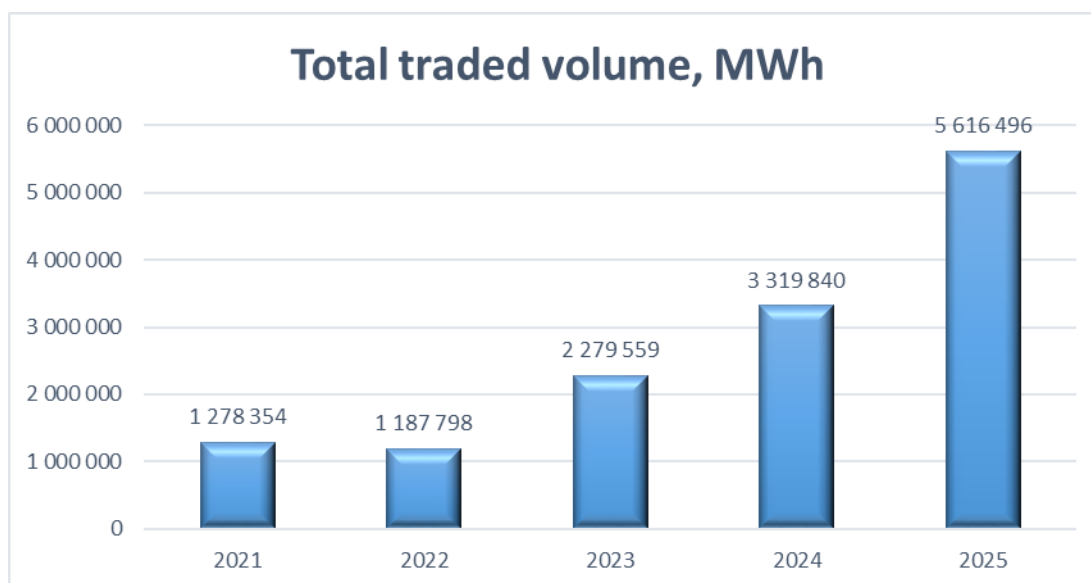
Intraday Market

The intraday market segment, a continuous trading mechanism, offers products with delivery times of 15 and 60 minutes. Block products, the delivery of which comprises two or more consecutive intervals, is only possible for products with 60-minute resolutions. The segment operates 365/366 days a year via the continuous trading mechanism. The intraday market segment has been operating in the conditions of a market coupling (Single Intraday Coupling) since 19 November 2019.

In 2025, the total traded volume of electricity on the Intraday market, continuous trading mechanism, was 5 616 496 MWh and marked a significant increase of 69% compared to 2024, when the quantity was 3 319 840 MWh, data for recent years are presented in the graph below:

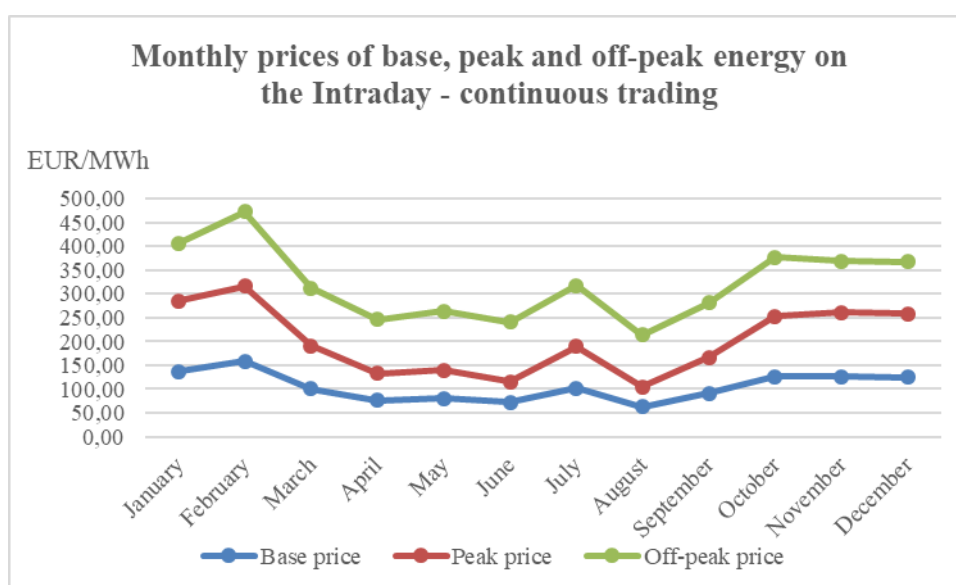
The chart below shows weighted average monthly prices for electricity traded on the Intraday market, continuous trading mechanism, of IBEX EAD for the last five years.





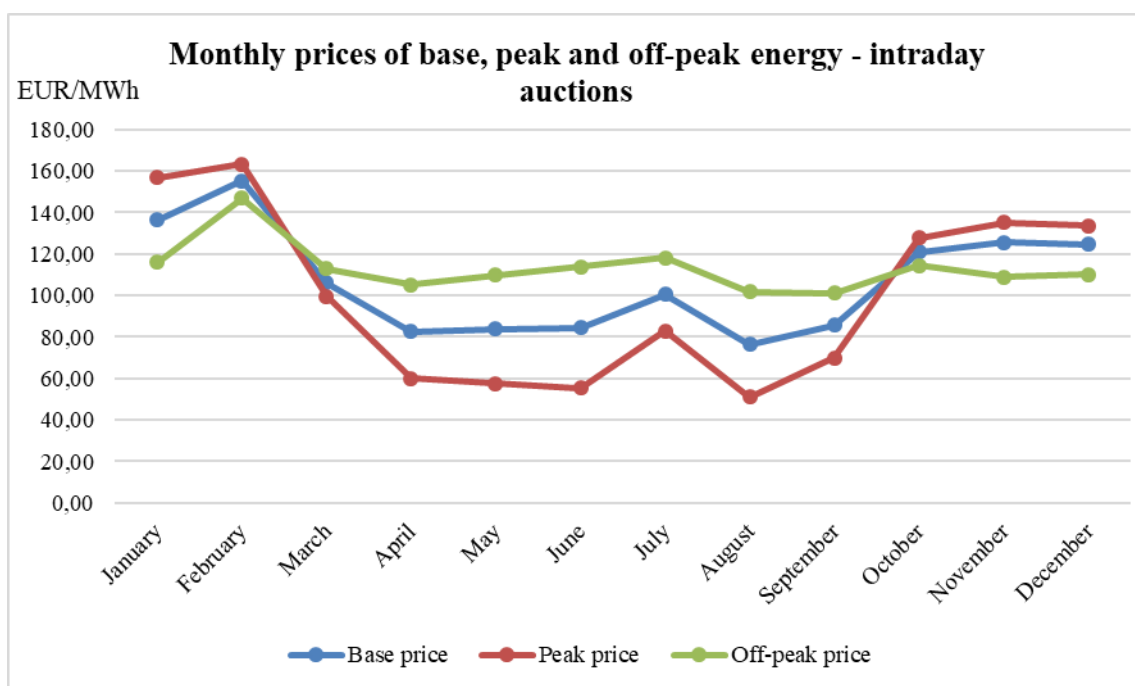
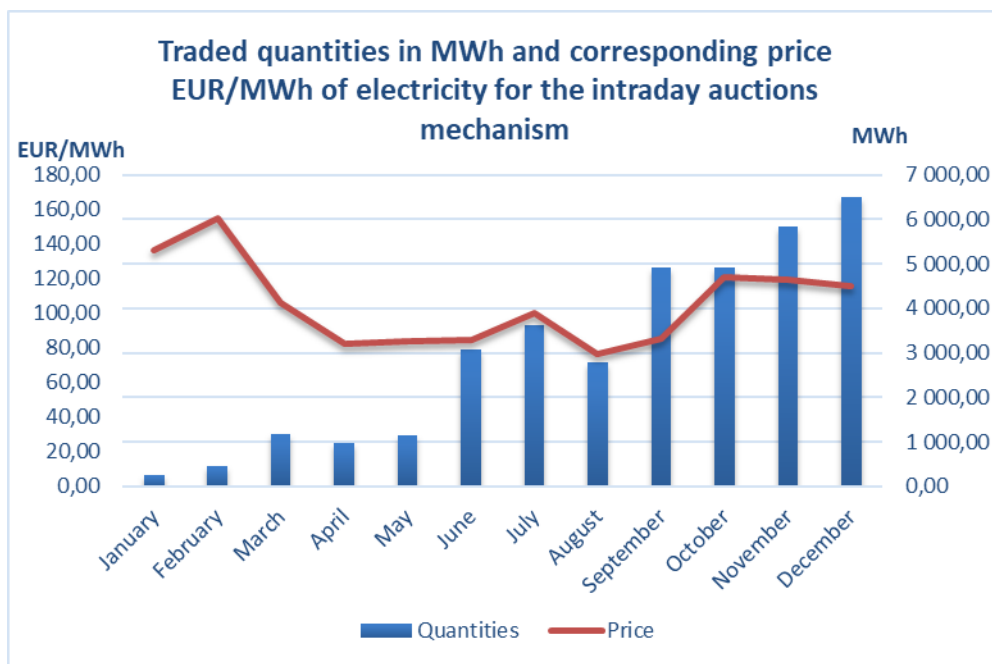
In 2025, the monthly prices of electricity traded on the intraday market, continuous trading mechanism of IBEX, showed a slight decrease in prices compared to 2024, as well as a price stability in the last months of the year.

The following diagram shows the monthly price levels of base, peak and off-peak energy on the Intraday market, “continuous trading” mechanism of IBEX EAD in EUR/MWh.



The intraday market segment, an intraday auction mechanism that was launched on 13.06.2024, offers products with a delivery time of 15 minutes, as well as block products whose delivery spans two or more consecutive 15-minute intervals. The mechanism operates 365/366 days a year and trading is carried out through three auction sessions for each delivery day.

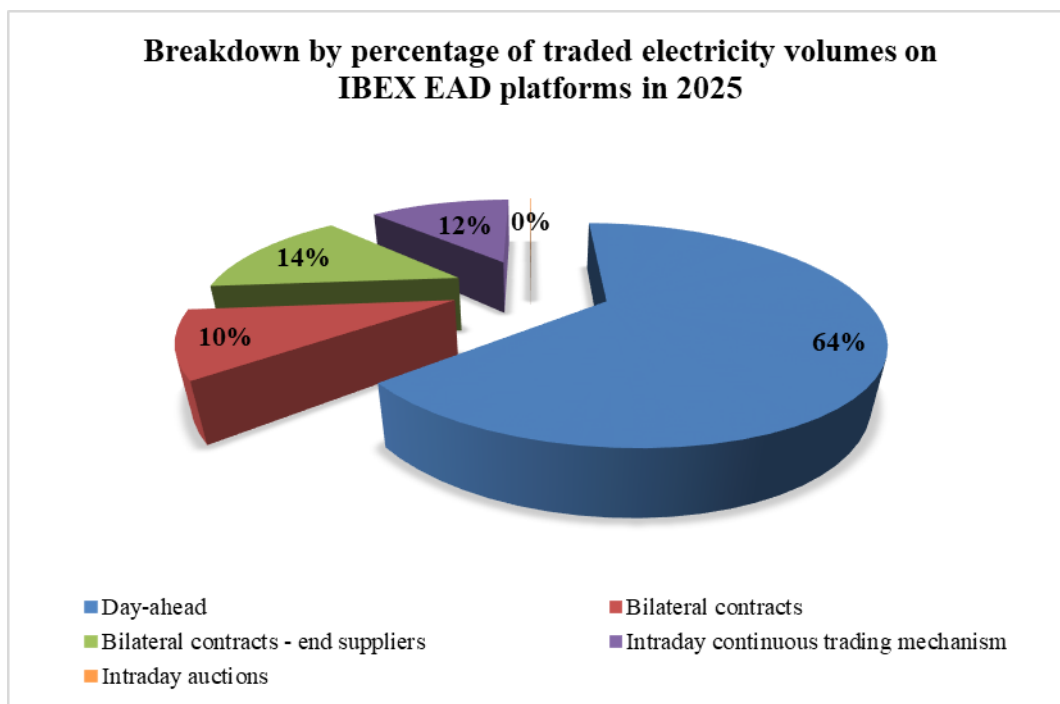
The following two diagrams show the traded quantities and the corresponding average prices by month on the intraday market segment, intraday auctions mechanism for 2025. The levels of the monthly prices of base, peak and off-peak energy on the intraday market, intraday auctions mechanism of IBEX EAD in EUR/MWh are also presented.



Total amount of delivered electricity traded on the platforms of IBEX EAD for 2025 was 46 029 GWh, which is about 18% more than in 2024, when it amounted to 39 053 GWh.

The delivered quantities of electricity traded on the IBEX platforms for 2025 by market segments are as follows: for the Day ahead market segment 29 399 GWh, for the intraday market segment, continuous trading mechanism – 5 616 GWh, for the intraday auctions market segment – 36 GWh, for the centralized market bilateral contracts – 4 470 GWh and for the centralized market Bilateral Contracts End Suppliers – 6 508 GWh.

The percentage ratio of the delivered amounts of electricity is shown in the following diagram:



Summary indicators that characterize the dynamics of the wholesale electricity market development for the period 2019-2025 are shown in the table below.

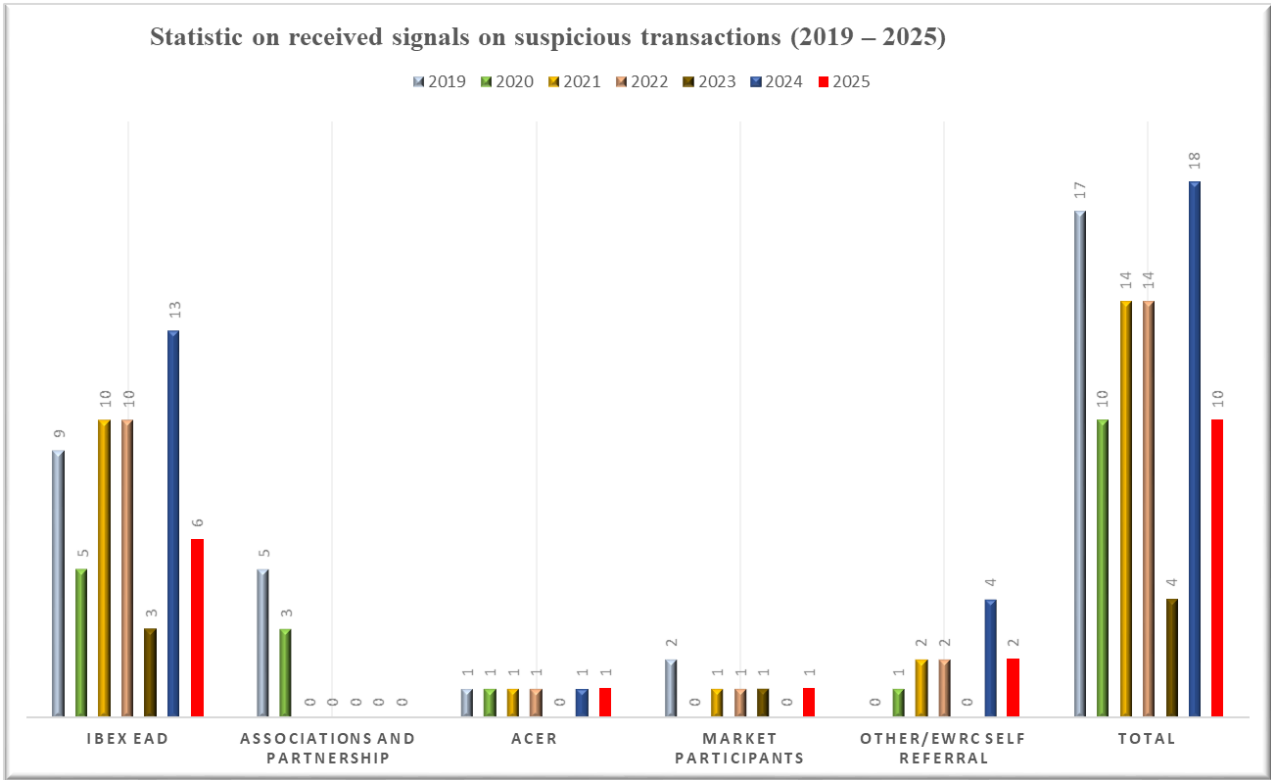
Wholesale electricity market indicators	2019	2020	2021	2022	2023	2024	2025
Total electricity generation, GWh	39 476	36 799	42 521	41 900	32 501	30 286	35 956
Total number of active electricity traders	85	38	40	65	128	156	122
Total electricity consumption, excl. pumps, GWh	37 794	36 723	38 631	29 653	29 029	29 125	29 632
Import volume, GWh	4 026	3 707	1 857	1 469	4 414	5 921	5 607
Export volume, GWh	9 822	7 115	10 634	13 664	7 748	6 908	6 929

Implementation of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency

“Monitoring and Control of the Implementation of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency” Division (REMIT Division) at EWRC is committed to the implementation of Regulation (EU) No. 1227/2011. Through the REMIT Division, EWRC continues ensuring equal access of market participants to the wholesale electricity power exchange markets, monitors the observance of transparency in trade and deters and sanctions market abuses within the meaning of Regulation (EU) No. 1227/2011. The implementation of REMIT in national law is regulated in Chapter Seven “a” of EA, which regulates EWRC powers, as well as the administrative penalty provisions for violations of the Regulation.

In 2025, in accordance with Art. 15 of REMIT, EWRC received 10 reports of potential violations, representing manipulation of the wholesale energy market or attempted manipulation within the meaning of Art. 5 and failure to comply with the obligation to publish inside information by a market participant pursuant to Art. 4 of the Regulation. The majority of the signals to the Regulator were submitted by the Bulgarian Independent Energy Exchange EAD (IBEX EAD) – 6. Respectively, 1 report was received from the Agency for the Cooperation of Energy Regulators (ACER) and 1 from a market participant. Two reports of violations of Art. 4 of REMIT were identified

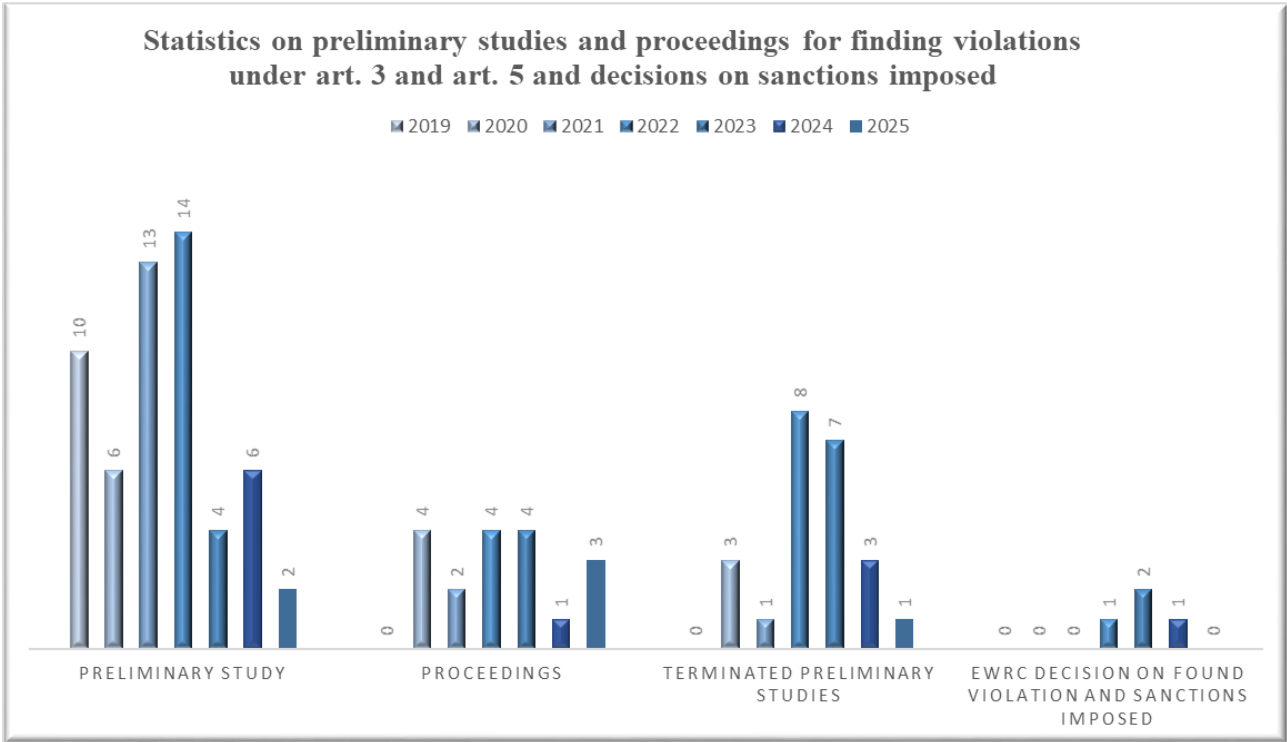
during ongoing control by REMIT Division. The total number of signals received in the period 2019-2025 was 87.



In case of found initial data on market manipulation within the meaning of Art.3 and/or Art.5 of Regulation (EU) No. 1227/2011, officials assigned by EWRC Chair's order, carry out a preliminary investigation on the presence of a violation justified assumption. After completion of the preliminary investigation, if sufficient evidence of a violation has been found, EWRC initiates proceedings to establish a violation. These investigations are carried out in partnership with ACER, in accordance with Art.16 of the Regulation (EU) No. 1227/2011. For each individual case, EWRC shall regularly exchange information on the development of cases with ACER. This exchange follows strict rules to ensure complete confidentiality and information protection. In view of the stated requirements for guaranteeing complete confidentiality in the investigation of ongoing cases, EA provides for EWRC decision and minutes of sittings related to the preliminary investigation and the establishment of a violation under Art.3 and/or Art.5 of Regulation (EU) No. 1227/2011, not to be published on EWRC website. Based on the above, EWRC cannot provide specific information on the progress and outcome of ongoing investigations, as it would be in violation of the requirements of ACER and Art.74a, para 8 of EA.

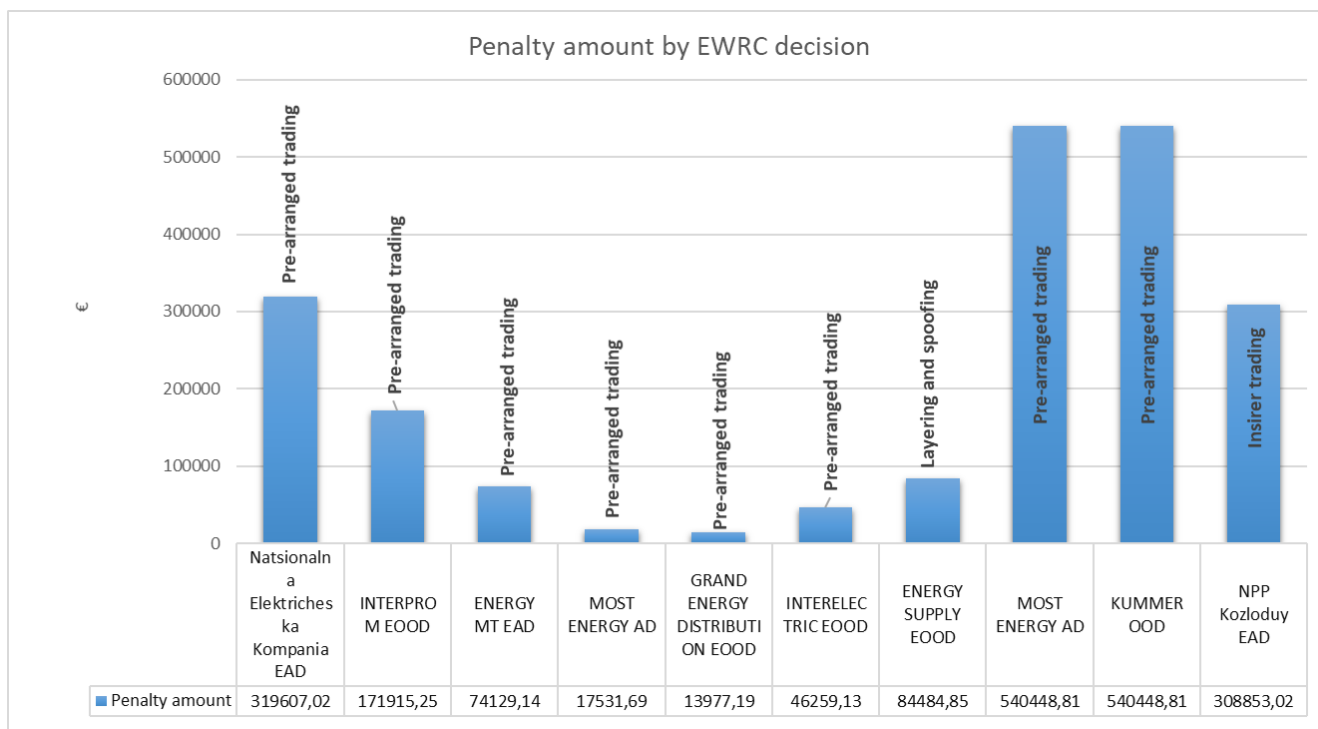
Based on all received reports of suspicious transactions and signals, a total of 55 cases of preliminary investigation were formed in the REMIT Division pursuant to Art.74a of EA for the period 2019-2025, all relating to the wholesale electricity market. The formed preliminary investigations were less than the number of received reports and signals for the same period, because several signals were received for one and the same suspicious transactions. Also, 9 of the reports filed by IBEX were for a subsequent period of the same alleged violation of market manipulation or attempted manipulation, committed by the same market participants in an identical manner. By order of EWRC's Chairman, they have been combined into a single preliminary investigation. The purpose of that investigation was to determine whether the report contained sufficient information to justify a reasonable assumption of a breach of Art. 3 and/or Art. 5 of Regulation (EU) No 1227/2011. When

EWRC considers that the suspicion of a violation is supported by the facts presented in the preliminary investigation report, it initiates proceedings by a decision under Art.74a, para.5 of EA to establish a violation of Art.3 and Art.5 of REMIT.



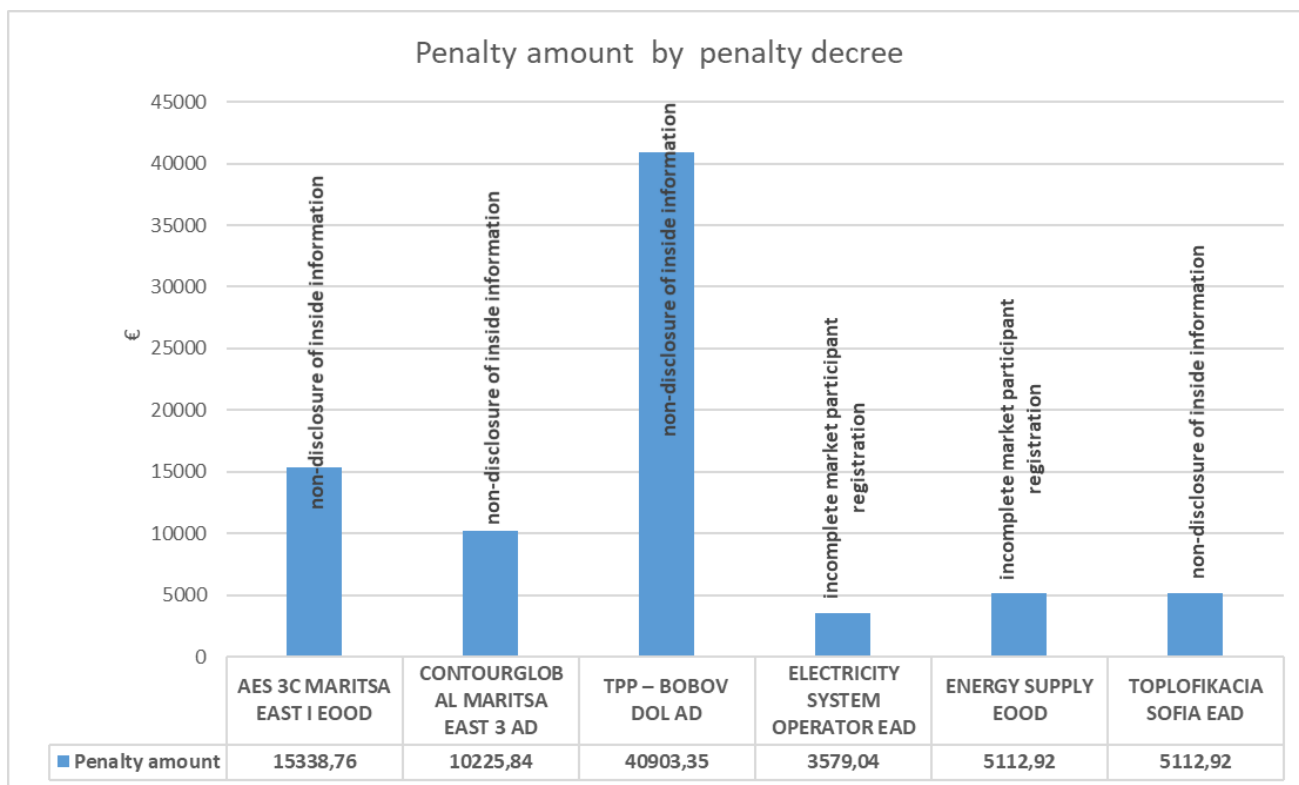
In 2025 EWRC conducted two preliminary investigations, initiated three proceedings to establish a violation of Art.3 and/or Art.5 of the Regulation, and due to lack of data on committed violations, terminated one preliminary investigation.

At the end of 2025 EWRC, via its decisions, sanctioned ten market participants for violations of the prohibition on insider trading and for market manipulation or attempted manipulation within the meaning of REMIT, one of which twice. The total amount of the sanctions was 2 117 654.91 euro (4 141 773 BGN). The most commonly used manipulative practice by market participants, according to the ACER guidelines for implementing REMIT, was pre-arranged trading.



In accordance with Art. 74o of EA and Art. 155x, para. 2 of Ordinance No. 3 on licensing of the activities in energy sector of 21.03.2013, officials from the REMIT Division carried out preventive, ongoing and follow-up control for compliance with the obligations under Art. 4, 8, 9 and 15 of the Regulation. For the results of the inspections, the officials draw up a report of findings pursuant to Art. 74o, para. 3 of EA, and for the violations – an act establishing an administrative violation pursuant to Art. 74o, para. 4 of EA.

In 2025, officials drew up 4 reports of findings and 1 act establishing an administrative violation of the obligation to publish inside information within the meaning of Art. 4 of REMIT. By a penalty decree of EWRC's Chairman, Toplofikatsiya Sofia EAD was sanctioned with 5 112.92 euro (BGN 10 000). The total number of market participants sanctioned for failure to comply with the obligations under Art. 4 and Art. 9 in the period 2024-2025 was six, with the amount of the sanctions imposed being 80 272.83 euro (BGN 157 000).



Market participants that carry out transactions with wholesale energy products, for which there is a requirement to be reported to ACER in accordance with Art. 9(1) of REMIT shall be registered with the national regulatory authority. In this regard, in 2025, EWRC registered 26 new market participants for trading in wholesale energy products (electricity) and updated the data of 46 registered market participants.

2.2.2. Retail market

In the retail market, there are four electricity distribution network operators that are licensed to distribute electricity to customers connected to the distribution network at low and medium voltage level in the respective designated territories:

- ERM Zapad EAD operates on the territory of 10 districts in Western Bulgaria;
- Electrodistribution North AD operates on the territory of 9 districts in North Bulgaria;
- Elektrorazpredelenie Yug EAD operates on the territory of 9 districts in South Bulgaria;
- Elektrorazpredelenie Zlatni Piasaci AD has a limited geographical area of activity in Varna region.

Retail market consists of three groups of suppliers from supply point of view:

- Free market supplier - a trader/producer/power exchange that supplies electricity to household and non-household customers at prices based on demand and supply;
- Supplier of last resort (SLR) – a supplier that guarantees the universal service provision as a last resort in accordance with a license obtained from EWRC. It has the obligation to supply electricity to customers connected to the distribution network that have not chosen an electricity trader or when the electricity trader they had chosen failed to provide the supply due to non-customer reasons. The SLR end selling prices are determined under EWRC methodology on electricity prices of a supplier of last resort;
- End supplier (ES) - supplies low voltage electricity to sites of household and non-household end consumers connected to the low voltage electricity distribution network at regulated prices

determined by EWRC.

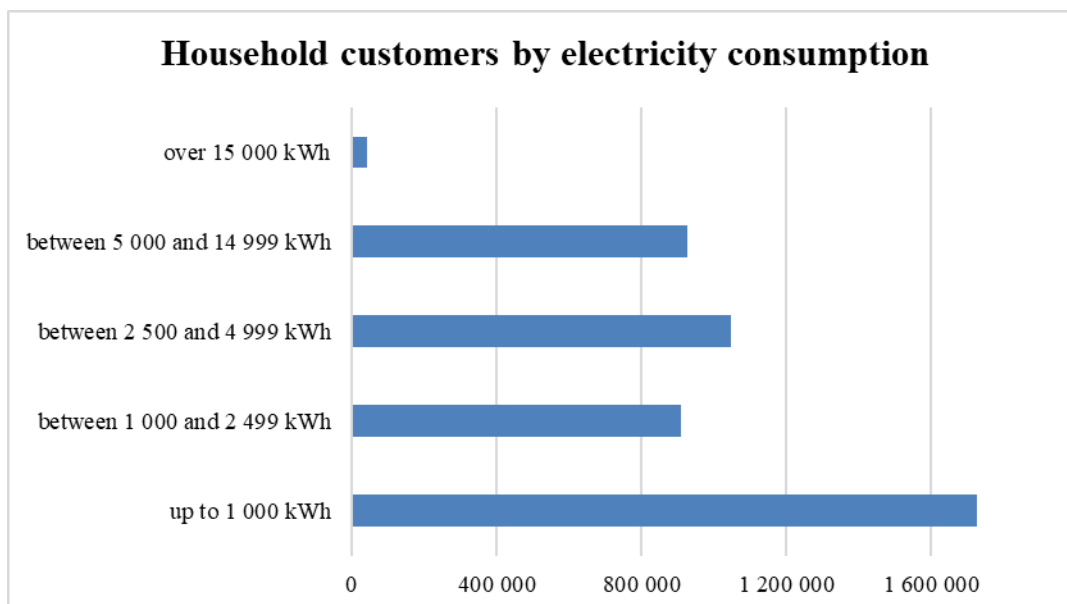
Rapidly falling costs of installations using renewable energy sources (RES), persistent increase in electricity prices, the need to reduce the energy and carbon intensity of the economy and market forces, as well as the Directive on the promotion of the use of energy from renewable sources together with the European Green Package, give impetus to the development of the decentralized market of photovoltaic installations for households and enterprises, i.e. household and commercial producer-consumers (prosumers) in Bulgaria. Prosumers are individuals or companies that use their own photovoltaic system to meet part of their electricity needs, some of whom use photovoltaic systems solely to meet the needs of the site without the ability to feed excess electricity back into the grid (with entirely self-consumption), while others configure their systems with the ability to feed excess electricity back into the grid.

Retail market development indicators

The table below presents some of the retail market indicators for household customers. The data shows that the number of customers continues to grow. Since 2025, EWRC has been monitoring indicators for household customers who produce energy for their own needs, those with PvPP for their own needs, etc.

Retail market indicators (households)	2021	2022	2023	2024	2025
Electricity consumption, MWh	12 088 565	11 865 505	12 256 090	14 140 126	13 624 556
Total number of electricity household customers	4 586 448	4 664 328	4 719 330	4 760 505	4 816 454
Household customers who generate electricity for their own needs, number	-	-	-	-	354
Volume of energy generated by consumers who produce energy for their own needs, in GWh	-	-	-	-	4.22
Household customers with installed PvPP, number	-	-	-	564	2 680
Household customers with batteries, number	-	-	-	-	330
Number of business days between notification to pay the bill and disconnection in cases of non-payment	3 to 40	3 to 40	3 to 40	3 to 40	3 to 40

The diagram below presents the distribution of household customers, structured by annual electricity consumption groups. The largest share is held by households with electricity consumption up to 1 000 kWh. This is usually typical of a small dwelling (studio/one-room apartment type), inhabited by one person, without electric heating (district heating or wood/pellets are used) and with minimal use of electrical appliances.

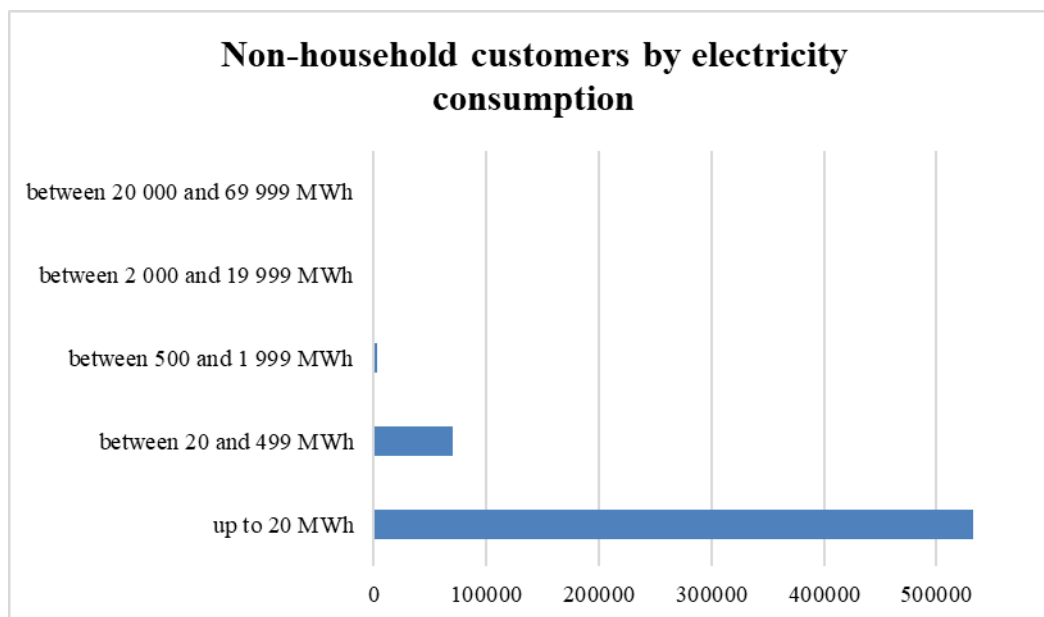


** The report indicates the number of delivery points, not the number of customers, as one customer can have more than one delivery point*

Some of the retail market indicators for the period 2021-2025 regarding non-household customers are presented in table below.

Retail market indicators (non-households)	2021	2022	2023	2024	2025
Electricity consumption, MWh	-	18 771 944	18 322 505	18 525 572	19 306 431
Number of customers	631 433	578 845	575 702	582 926	586 537
Non-household customers who generate electricity for their own needs, number	-	-	-	-	4 087
Volume of energy generated by non-household customers who produce energy for their own needs, GWh	-	-	-	-	370
Non-household customers with installed PvPP, number	-	-	-	-	9 863
Non-household customers with batteries, number *	-	-	-	-	515
Average time for switching supplier (days)	18	18	20	20	20

The following diagram presents the distribution of non-household customers, structured by annual electricity consumption groups. Non-household customers with annual consumption up to 20 MWh have the largest share. Most often this includes small businesses, offices, hairdressing salons or small workshops.



** The report indicates the number of delivery points, not the number of customers, as one customer can have more than one delivery point*

2.2.3. Consumer protection and dispute settlement

The terms and conditions of complaints' filing and handling are regulated by EA and by the Ordinance on licensing the activities in the energy sector. EWRC handles complaints of: networks and facilities users against transmission and distribution network operators, extraction companies, natural gas storage facilities operators and LNG operators, related to the way these entities perform their duties under EA; customers against electricity and natural gas suppliers, including end suppliers regarding their duties' performance under EA; as well as licensees against other licensees regarding their duties' performance under EA.

Within two months of filing a complaint, EWRC may assist an amicable dispute settlement. The term may be extended by another two months if the nature of the dispute requires collecting additional data and information by EWRC. The procedure is voluntary and confidential. Under the amicable disputes' settlement EWRC does not make a ruling/decision and the procedure ends with an agreement.

In case no amicable settlement has been achieved or the parties reject amicable settlement, EWRC shall decide on the complaint within two months after receiving it. That period may be extended with another two months if the character of the dispute requires gathering of additional data and information by EWRC. With the agreement of the appellant, the extended period may be extended with two more months. When EWRC finds a complaint being justified, it rules a decision with binding guidelines on the implementation of the law. EWRC decisions are subject to appeal before the Administrative Court - Sofia City within a 14-day period of their notification.

In 2025 a total of 1 383 complaints were registered at EWRC.

The largest number of complaints was against ERM Zapad EAD and Electrohold Sales EAD. Next were complaints against Electrodistribution North EAD and ENERGO-PRO Sales AD, followed by Elektrorazpredelenie Yug AD and EVN Bulgaria Elektrosnabdiavane EAD. No complaints were filed against Elektrorazpredelenie Zlatni Piasatsi AD and ESP Zlatni Piasatsi OOD.

Complaints against enterprises licensed for electricity trade activities mainly concerned contractual relations between the parties.

In 2025, 6 complaints were filed against ESO EAD. No complaints against NEK EAD have been registered.

In 2025, EWRC received 809 complaints from household customers against licensed electricity enterprises.

The Energy Act, Chapter Three: Regulation of the activities in the Energy Sector, Section VI: Measures for Protection of Energy Service Clients of the Energy Act, regulates the protection measures for power consumers that involve also:

- regulated mandatory content of the contracts signed with energy services customers;
- information provided by the energy enterprises that are contracting parties in the contracts with energy customers;
- energy enterprises draft and present for approval to EWRC rules on their work with consumers of energy services;
- energy enterprises, supplying energy, shall establish informational centres for consumers of energy services, as well as information on the work with them;
- energy enterprises, providing services of public interest shall determine special procedures for providing vulnerable consumers with information, related to consumption and supply termination to vulnerable consumers in the general conditions of supply and use of networks and in the rules on work with consumers of energy services;
- end suppliers shall inform customers, together with the last month invoice of every semester, when the electricity metered consumption of the end customers in the said semester was higher by more than 50% of the metered consumption in the respective semester of the preceding calendar year;
- the customer may request from the electricity distribution network operator to carry out metrological expert check of commercial measuring device;
- where by initiative of the end supplier, the electricity supply to the customer is to be terminated, the end supplier shall be obliged to notify the customer thereof by a method chosen by the latter, not later than three days before the date of supplies termination. If the customer has not stated a specific method of notification, the notification shall be done by a method at end supplier's option.

In fulfilment of its powers, EWRC monitors the implementation of the regulated legal measures on energy services consumers' protection.

As per art.59, para 1(t) of the Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, the regulatory authority shall have the duty to ensure non-discriminatory access to customer consumption data, the provision, for optional use, of an easily understandable harmonised format at national level for consumption data, and prompt access for all customers to such data pursuant to Articles 23 and 24 of the Directive.

As per art.38b, para.1, items 3 and 8 of EA, energy enterprises - contracting parties - shall provide for their consumers of energy services information on: actual quantities consumed and provided service value in accordance with the agreed metering frequency at no additional cost of that service; the conditions for providing electronic billing information and electronic bills.

In accordance with art.38b, para.2 of EA, the energy supplier shall provide to its customers a wide selection of payment methods, including advance payment systems, which shall be fair and adequately representing the potential consumption.

Art.38b, para.3 of EA stipulates that the energy supplier shall provide to another energy supplier information of a household customer's consumption, if so provided in an explicit agreement between the customer and the energy supplier.

These provisions guarantee customers' access to data on energy consumption and their provision and use in an easily understandable format.

3. NATURAL GAS MARKET

3.1. Network regulation

In exercising its regulatory powers, EWRC shall be guided by the following basic principles: development of competitive and well-functioning regional markets within the European Union; preventing restriction or distortion of competition on the energy market; creating incentives for competitive energy market development, where conditions allow it; creating incentives for effective development of secure, reliable and efficient networks in accordance with the customers' interests. EWRC monitors gas networks development for the benefit of all participants, which will ensure sufficient and available capacity for all, monitors prevention and distortion of market competition and its effective functioning, monitors the degree and efficiency of natural gas market opening. EWRC monitors the security of supply, ensuring a balance between natural gas supply and demand on the national market, the level of expected future consumption and the estimated additional capacity under planning or construction, and the quality and level of networks maintenance and overcoming the shortage of suppliers or traders

3.1.1. Network and LNG tariffs for connection and access

Prices for network connection, access and transmission of natural gas through transmission and/or distribution networks shall be subject to regulation by EWRC, except in the cases when the Regulator at its discretion approves a methodology determining the price for access and transmission through the transmission network.

Regarding the prices for access and transmission of natural gas through the transmission network, EWRC has approved the Methodology for determining prices for access and transmission of natural gas through the gas transmission networks, owned by Bulgartransgaz EAD (the Methodology, promulgated, SG issue 72 of 29.08.2014, amended and suppl. SG issue 79 of 8 September 2020). The Methodology determines the conditions and procedure for setting prices for access to and transmission of natural gas through the gas transmission system, including: the model for setting prices by entry points/zones and exit points/zones and by services provided; setting of tariffs and tariff structures; method of price setting by using "revenue cap" regulatory method; main requirements and elements of price setting; mechanism of allocating costs by entry points/zones and exit points/zones and by services provided. According to Art.18a, para.1 of the Methodology before the beginning of each regulatory period, upon proposal, the Regulator shall, by decision, approve the operator's: annual revenue requirements and basic revenue requirements for the transmission activity in the first year of the regulatory period; the return basis by years for the regulatory period; rate of return on capital for the regulatory period; estimated amount of expenses under Art. 7, para. 1 in the first year of the regulatory period, assessing their economic justification; efficiency improvement coefficient and smoothing coefficient of the basic revenue requirements for the regulatory period, and on the basis of para. 3 EWRC shall approve a ratio for the allocation of the revenue requirements from access and transmission prices for the regulatory period, as well as a ratio for the allocation of the revenue requirements from access price by entry and exit points. According to Art.18a, para.1 of the Methodology for each price period by 1st March, the operator shall submit to the Regulator a proposal for: entry and exit points/zones, for which access and transmission prices are set; access pricing coefficients for booking short-term capacity products based on the price of reference firm capacity; seasonal multipliers to determine the prices for short-term capacity products reservation; discount on the formation of access prices for booking interruptible capacity products; discount in determining access prices for entry/exit points to/from natural gas storage facilities; discount on the formation of access prices for entry points from liquefied natural gas (LNG) facilities and for entry points from and exit points to infrastructure designed to overcome the isolation of Member States with regard to their transmission systems. EWRC shall adopt a decision to approve the multipliers, seasonal factors and

discounts after carrying out a consultation in accordance with Art. 28 of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (Regulation (EU) 2017/460) - Art.18a, paragraph 2 of the Methodology.

According to the Methodology and Regulation (EU) 2017/460, by Decision No. M-1 of 15 May 2025, EWRC approved Bulgartransgaz EAD pricing parameters for gas year 2025/2026 based on an application submitted by Bulgartransgaz EAD for approval of pricing parameters.

The values of the uniform multipliers approved by EWRC for determining the prices of non-annual standard capacity products for the gas year 2025/2026 are as follows:

№	Capacity type	Multiplier - value
1	Quarterly capacity product	1,3
2	Monthly capacity product	1,4
3	Daily capacity product	2
4	Intraday capacity product	2,5

The seasonal multipliers approved by EWRC for determining prices for non-annual standard products for guaranteed capacity for gas year 2025/2026 are as follows:

Month	Capacity products			
	Quarterly	Monthly	Daily	Intraday
October 2025	1,11	0,95	0,95	0,95
November 2025		1,12	1,12	1,12
December 2025		1,26	1,26	1,26
January 2026	1,34	1,44	1,44	1,44
February 2026		1,39	1,39	1,39
March 2026		1,18	1,18	1,18
April 2026	0,88	1,15	1,15	1,15
May 2026		0,85	0,85	0,85
June 2026		0,63	0,63	0,63
July 2026	0,68	0,62	0,62	0,62
August 2026		0,59	0,59	0,59
September 2026		0,82	0,82	0,82

The coefficients (discounts) approved by EWRC for the gas year 2025/2026 are as follows:

No	Coefficients (discounts)	Value
1	For determining prices for access to entry and exit points to/from natural gas storage facilities	100% of the cost-oriented price for the relevant capacity product
2	Single ex-ante discount for Kulata/Sidirakastro exit point when booking interruptible capacity products	9.48%
3	Ex-post discount for all points and directions except for the Kulata/Sidirakastro exit point when booking interruptible capacity products	users are compensated with a value equal to three times the price for a daily capacity product, charged on the actually interrupted capacity

On the basis of EA and the Methodology by Decision No. HГII-1 of 19 Sep 2025, EWRC approved for Bulgartransgaz EAD for a regulatory period lasting 5 gas years the following: from 1 Oct 2025 to 30 Sep 2030 - price periods return base; rate of return on capital; efficiency improvement coefficient; coefficient for smoothing the basic required revenues; ratio of allocation the required revenues from access and transmission prices, outside the required revenues paid of the technological component and the component for covering public service obligations, as well as for the first gas year

of the regulatory period: required annual revenues; basic required revenues; estimated amount of the costs under Art. 7, para. 1 of the Methodology - directly transferable costs, as follows:

For a regulatory period of 5 gas years: from October 1, 2025 to September 30, 2030		
1	Price periods return basis:	
	1 October 2025 – 30 October 2026	6 251 262 thousand BGN
	1 October 2026 – in the amount of 30 September 2027	6 695 306 thousand BGN
	1 October 2027 – 30 September 2028	6 842 018 thousand BGN
	1 October 2028 – 30 September 2029	6 950 107 thousand BGN
	1 October 2029 – 30 September 2030	6 883 895 thousand BGN
2	Rate of return on capital	7.70%
3	Efficiency improvement coefficient	1.05%
4	Coefficient for smoothing the basic required revenues	-0.03157
5	Ratio for the distribution of the required revenues from access and transmission prices, outside the required revenues paid from the technological component and the component for covering public service obligations	100% of access price
6	Distribution ratio of required revenues covered by the access price by entry and exit points/zones	50% of entry points/zones to 50% of exit points/zones
For the first gas year of the regulatory period: from 1 October 2025 till 30 September 2026		
1	Required annual revenue	800 657 thousand BGN
2	Basic required revenue	875 946 thousand BGN
3	Estimated amount of costs under Art. 7, para. 1 of the Methodology for determining prices for access and transmission of natural gas through the gas transmission networks owned by Bulgartransgaz EAD - directly transferable costs:	71 780 thousand BGN, of which:
	Directly transferable common costs	44 954 thousand BGN
	Directly transferable costs forming the technological component	26 147 thousand BGN
	Directly transferable costs forming the component of the price for transmission to national exit points of the exit zone "Bulgaria" to cover public service obligations	679 thousand BGN

Pursuant to Art.21 of the Methodology, the tariff structure of prices for access and transmission of natural gas through the gas transmission system shall be determined by the operator. On the basis of the revenue requirements and pricing elements approved by EWRC Decisions № НГП-1 of 19.09.2025 and № М-1 of 15.05.2025, Bulgartransgaz EAD has set prices for access and transmission through the gas transmission networks owned of Bulgartransgaz EAD for the gas year 01.10.2025 - 30.09.2026. Access and transmission prices have been published on Bulgartransgaz EAD website: https://bulgartransgaz.bg/files/useruploads/files/prozrachnost-tarifi/TAR%20Period%202025_2026/Prices_2025_2026.pdf

Prices for access and transmission through the IGB interconnector are determined according to the IGB Tariff Code approved by EWRC together with the Regulatory Authority for Energy, Waste and Water of Greece.

Prices for access and transmission through the gas distribution networks are regulated according to the EA and ONGPR. Prices for natural gas access and transmission through the gas distribution network may include the following components: access price (capacity price) and transmission price (price for transported natural gas quantities) under the contract for transmission through the gas distribution network. The transmission price through the distribution network shall be formed on the basis of the approved annual revenue requirements for the approved estimated natural gas quantity for distribution. According to Art.44, para 4 of EA any persons whom have been granted natural gas distribution licenses shall not be granted licences for other activities, subject to licensing under EA, except licences for natural gas supply from an end supplier, if the customers connected to the gas distribution network in the respective area are less than 100 000. EWRC has also issued licenses for the activity “natural gas supply by end supplier” to the companies holding a license for the activity “natural gas distribution”. Prices for natural gas supply by end suppliers to customers

connected to the respective gas distribution networks shall be determined on the basis of costs for purchasing natural gas and approved estimated annual revenue requirements for natural gas supply. In exercising its regulatory powers with regard to price regulation, the Regulator is guided by the principles under Art.23 and Art.31 of EA. According to Art.3, para 2, item 2 of ONGPR, when applying the “price cap” method for gas distribution companies, the regulatory period lasts from 2 to 5 years. The gas distribution companies’ price regulatory period allows for avoiding large price fluctuations over the years and ensures predictability for the end customers. Energy companies shall submit applications for price approval no later than three months before the expiry of the previous price period.

There is one underground gas storage facility in Bulgaria – Chiren UGS, built on the depleted gas condensate field site near the village of Chiren, Vratsa region. Bulgartransgaz EAD is the owner and operator of Chiren UGS and provides natural gas storage services based on license № JI-214-10 of 29.11.2006 for natural gas storage issued by EWRC. Chiren UGS is connected to Bulgartransgaz EAD gas transmission network. UGS main purpose is to cover seasonal irregularities in consumption and guarantee security of natural gas supply. Tariff structure for natural gas access and storage in the storage facilities is proposed by the operator according to Art.53 of the Guidelines on pricing natural gas access and storage in storage facilities, applying “rate of return on capital” regulation (published State Gazette, № 2 of 9 January 2015). By Decision № II-34 of 13.08.2020, EWRC has approved prices for natural gas access and storage in the storage facilities to Bulgartransgaz EAD.

3.1.2. Balancing

Natural gas market balancing is performed on the basis of the approved by EWRC Natural Gas Trading Rules, Natural Gas Market Balancing Rules and a Daily Imbalance and Neutrality Charge Calculation Methodology (Imbalance Methodology).

Natural Gas Market Balancing Rules set a balancing regime in accordance with Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (Regulation (EU) No. 312/2014). Conditions have been created for the transmission system operator and all market participants to conclude transactions for short-term standardized products through a natural gas trading platform. The possibility to offer natural gas for purchase and sale through market mechanisms was enabled, so that network users can balance their portfolios efficiently and that the transmission system operator can use flexible natural gas products in balancing the transmission network aiming to increase natural gas market liquidity and transparency in transactions with short-term products. Imbalance methodology ensures non-discriminatory imbalance charges formation for transmission system users, creating conditions for efficient management of their balance portfolios, as well as for their responsible balancing of incoming and outgoing quantities of natural gas. Full compliance with Regulation (EU) No. 312/2014 has also been achieved, in particular with the imbalance charge and the neutrality charge requirements and the credit risk management mechanisms. Clear conditions for imbalance and neutrality charges calculation have been created, both for transmission system operator and for all market participants. Network users are able to balance their balance portfolios, and prerequisites for disciplining them are established. Transparent and non-discriminatory rules as well as transparent imbalance charges, reflecting the actual balancing costs shall increase the short-term gas market liquidity in the country.

3.1.3. Cross-border issues

Article 33 of Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets in gas from renewable sources, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (Regulation (EU) 2024/1789) lays down transparency requirements for transmission system operators. Part of these requirements is the

obligation of operators to make public the information on technical, contracted and available capacities in digital expression for all relevant important points including entry and exit points on a regular and rolling basis and in a user-friendly and standardised manner. According to Article 30(4) of Regulation (EU) No 2024/1789, the important points of the gas transmission system for which information must be made public shall be approved by the regulatory authority after consultation with network users. In this regard, EWRC approved important points of the gas transmission system of Bulgartransgaz EAD, as well as important points of the gas transmission system of ICGB AD jointly with the Energy, Waste and Water Regulatory Authority of the Hellenic Republic.

By Decision No. TK – 1 of 6 Feb 2025, EWRC adopted a Joint Decision with the Energy, Waste and Water Regulatory Authority of Greece regarding the yearly capacity auctions to be held by ICGB AD in accordance with the auction calendar of the European Network of Transmission System Operators for Gas in the gas year 2024/2025, and approved the “Approach for participation in the yearly capacity auctions according to the auction calendar published by the European Network of Transmission System Operators for Gas - ENTSOG” (Approach). The approach includes four proposals, as follows: the offering of the unreleased capacity as “competing capacities” at the interconnection points of the IGB and of the Trans Adriatic Pipeline (TAP) and the interconnection point with the gas transmission network of the national gas transmission system operator of Greece DESFA; the offering of yearly interruptible capacity in the reverse direction at the interconnection point with Bulgartransgaz EAD and at the interconnection point with TAP for 1 gas year; offering the unreleased firm forward capacity at the TAP interconnection point as unbundled at the annual auctions and all short-term capacity auctions (quarterly, monthly, daily) at the TAP interconnection point, as well as approval of the percentage allocation of capacity to the technical capacity according to Regulation (EU) 2017/459.

By Decision No. TK – 2 of 2 July 2025, EWRC adopted a Joint Decision with the Energy, Waste and Water Regulatory Authority of Greece on the capacity auctions to be held by ICGB AD in accordance with the auction calendar ENTSOG for the gas year 2025/2026 and subsequent ones, approving the company to offer the unreleased firm capacity in the forward direction of the IP TAP/IGB (21Z000000000472E Komotini KOMOTINI-TAP-IGB) as unbundled at all future annual capacity auctions, starting from the auction in July 2025, as well as at all intraday capacity product auctions after ICGB AD starts offering intraday capacity product at the interconnection point with the Trans Adriatic Pipeline (TAP), unless the regulatory authorities decide otherwise or circumstances arise requiring a reassessment.



EWRC Chairman Plamen Mladenovski participated in the inspection of the Vertical Gas Corridor construction progress

By Decision No. TK – 3 of 24 Oct 2025, EWRC approved the offering of a special capacity product “Route 1”, which Bulgartransgaz EAD, together with the gas transmission network operators

of Greece – DESFA SA, Romania – Transgaz SA, Moldova – VestMoldTransgaz SRS and Ukraine – Gas TSO of Ukraine, will offer on the Regional Booking Platform. The special capacity product Route 1 has also been approved by the regulators of the mentioned countries. The approval of the special capacity product Route 1 is based on a joint proposal by the gas transmission network operators of Bulgaria - Bulgartransgaz EAD, Greece - DESFA SA, Romania - Transgaz SA, Moldova - VestMoldTransgaz SRS and Ukraine - Gas TSO of Ukraine to the regulatory authorities to jointly approve the provision of a special capacity product Route 1, in order to effectively cover the needs of Ukraine for natural gas in view of the upcoming winter. The gas transmission network operators justified their request by stating that, in accordance with the European Commission's REPowerEU Plan to phase out imports of Russian fossil fuels, their cooperation and coordinated actions are aimed at creating conditions and facilitating the process of phasing out Russian gas, ensuring real opportunities for natural gas supplies to Ukraine in order to meet the country's urgent import needs and fill gas storage facilities before the start of the winter season.

By Decision No. TK – 4 of 19 Dec 2025, EWRC approved special capacity products “Route 2” and “Route 3”, which Bulgartransgaz EAD, respectively ICGB AD, together with the gas transmission network operators of Greece – DESFA SA, Romania – Transgaz SA, Moldova – VestMoldTransgaz SRS and Ukraine – Gas TSO of Ukraine, will offer on the Regional Booking Platform. The special capacity products Route 2 and Route 3 have also been approved by the regulators of the mentioned countries. The approval of special capacity products Route 2 and Route 3 is based on a joint proposal made by the gas transmission network operators of Bulgaria - Bulgartransgaz EAD, Greece - DESFA SA, Romania - Transgaz SA, Moldova - VestMoldTransgaz SRS, Ukraine - Gas TSO of Ukraine and the operator of the Interconnector Greece-Bulgaria - ICGB AD to the regulatory authorities to jointly approve the provision of special capacity products Route 2 and Route 3 by these operators, in order to effectively cover the needs of Ukraine for natural gas.

3.1.4. Implementation of network codes and guidelines

- **Network Code (NC) for Capacity Allocation Mechanisms (CAM NC)**

Pursuant to Commission Regulation (EU) 2017/459, Bulgartransgaz EAD has introduced an electronic capacity booking platform - Regional Booking Platform (RBP). Network users book capacity on the RBP platform at entry and exit gas transmission network points, using standard capacity allocation mechanisms as required by CAM NC. Registered network users have the right to book and use capacity products in the national gas transmission network. The procedures for allocating annual, quarterly, monthly, daily and intraday capacity products shall be carried out according to the timetables set out in the Capacity Auction Calendar published by ENTSOG.

Bulgartransgaz EAD cooperates with the adjacent transmission network operators in order to coordinate the maintenance (network repairs) in accordance with Art.4 of Regulation (EU) 2017/459. The Bulgarian TSO regularly exchanges information with the adjacent transmission network operators as per Art. 7 of Regulation (EU) 2017/459 on the basis of the Interconnection Agreements concluded. Firm capacity products, announced by Bulgartransgaz EAD, go through a bundling procedure under Art.19, §1 of Regulation (EU) 2017/459. If impossible to ensure the bundling of firm capacity products at RBP, as well as in case of differences between the technical and bundled capacities, these capacities shall be offered as unbundled capacity products (providing capacity at the respective interconnection point only in Bulgartransgaz EAD gas transmission network).

Pursuant to the provisions of Regulation (EU) 2017/459, ICGB AD has implemented and has been using electronic capacity booking platforms. ICGB AD network users have the opportunity to request capacity through auctions on PRISMA and RBP capacity booking platforms. Auctions for the interconnection points at Komotini with the transmission system operators TAP and DESFA have been performed on PRISMA. Auctions for the interconnection point at Stara Zagora with the Bulgarian TSO Bulgartransgaz EAD, as well as for the exit point at Kardzhali have been held on RBP. Available capacity is offered in accordance with the ENTSOG' auction calendar.

- **Balancing NC (BAL NC)**

In compliance with Regulation (EU) 312/2014, gas TSO Bulgartransgaz EAD has admitted the Balkan Gas Hub EAD trading platform for natural gas trade as complying with Regulation requirements and criteria. EWRC has approved the Balkan Gas Hub EAD Trading Platform and has designated the company as a trading platform operator. Trading on the platform shall be carried out on an anonymous basis, in accordance with the provisions of Regulation (EU) 312/2014. Through the platform, trading participants may post and accept, as well as revise and withdraw, bids and offers for gas purchase and sale in order to meet short term fluctuations in gas demand or supply, under the applicable rules of the trading platform, on which the transmission system operator trades for balancing purposes. The trading platform offers short-term standardized products “intra-day”, “day ahead” and “weekend”, as well as temporal and locational products for the gas transmission network balancing purposes. Given its functionalities, the trading platform complies with the requirements of Regulation (EU) 312/2014 regarding the transaction notification content, continuous trading regime for short-term standardized products, as well as the types of such products, the criteria to be met by the trading platform for providing trading participants with sufficient information to confirm the transaction after its conclusion, as well as to submit transaction notifications to the transmission system operator and to provide information on the change of the marginal purchase price and the marginal selling price after each transaction.

Marginal purchase and sale prices applicable for the purposes of determining the imbalance charge by the transmission system operator shall be calculated in accordance with the terms and conditions of the Daily Imbalance and Neutrality Charge Calculation Methodology, and shall be published by the transmission system operator. In 2025, the small adjustment to the natural gas balancing price was 8%.

For the purposes of balancing the natural gas market, the TSO introduced a Commercial Dispatching Platform (CDP). Network users and traders have access to CDP with individual credentials where they can submit their bids, transaction notifications and receive data on their imbalances every hour, as well as daily and monthly reports. Trade notifications are submitted directly to the CDP. A re-nomination procedure cycle has been introduced in accordance with Regulation (EU) 312/2014 at both interconnection points, as well as at all entry and exit points in the country.

Pursuant to Regulation (EU) 312/2014, ICGB AD provides network users with access to a virtual trading point (VTP) for balancing trading portfolios. ICGB AD VTP is included as a separate segment of the Balkan Gas Hub EAD trading platform. ICGB AD also has implemented a Daily Imbalance Charge Calculation Methodology for IGB, approved by EWRC and the Greek regulatory authority.

- **Interoperability and Data Exchange NC (INT NC)**

In compliance with Commission Regulation (EU) 703/2015 of 30 April 2015 establishing a network code on interoperability and data exchange rules, Bulgartransgaz EAD has concluded interconnection agreements (IA) with: the Greek gas TSO DESFA SA for IP Kulata/Sidirokastron; with the Romanian gas TSO TRANSGAZ SA for IPs Negru Voda 1/Kardam, Negru Voda 2,3/Kardam, IP Ruse/Giurgiu; with the operator of the Greece-Bulgaria Interconnector - ICGB AD for IP Stara Zagora. Bulgartransgaz EAD has concluded interconnection agreements with the Turkish gas TSOs: with BOTAŞ for IP Strandja/Malkoçlar and with TAGTAŞ for IP Strandja 2/ Malkoçlar; with the Serbian TSOs: with Gastrans d.o.o. for IP Kireevo/Zajecar and with Transportgas Srbija d.o.o. for IP Kalotina/Dimitrovgrad and with the gas transmission operator of North Macedonia GA-MA AD for IP Kyustendil/Zhidilovo.

ICGB AD has concluded an Interconnection Agreements with: the Trans-Adriatic Pipeline (TAP) TSO for IP Komotini IP, with the Greek gas TSO DESFA SA for IP Komotini and with Bulgartransgaz for IP Stara Zagora.

- **Tariff (TAR NC)**

Regulation (EU) 2017/460 provides for the obligation to carry out consultations on the proposed reference price methodology. Pursuant to Art.6 (1) of Regulation (EU) 2017/460, the reference price methodology shall be set or approved by NRA as referred to in Art.27 of Regulation (EU) 2017/460. The reference price methodology to be applied shall depend on the findings of the periodic consultations carried out in accordance with Art.26 by TSO or NRA, as decided by NRA.

In connection with the above, EWRC adopted Decision № PTIIIГ-1 of 3 Jan 2025, pursuant to Art.6 (1), Art.26 (1) of Regulation (EU) 2017/460, according to which EWRC will conduct the final consultation of the reference price methodology on the basis of a consultation document according to Art.26 and Art. 27 of Regulation (EU) 2017/460, as well as will publish before the start of the relevant tariff period of Bulgartransgaz EAD the information under Article 30 of the same Regulation.

With regard to multipliers, seasonal factors and discounts for each tariff period, pursuant to Art.28(2) of Regulation (EU) 2017/460, an obligation to carry out subsequent consultations with the national regulatory authorities of directly connected Member States and with relevant stakeholders is foreseen, and following such consultation the national regulatory authority shall take a motivated decision on the multipliers and seasonal factors levels and the calculations referred to in Art.15 of Regulation (EU) 2017/460 and the discounts values referred to in Art.9, paragraph 2 and Art.16 of Regulation (EU) 2017/460. In this regard, the consultation document on the multipliers, seasonal factors and discounts that Bulgartransgaz EAD will apply when determining the transmission tariffs for the 2025/2026 gas year has been submitted for the opinion of the Energy, Waste and Water Regulatory Authority of Greece, respectively the Romanian Energy Regulatory Authority. Following the consultation, EWRC by its decision, approved for Bulgartransgaz EAD multipliers, seasonal factors (seasonal multipliers) and discounts in setting access prices for short-term capacity products for the period 1 Oct 2025 – 30 Sep 2026.

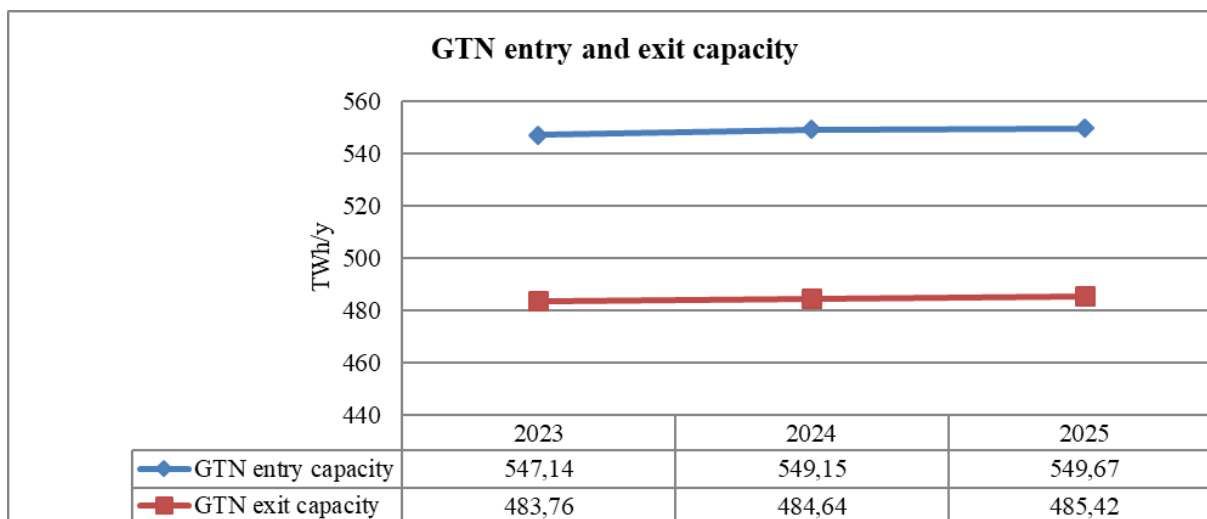
3.1.5. Competition and market operation

In 2025, key natural gas market participants in Bulgaria were:

- **Bulgartransgaz EAD** – combined operator, performing gas transmission and gas storage activities;
- **ICGB AD** - Gas Interconnector Greece-Bulgaria (IGB) operator;
- **Bulgargaz EAD** – public provider, ensuring gas supplies to end suppliers and to license holders for heat production and transmission at prices regulated by EWRC;
- **Gas extraction companies** – carrying out natural gas extraction on the territory of the country;
- **Gas traders** – concluding gas supply transactions with the public provider, end suppliers, customers, other gas traders, production companies, gas storage undertakings and with gas transmission and distribution network operators;
- **Gas distribution companies** – performing activities “natural gas distribution” and “natural gas supply by end suppliers” and delivering natural gas to customers connected to the distribution networks in the respective licensed territories;
- **Non-household customers** connected to the gas transmission network;
- **Non-household and household customers** connected to the gas distribution network.

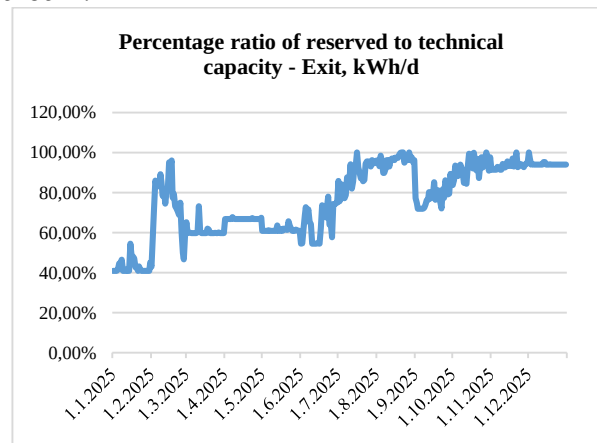
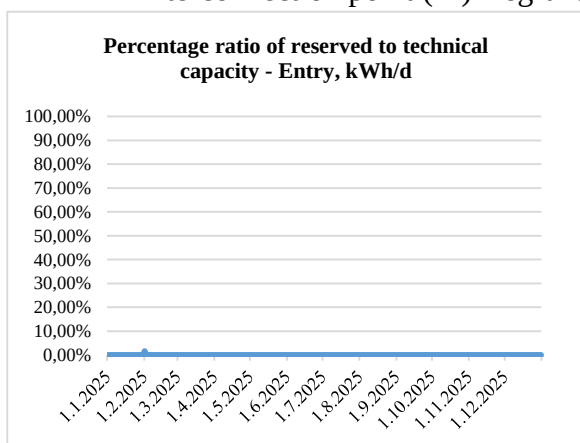
Bulgartransgaz EAD

The total length of Bulgartransgaz EAD gas transmission network as of the end of 2025 was 3484 km. During the period, there were no newly constructed sections of the gas transmission network. The company’s investments made in the transmission system and facilities amounted to BGN 184 625 thousand. There were 234 customers connected to the Bulgartransgaz EAD gas transmission network. Gas transmission network entry capacity is 549.67 TWh/ year, and the exit capacity is 485.42 TWh/ year.

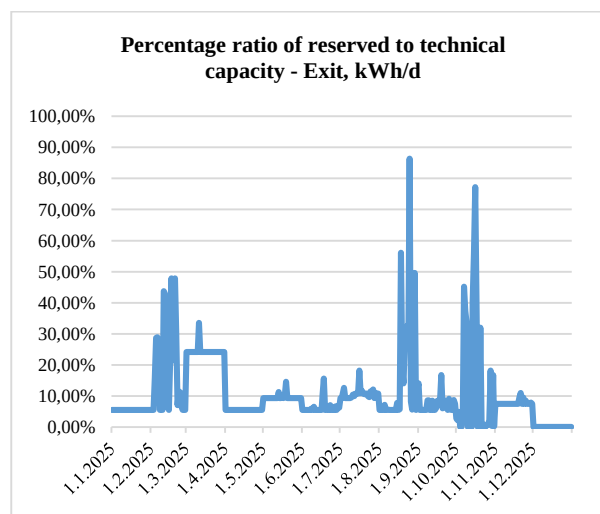
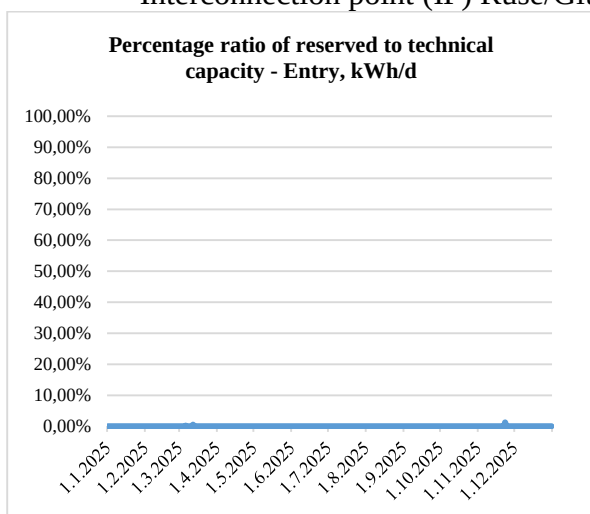


The percentage ratio of reserved to technical capacity at the interconnection points of the gas transmission network of Bulgartransgaz EAD in 2025 is as follows:

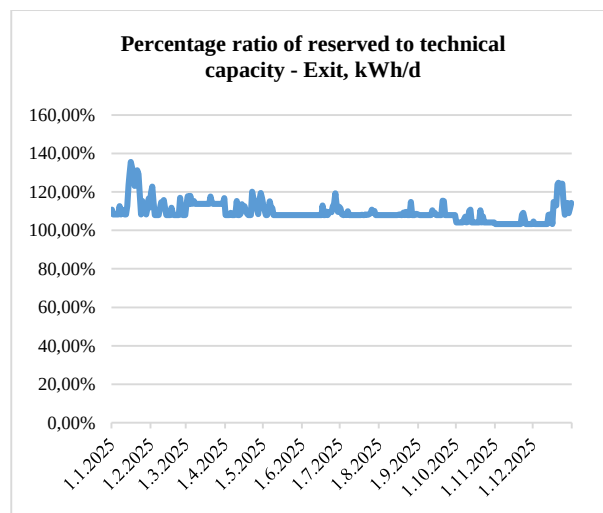
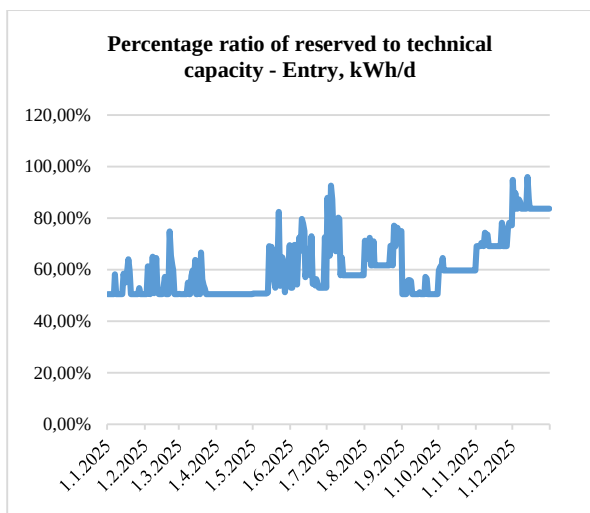
- Interconnection point (IP) Negru Voda 1/Kardam:



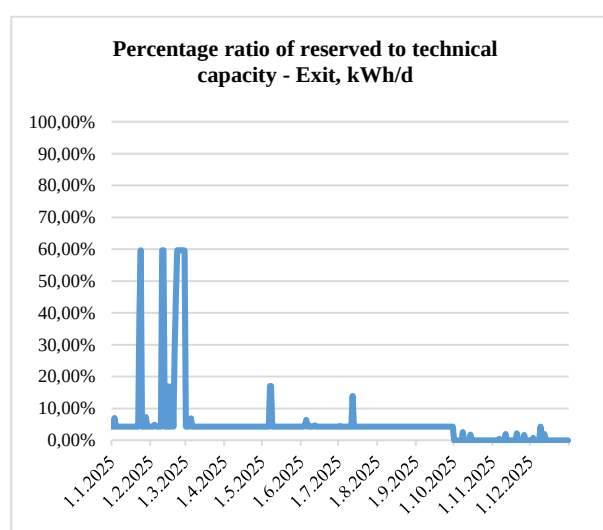
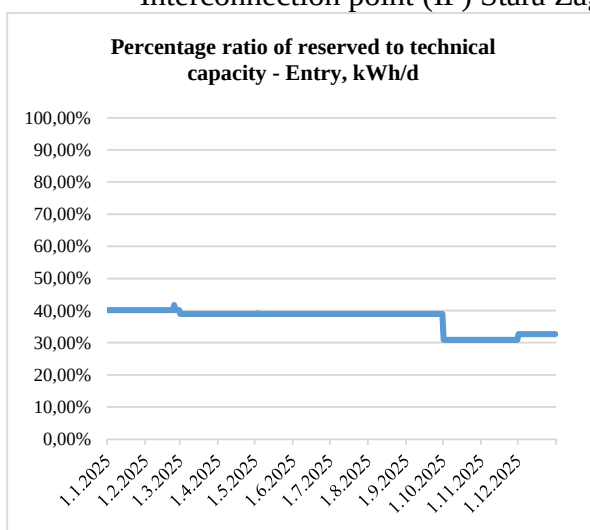
- Interconnection point (IP) Ruse/Giurgiu:



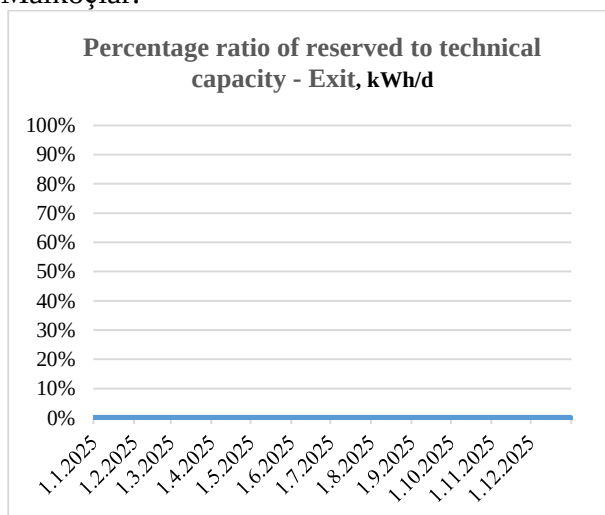
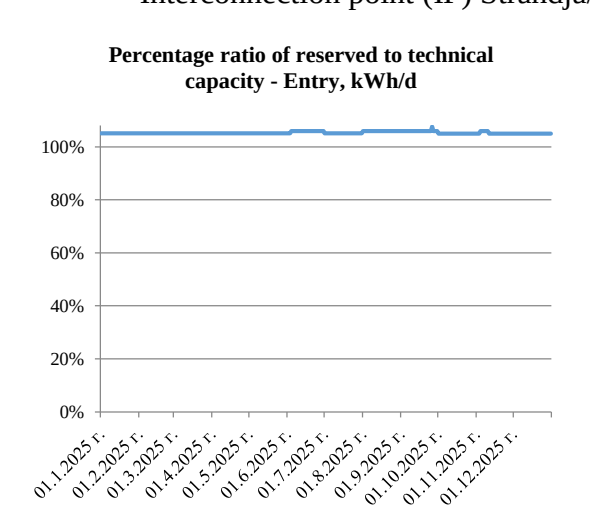
- Interconnection point (IP) Kulata/Sidirokastro:



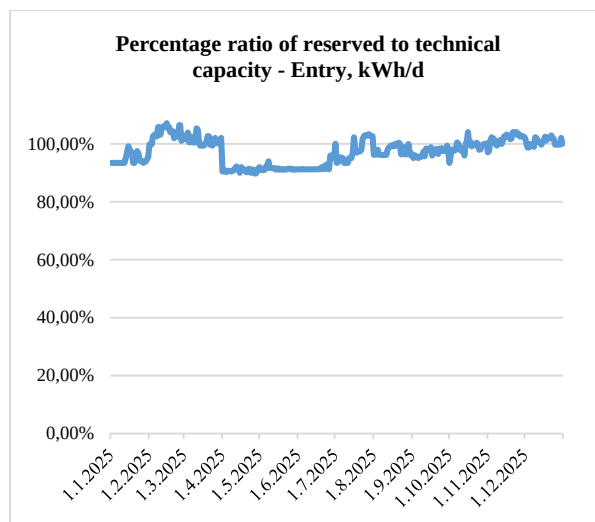
- Interconnection point (IP) Stara Zagora:



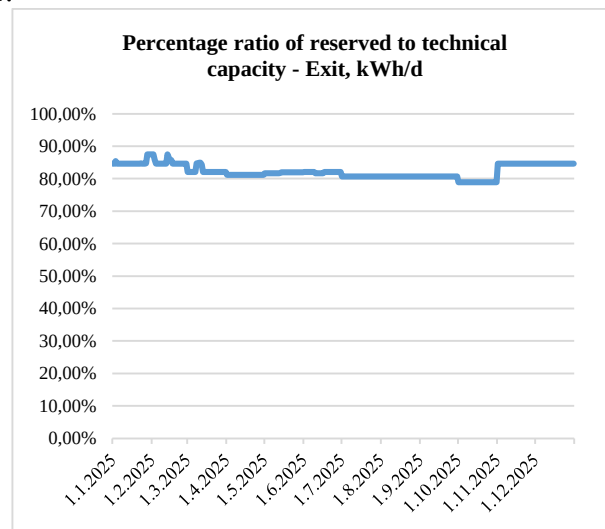
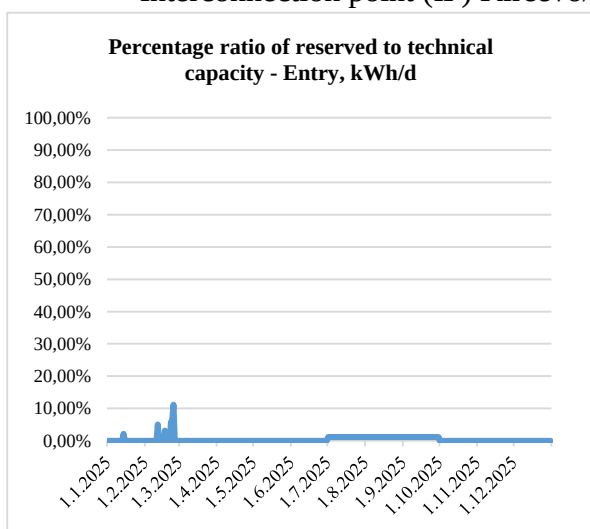
- Interconnection point (IP) Strandja/Malkoçlar:



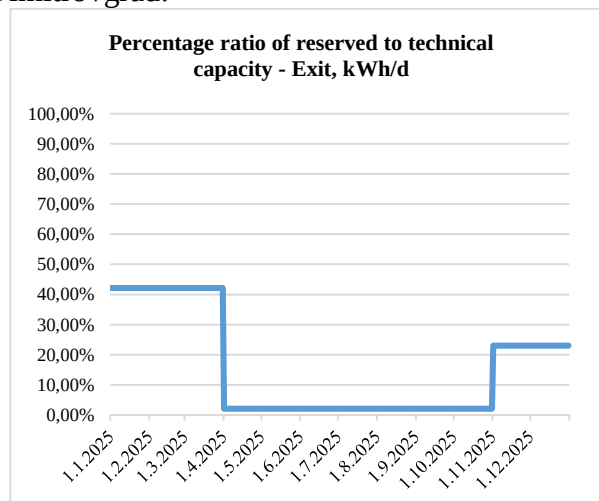
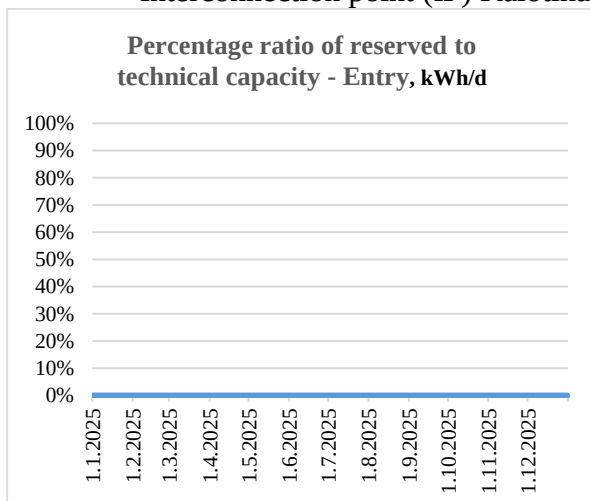
- Interconnection point (IP) Strandja 2 /Malkoçlar (one direction):



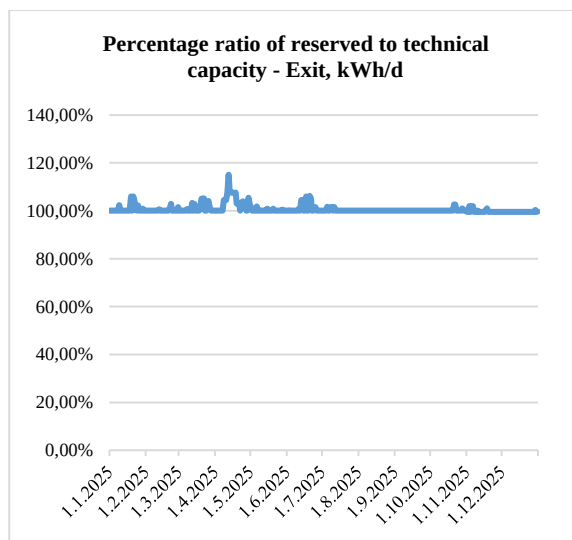
- Interconnection point (IP) Kireevo/Zajecar:



- Interconnection point (IP) Kalotina/Dimitrovgrad:



- Interconnection point (IP) Kyustendil/Zhidilovo (one direction):



The data from the above graphs show uneven loading between the individual interconnection entry-exit points. Market interest is highly concentrated in certain interconnection entry-exit points, with some of them operating at full capacity. At some of the interconnection points, low capacity utilization is observed, with no capacity reserved at certain points in certain periods.

The structure of gas transmission network users who carried out transmission on the territory of Bulgaria in 2025 was as follows:

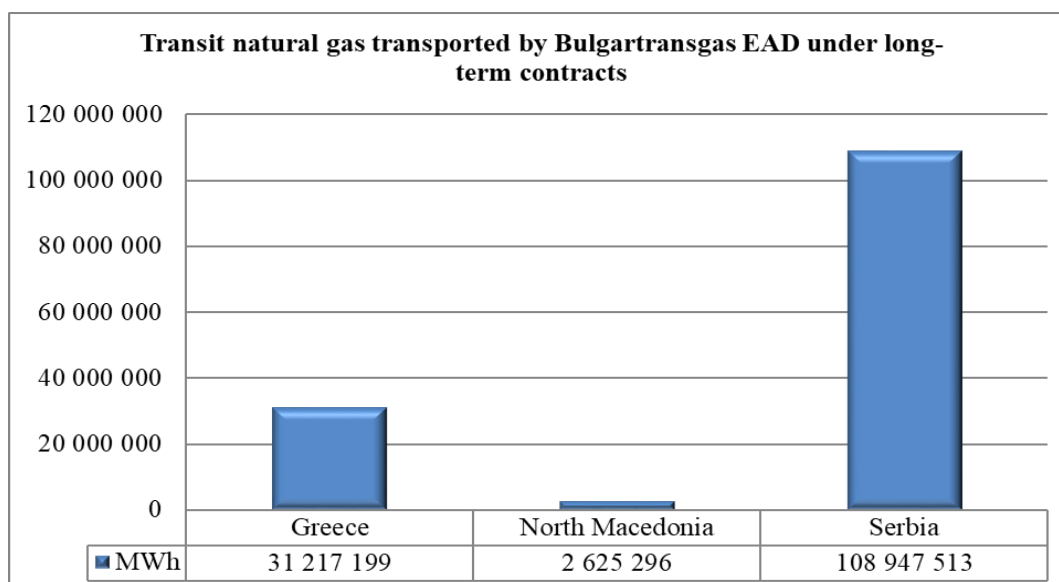
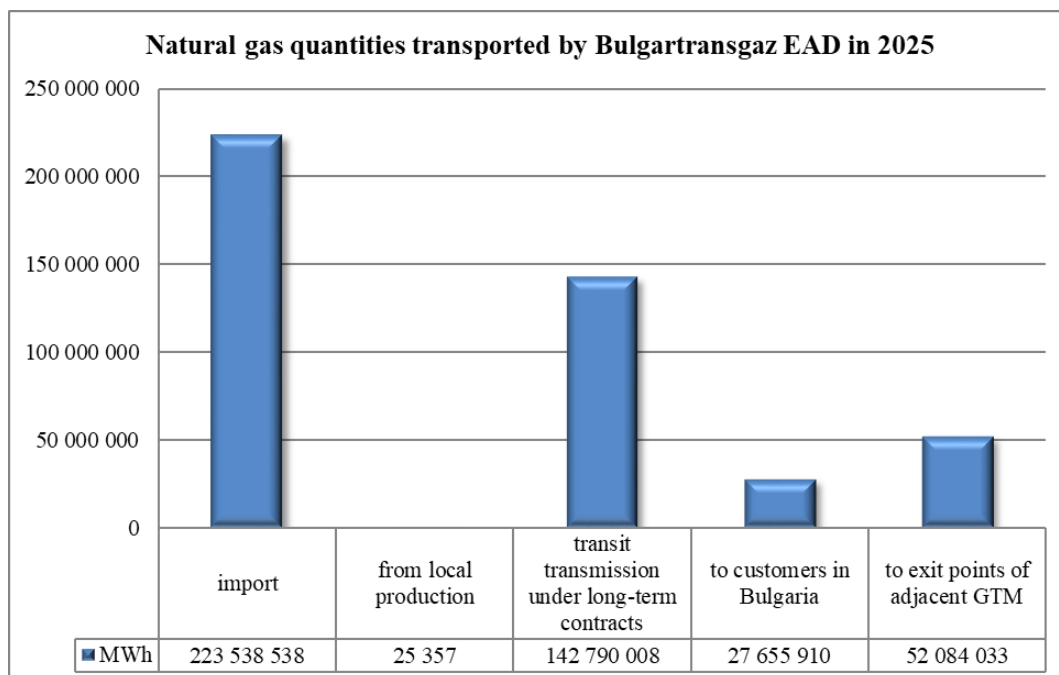
- public provider;
- one end supplier;
- two non-household customers;
- twenty-four natural gas traders.

Transmission network users who transported natural gas to the transmission network exit points in 2025 were 41 natural gas traders.

The total number of users of the gas transmission network in 2025 was 69.

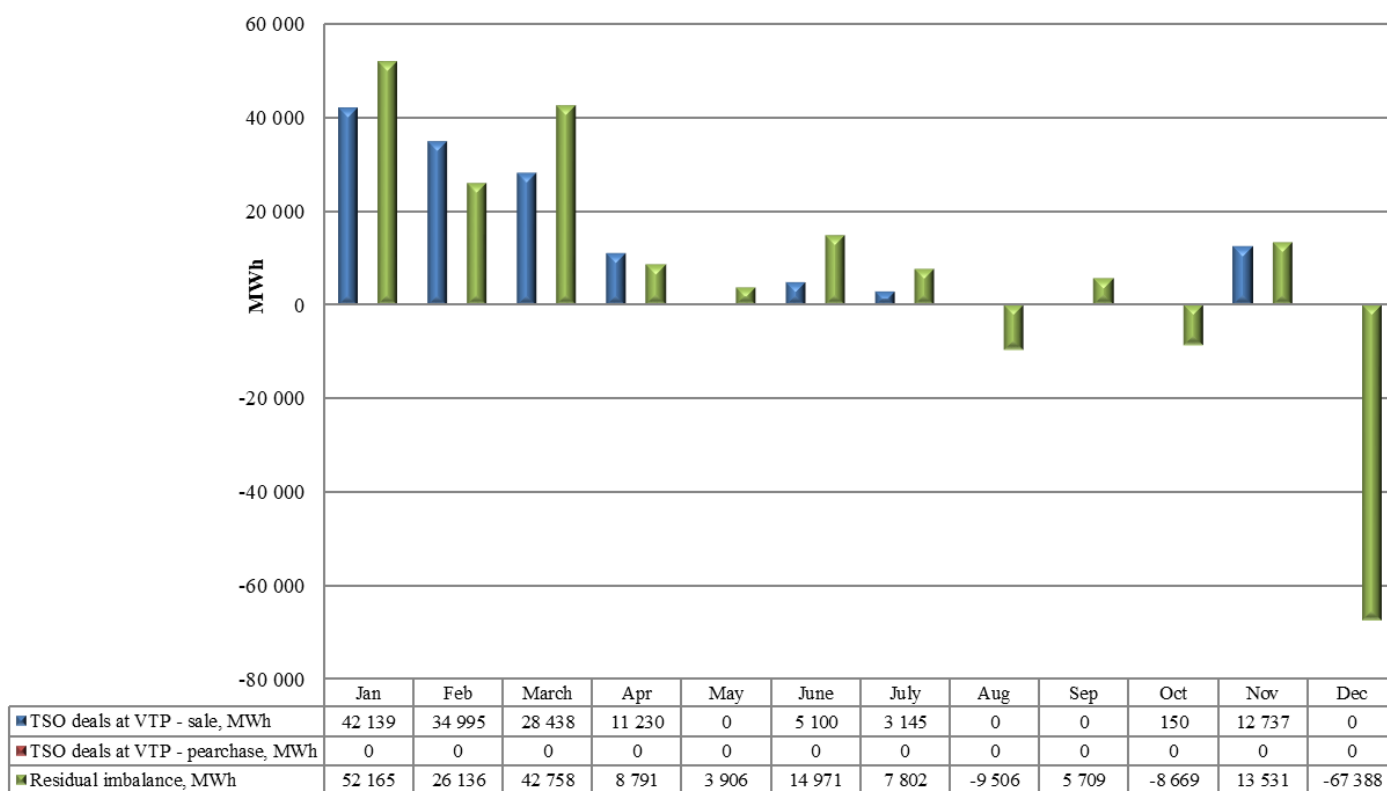
In 2025, the quantities of natural gas transported by Bulgartransgaz EAD through the gas transmission network from imports, including quantities from transit transmission under long-term contracts, are 223 538 538 MWh and from local production 25 357 MWh.

The maximum daily quantity of natural gas transmitted for 2025 was realized on 19.02.2025 and amounted to 0.735 TWh/day. The minimum daily quantity of natural gas transmitted was realized on 14.06.2025 and amounted to 0.101 TWh/day.



To carry out balancing of the natural gas market in accordance with Regulation (EU) No. 312/2014, Bulgartransgaz EAD has sold 137,934 MWh of natural gas to the Virtual Trading Point for Balancing in 2025, reflected by months in the following graph:

Natural gas balancing quantities of Bulgartransgaz EAD

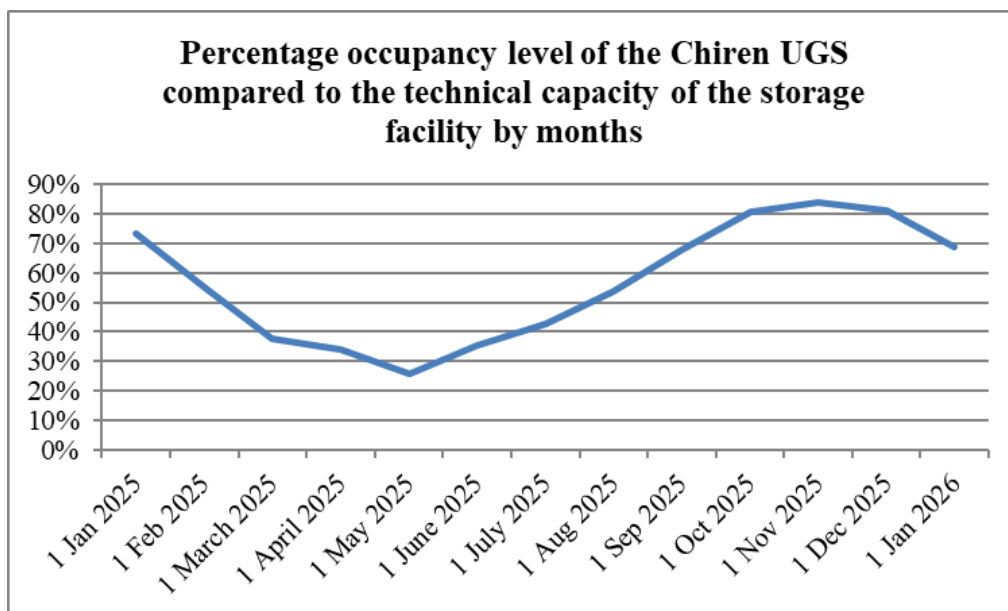


Bulgartransgaz EAD has held 7 auctions for the purchase of natural gas quantities for balancing the long-term segment.

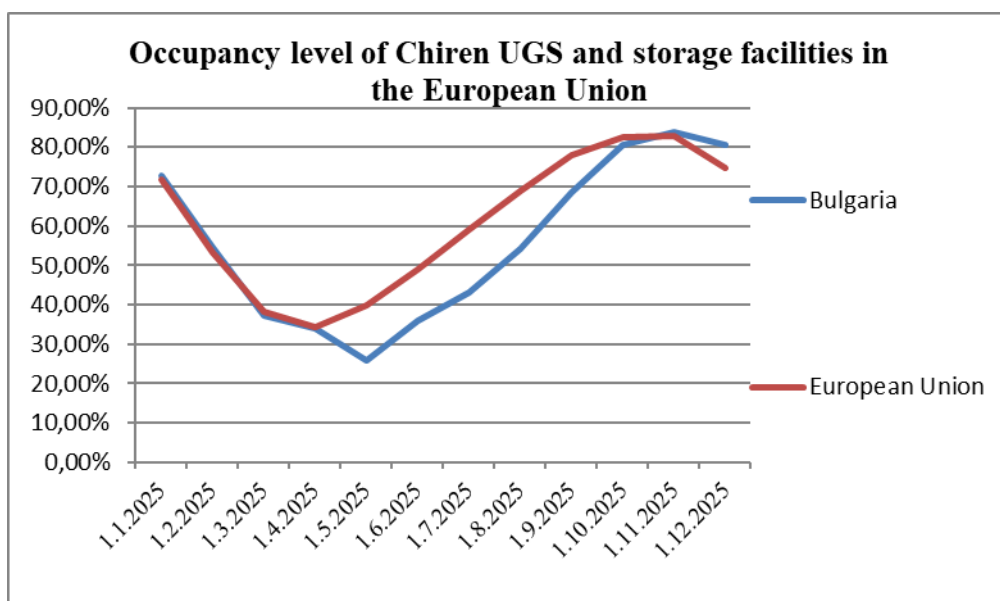
Currently there is only one underground gas storage facility in Bulgaria – Chiren UGS, which has 24 exploitation wells, a compressor station with a total installed capacity of 10 MW and other technological facilities to ensure injection, production and quality of stored natural gas. Chiren UGS is owned and operated by Bulgartransgaz EAD. In 2025, the construction project “Expansion of the capacity of the Chiren UGS - above-ground part” was built and put into operation, including 4 new high-efficiency gas turbine compressor units.

The investments made in 2025 in Chiren UGS facilities amounted to BGN 46 851 thousand. In 2025, 4 491 521 MWh of natural gas were injected into Chiren UGS. The quantities of natural gas extracted in 2025 amounted to 3 912 839 MWh. Stored natural gas in 2025 was 4 657 744 MWh. Through the gas quantities stored at Chiren UGS, seasonal fluctuations in supply and consumption in the country have been compensated. The UGS has essential role to ensure security of gas supply in the country, provision of balancing gas, as well as to maintain gas transmission system security and stability.

Since May 2025 the technical capacity of the Chiren UGS has been increased from 550 000 000 cubic meters to 650 000 000 cubic meters. The occupancy level of the Chiren UGS compared to the technical capacity of the storage facility by month was as follows:



The occupancy level in 2025 of the Chiren UGS compared to the average occupancy level of gas storage facilities in the European Union by month is as follows:



EWRC shall approve for Bulgartransgaz EAD a ten-year network development plan of the transmission network and shall monitor and control its implementation. In drawing up the 10-year plan, the transmission system operator shall take into account the information available on upcoming changes in production, supply, consumption and exchange with other countries, investment plans for regional networks and networks within EU, as well as natural gas storage facilities investment plans. The Regulator shall consult all current or potential network users on the 10-year network development plan of the transmission network in an open and transparent manner. By Decision No. ДПРМ-1 of 27 Aug 2025, EWRC approved the Ten-Year Network Development Plan of Bulgartransgaz EAD for the period 2025 – 2034.

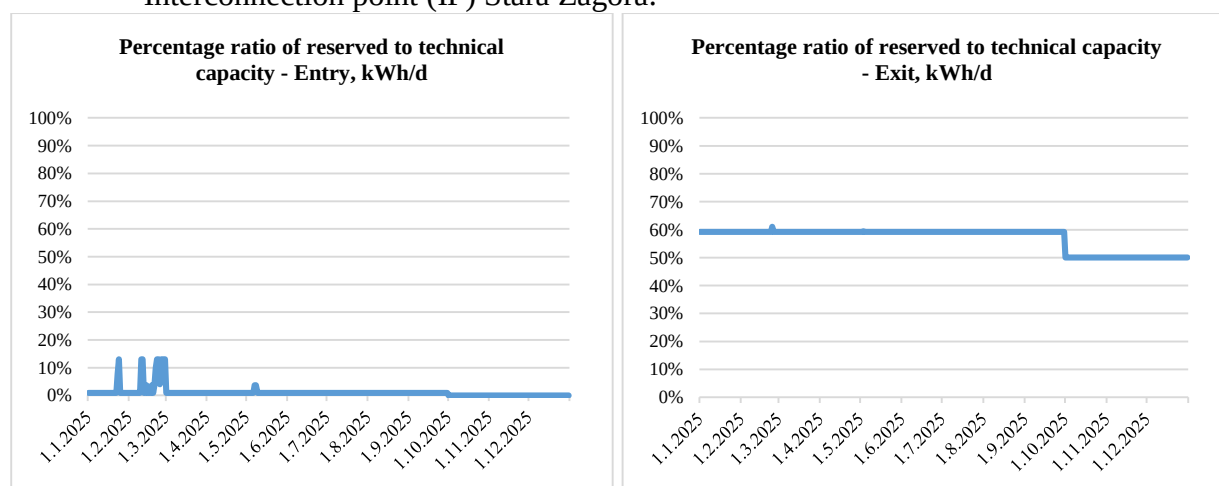
ICGB AD

IGB interconnector started commercial operation on 1 October 2022. ICGB AD is the owner and operator of IGB gas pipeline. IGB connects the Greek gas transmission network near the town of Komotini with the Bulgarian transmission network at Stara Zagora. It is also connected to the Trans Adriatic Pipeline (TAP). The overall length of IGB is 182 km (151 km in Bulgaria and 31 km in Greece) and the technical capacity is 3 bcm that could be increased to 5 bcm per year.

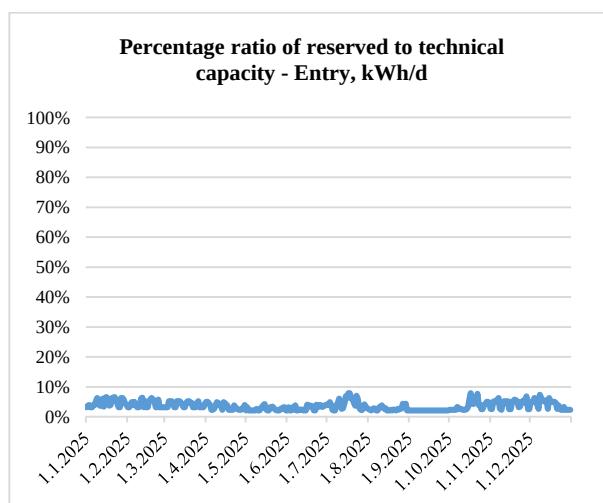
IGB entry capacity at IP Komotini-DESFA, IP Komotini-TAP (in direction Greece - Bulgaria) and IP Stara Zagora (in direction Bulgaria - Greece) is 39,04739 TWh/y. IGB exit capacity at IP Komotini-TAP (in direction Bulgaria - Greece), IP Stara Zagora (in direction Greece - Bulgaria) is 39,04739 TWh/y, and at the exit IP Kardzhali (in direction Greece - Bulgaria) it is 1,38533 TWh/y.

The percentage ratio of reserved to technical capacity at the interconnection point that connects the IGB gas pipeline with the gas transmission network of Bulgartransgaz EAD – (IP) Stara Zagora and at the exit point to the Kardzhali gas distribution station (GDS) is as follows:

- Interconnection point (IP) Stara Zagora:



- Exit point to GDS Kardzhali:



The total natural gas transported through the IGB in 2025 is: in direction Greece – Bulgaria amounted to 10 896 441 MWh/y. and in direction Bulgaria – Greece: 152 297 MWh/y. The maximum daily amount of natural gas transported is 40 057 MWh/d. The minimum daily amount of natural gas transported is 7.5 MWh/d.

The purchased natural gas quantities for balancing were 4779 MWh and the sold gas quantities for balancing were 285 MWh.

In 2025, no investments have been made in the gas pipeline and its facilities.

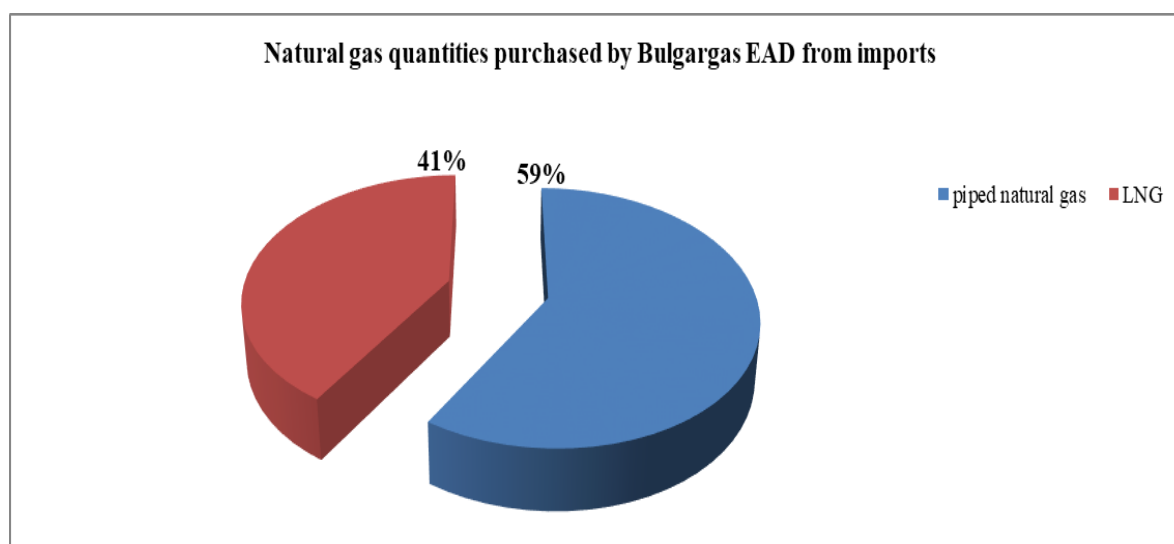
3.1.6. Wholesale markets

The main quantities of natural gas needed for domestic consumption are provided by imports with a small part of local production. Natural gas supply on the territory of Bulgaria is carried out through a gas transmission network owned by Bulgartransgaz EAD for directly connected customers and through gas distribution networks (GDN), owned by the relevant gas distribution companies to which non-household and household customers are connected. Through the gas transmission network, natural gas is also transferred to neighbouring countries of Bulgaria, as well as from and to Chiren UGS. In 2025, natural gas supply for the local market was carried out by Bulgargaz EAD, Gas Exploration and Production AD, Petroceltic Bulgaria EOOD and natural gas traders.

Bulgargaz EAD

In 2025, Bulgargaz EAD purchased natural gas for the domestic market under the long-term gas supply contract with an Azerbaijani company and from natural gas traders.

To ensure its customers demand, Bulgargaz EAD has purchased 17 129 691 MWh natural gas, as follows: 10 095 664 MWh of pipeline gas from the Azerbaijani company and 7 034 027 MWh LNG.



Natural gas sold by Bulgargaz EAD amounted to 17 361 438 MWh, of which 17 121 186 MWh were sold in Bulgaria and 240 252 MWh were sold abroad.

Bulgargaz EAD purchased 541 558 MWh natural gas on the gas exchange market in Bulgaria. The natural gas quantities purchased by Bulgargaz EAD on an organized exchange market in Greece amounted to 126 873 MWh.

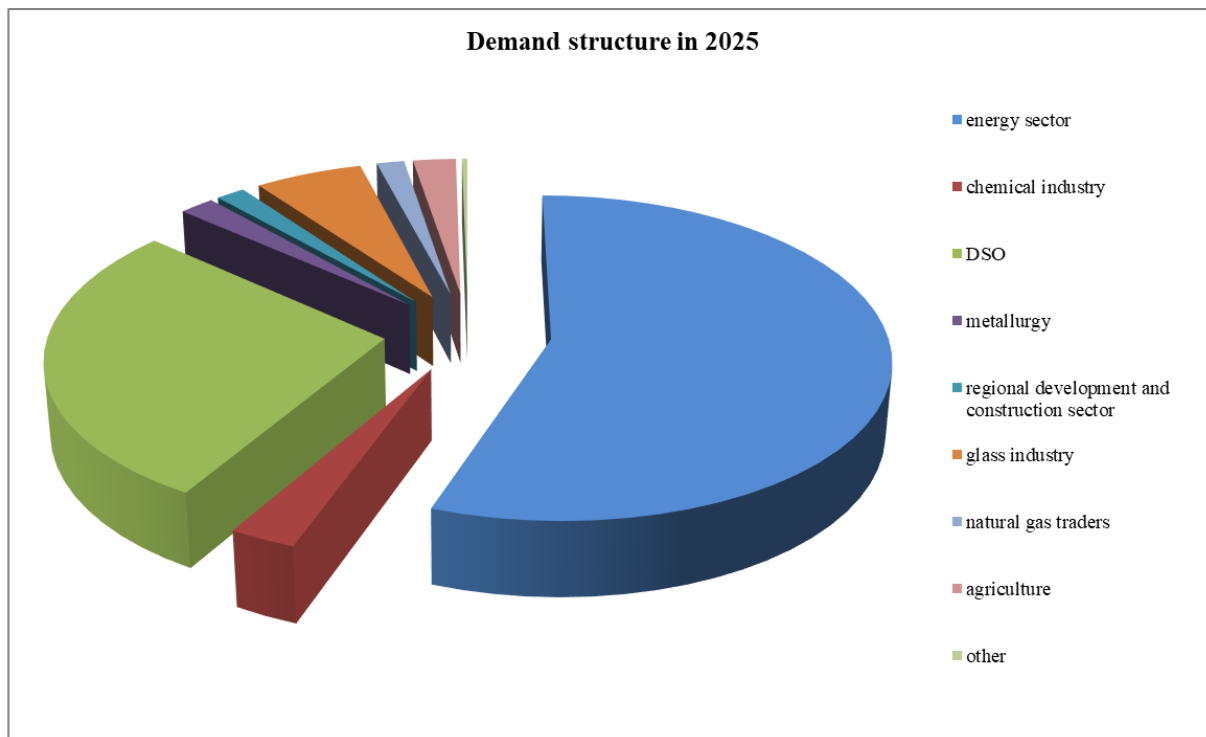
Natural gas sold by Bulgargaz EAD on the organized exchange market in Bulgaria amounted to 419 061 MWh. The quantities of natural gas sold by Bulgargaz EAD on an organized exchange market in Romania amounted to 240 252 MWh.

Bulgargaz EAD purchased 207 903 MWh natural gas for balancing and sold 190 931 MWh for the same purpose.

Consumption structure of the natural gas sold by Bulgargaz EAD in 2025 was as follows:

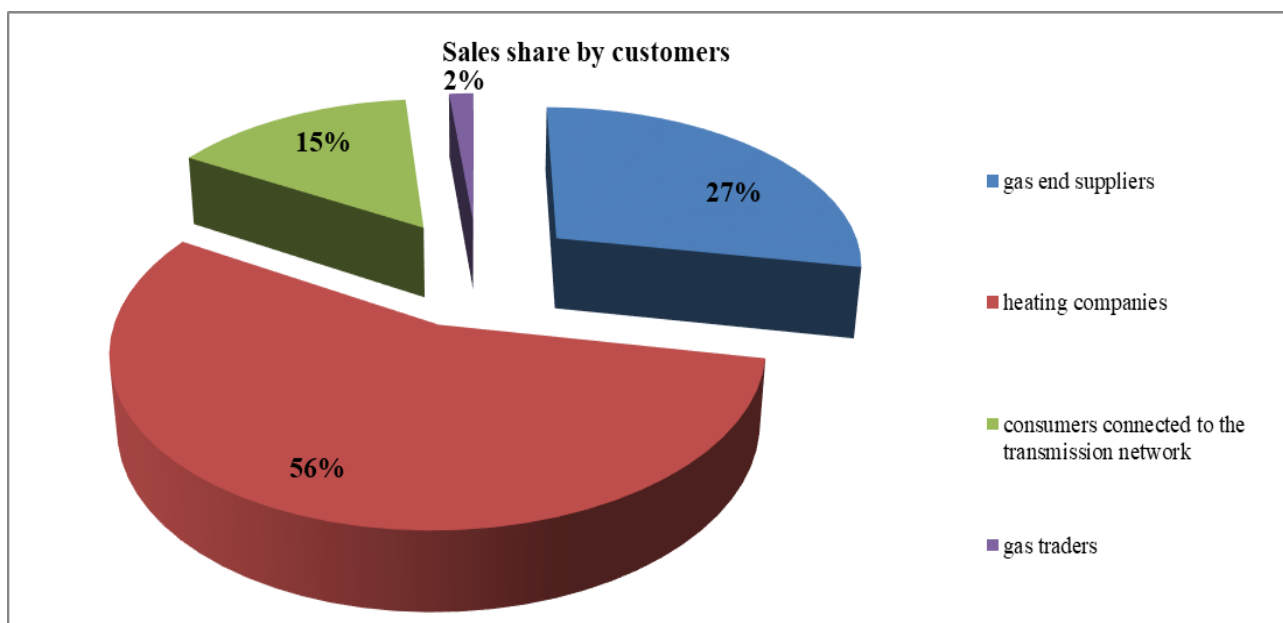
- energy sector – 9 394 470 MWh;
- chemical industry – 481 088 MWh;
- distribution companies – 4 733 226 MWh;

- metallurgy – 326 982 MWh;
- regional development and construction sector – 270 651 MWh;
- glass industry – 996 985 MWh;
- agriculture – 395 619 MWh;
- natural gas traders – 254 641 MWh;
- other – 48 424 MWh.



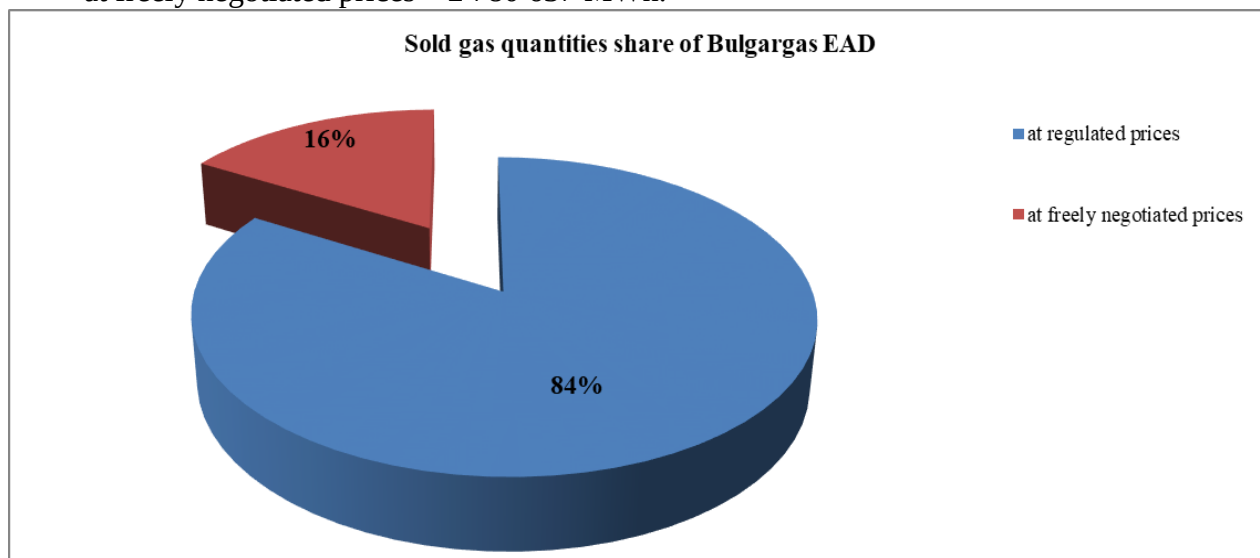
In 2025, Bulgargaz EAD sold natural gas to end suppliers, district heating companies, customers connected to the gas transmission network and natural gas traders.

Share sales per clients are presented in the chart below:

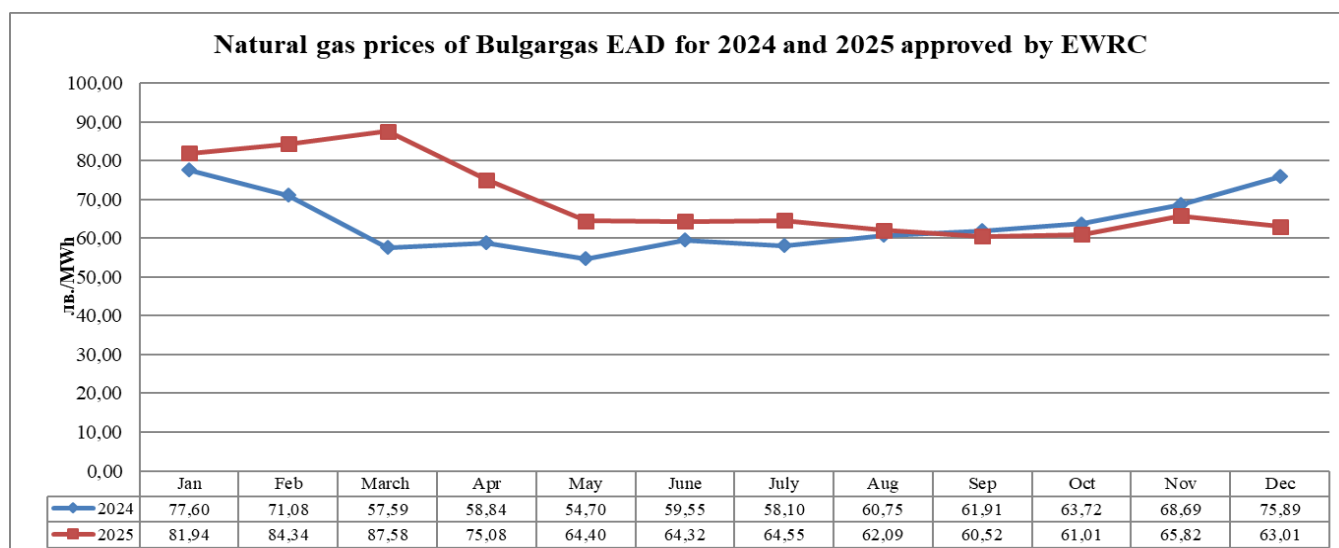


In 2025, Bulgargaz EAD sold to clients in Bulgaria the following quantities of natural gas:

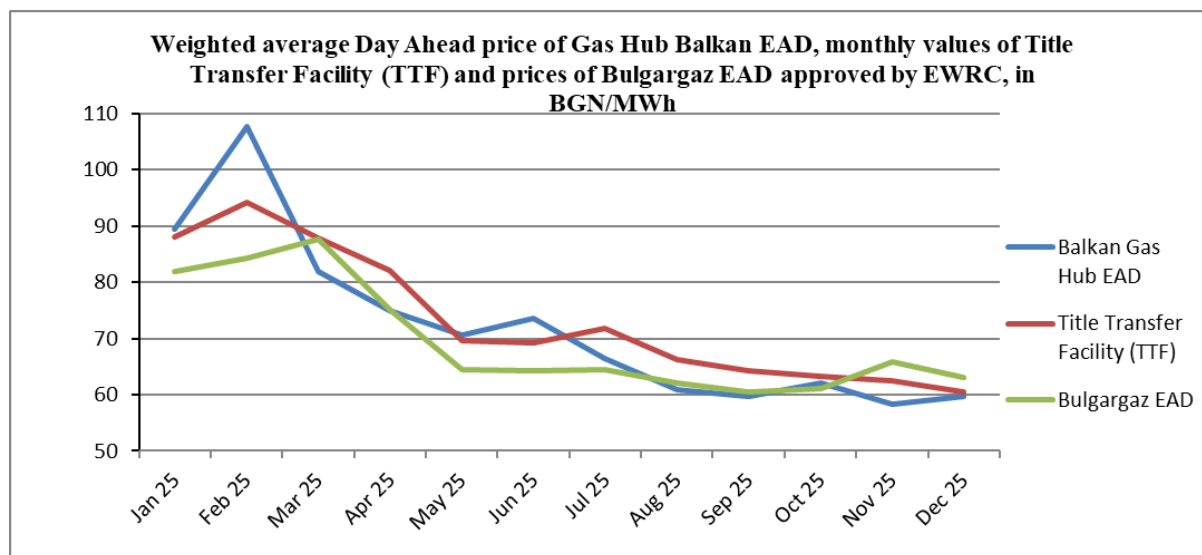
- at regulated prices – 14 121 448 MWh;
- at freely negotiated prices – 2 780 637 MWh.



The change in the prices of natural gas public supplier is indicated in the following graph:



The comparison of the average monthly prices of the day ahead market segment of Balkan Gas Hub EAD, the monthly prices of the Title Transfer Facility (TTF) and the prices of the public supplier Bulgargaz EAD is shown in the following graph:



Natural gas quantities stored by Bulgargaz EAD in Chiren UGS, including the available storage, withdrawal and injection in 2025 were as follows:

- available storage as of 1 Jan 2025 – 2 570 234 MWh;
- withdrawal – 1 126 802 MWh;
- injection – 1 221 102 MWh;
- available storage as of 31 Dec 2025 – 2 664 534 MWh.

Bulgargaz EAD customers' structure as of 31 Dec 2025 was as follows:

- at regulated price – 25;
- at freely negotiated price – 108.

Extraction companies

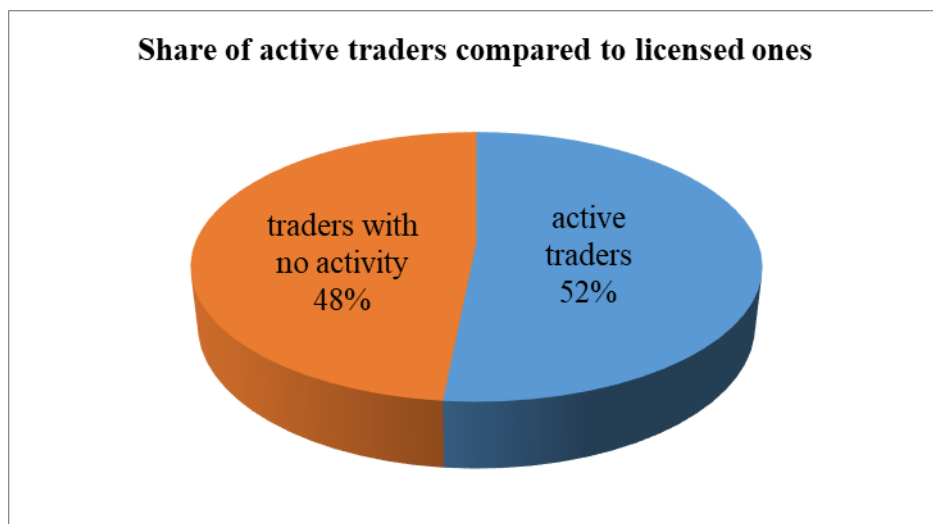
Oil and Gas Exploration and Production AD and Petroceltic Bulgaria EOOD are the extraction companies on the territory of Bulgaria.

In 2025, Oil and Gas Exploration and Production AD extracted 54 718 MWh natural gas and sold 47 207 MWh, of which 19 122 MWh were sold to one end customer, 21 367 MWh to two gas distribution companies and 6718 MWh to one natural gas trader. The remaining quantities of 7512 MWh of natural gas were for the company's own needs. The extraction company did not sell natural gas on the gas exchange market.

In 2025, Petroceltic Bulgaria EOOD extracted 25 357 MWh of natural gas and sold 25 357 MWh, of which 6252 MWh were sold to one end customer and 19 105 MWh to a natural gas trader, on an organized exchange market.

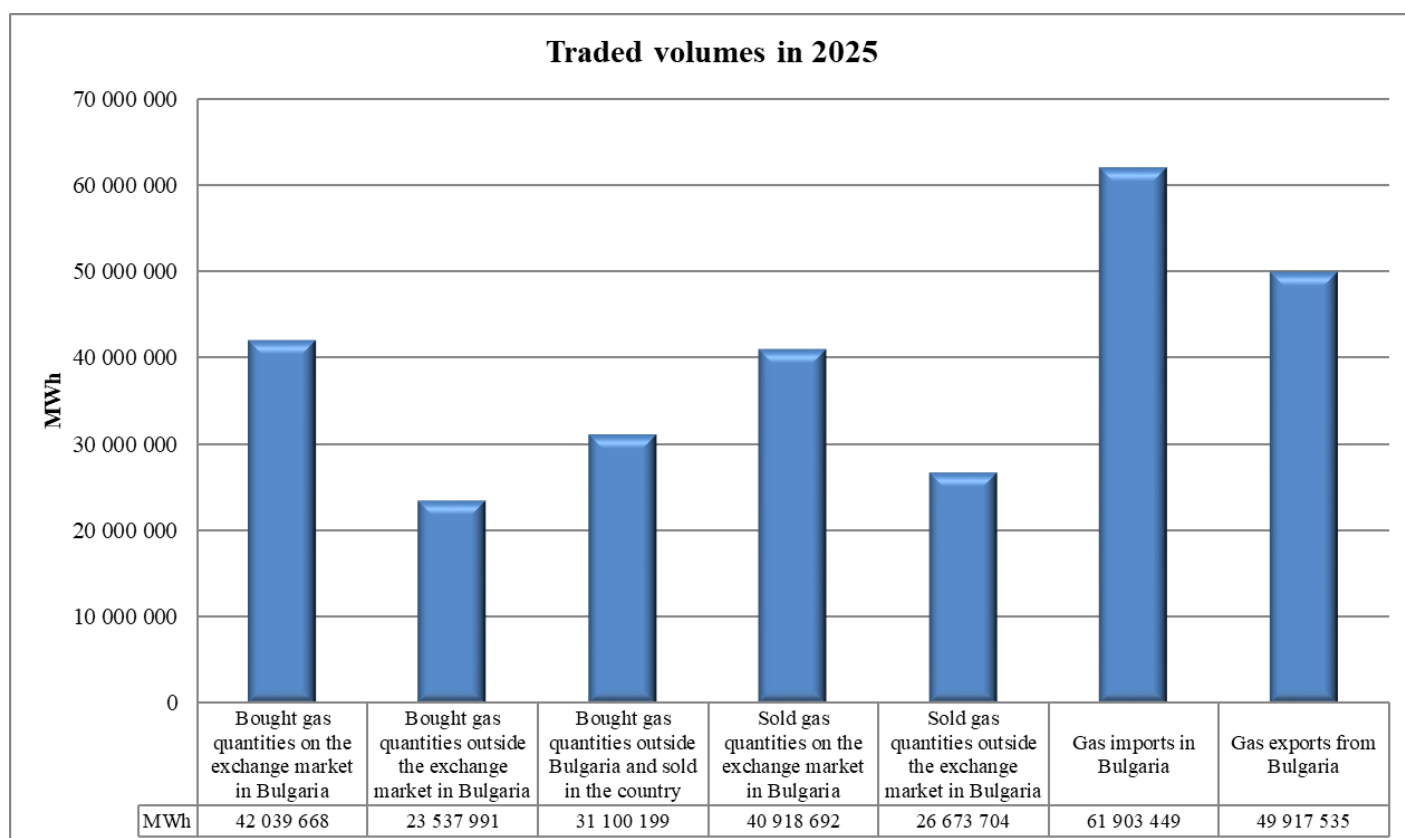
Natural gas traders

Out of total 161 (one hundred and sixty-one) licensed natural gas traders as of 31 Dec 2025, 83 companies have carried out natural gas transactions. Natural gas traders that stored natural gas quantities in Chiren UGS were 11 companies.

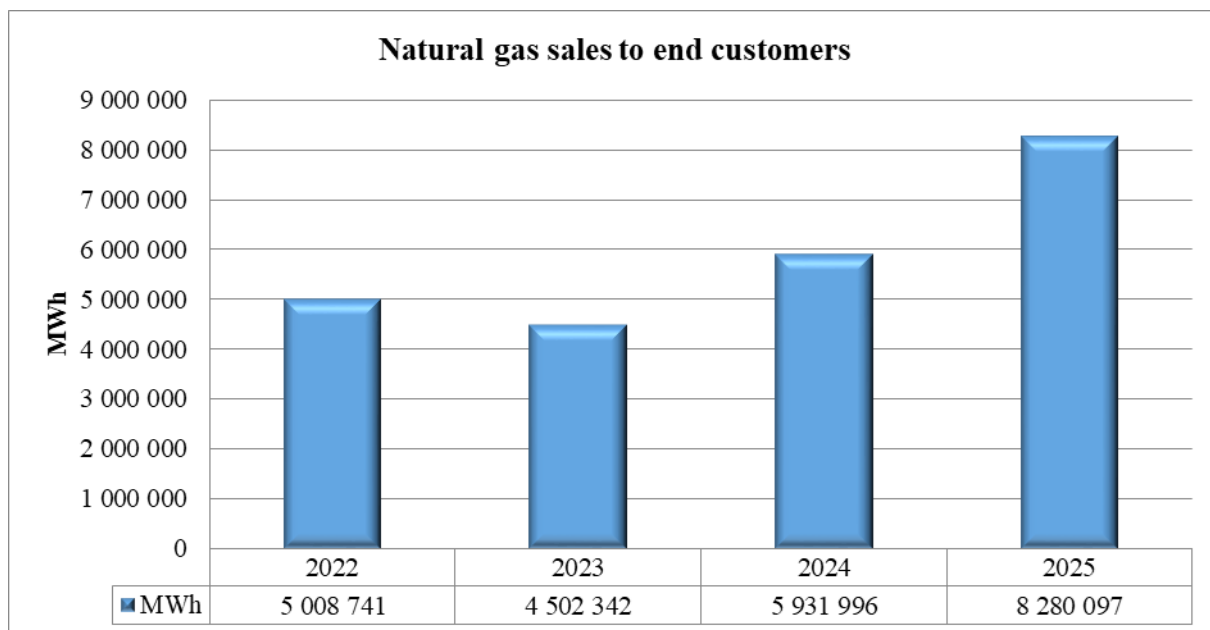


In 2025, natural gas traders purchased 65 577 659 MWh natural gas in Bulgaria, including: 42 039 668 MWh on the gas exchange market and 23 537 991 MWh outside the gas exchange market. The natural gas purchased outside Bulgaria and sold in the country in 2025 was 31 100 199 MWh.

The natural gas sold in Bulgaria was 67 592 396 MWh, including: 40 918 692 MWh on the gas exchange market and 26 673 704 MWh outside the gas exchange market. In 2025, the natural gas imported in Bulgaria was 61 903 449 MWh, and the natural gas exported from the country was 49 917 535 MWh. The data is presented in the graph below:



In 2025, the quantities of natural gas sold to end customers increased to 8 280 097 MWh.



The available natural gas quantities as of 1 Jan 2025 stored in Chiren UGS by natural gas traders amounted to 1 508 545 MWh, extracted quantities being 2 780 652 MWh, and the injected - 3 257 574 MWh, accordingly, the available natural gas as of 31 Dec 2025 was 1 985 928 MWh of natural gas.

Natural gas exchange markets

Balkan Gas Hub EAD trading platform:

As of 31 Dec 2025, the number of registered members of Balkan Gas Hub EAD was 126, compared to 110 as of 1 Jan 2025, which represented an increase of approximately 15%. Approximately 43% of them were international companies with experience in natural gas trading on European markets, and about 54% were local natural gas traders, including large industrial gas consumers in the country. The clearing trade of Balkan Gas Hub EAD started on 15 July 2025, and as of 1 Jan 2026, 63 companies, or approximately 50% of all members of Balkan Gas Hub EAD, participated in the clearing spot segment. The introduction of clearing and settlement services provided a higher level of security and transparency in the market and reduced bilateral credit risk between trading participants, creating conditions for more predictable trading and optimization of market operations.

In 2025, a total of 47,206 transactions were concluded on the natural gas trading platform of Balkan Gas Hub EAD in the individual segments, compared to 29 886 in 2024, which represents an increase of approximately 58%. A total of 35 731 718 MWh of natural gas were traded in 2025, compared to 42 283 695 MWh in 2024, which represents a decrease of approximately 15%. The increase in the number of transactions with a simultaneous decrease in the total traded volume indicates a higher intensity of trading and the realization of smaller transactions in volume, which is characteristic of a more active and diversified market environment.

Short term segment

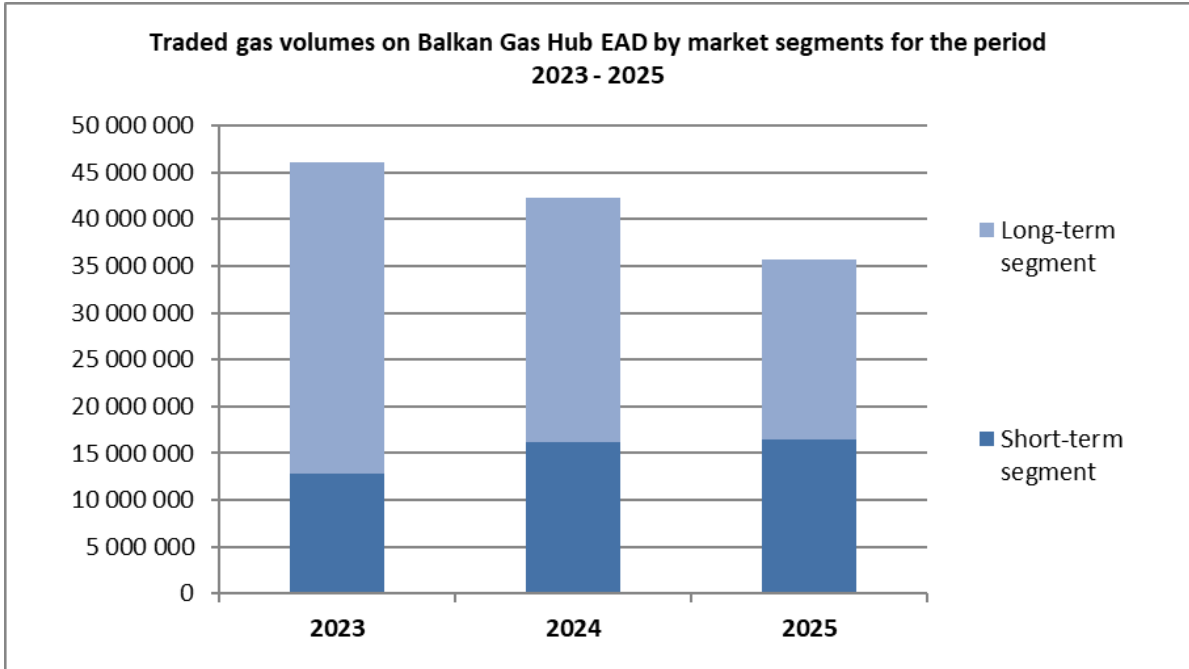
In 2025, a total of 46 638 deals were concluded in the short-term segment, compared to 28 034 in 2024, representing an increase of approximately 66%. The traded quantities of natural gas increase from 16 153 381 MWh in 2024 to 16 470 535 MWh in 2025, which represents an increase of approximately 2%. The average monthly number of transactions in 2025 amounted to 3 887, compared to 2 336 in 2024, which confirms the trend towards increasing trading activity in the segment.

Long-term segment

In 2025, a total of 568 deals were concluded in the long-term segment, compared to 1852 in

2024, which represents a decrease of approximately 69%. The traded natural gas quantities decreased from 26 130 314 MWh in 2024 to 19 261 183 MWh in 2025, which represents a decrease of approximately 26%. The average monthly number of deals in 2025 amounted to 47, compared to 154 in the previous year.

Comparison of traded quantities by market segments of Balkan Gas Hub EAD for the period 2023 - 2025:



Bilateral Contracts Administration segment

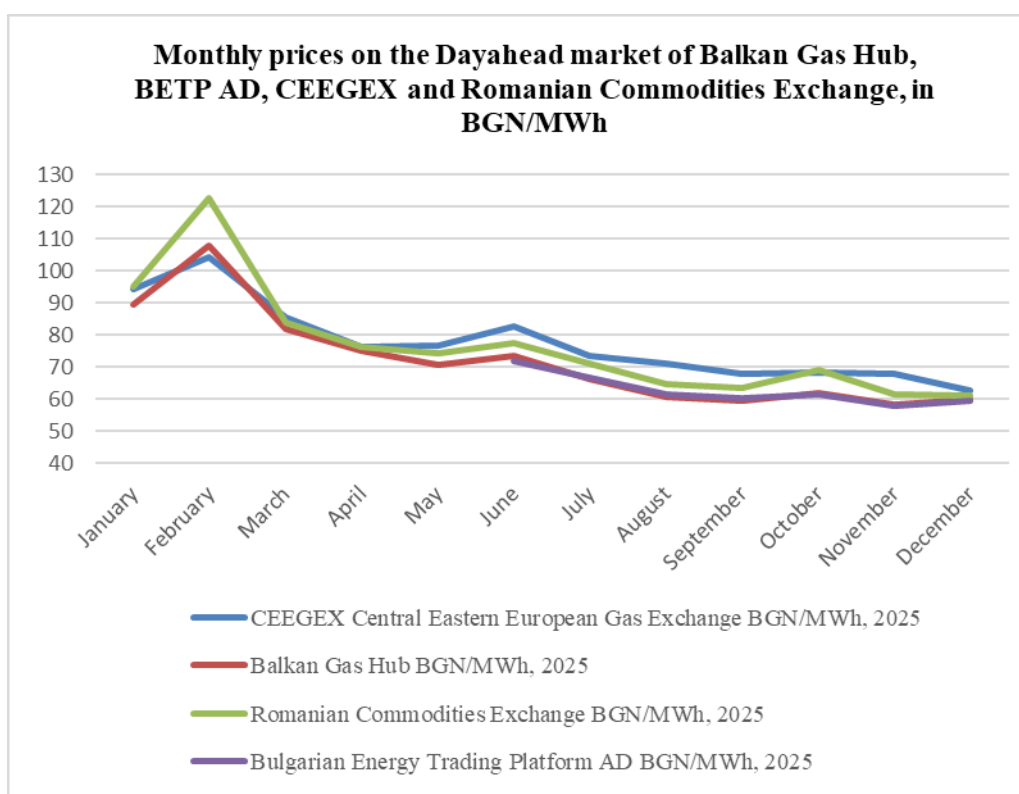
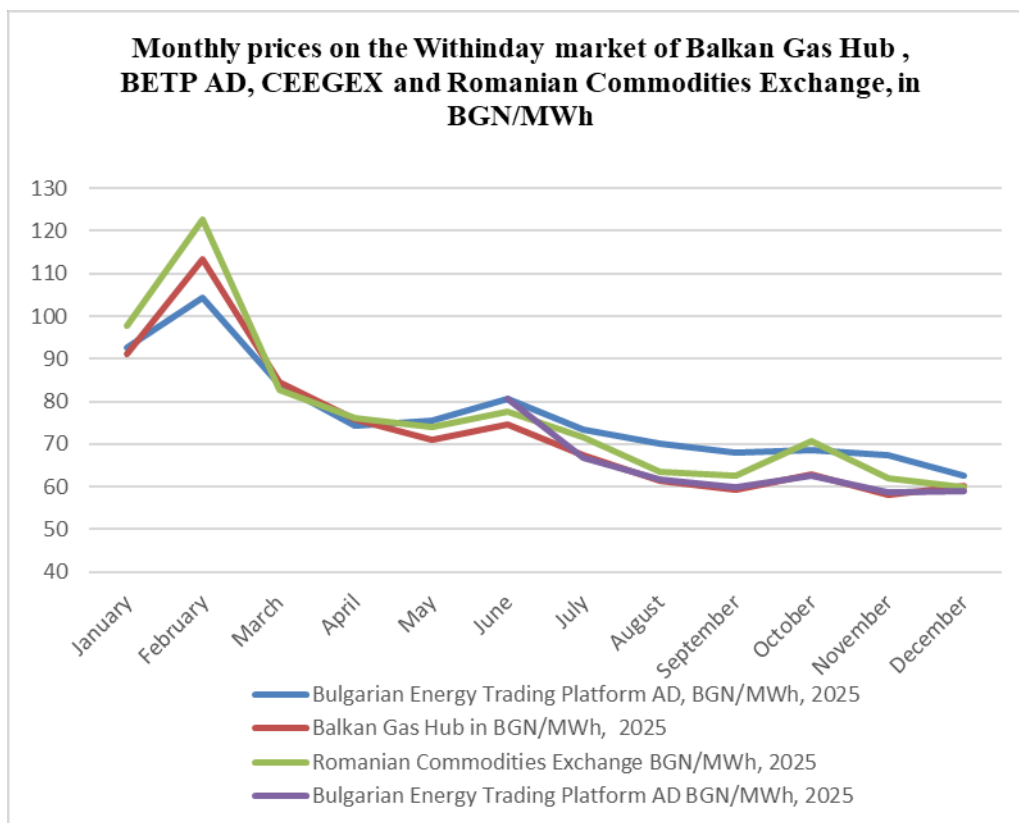
This segment offers registration of concluded bilateral long-term contracts (weekly, monthly, Balance of month - BoM, quarterly, seasonal, annual) in the “Transactions” module.

The Trayport electronic system also allows for on-screen auctions in accordance with the procedures provided for in the Market Rules for the Operation of the Organized Gas Exchange Market of Balkan Gas Hub EAD. In 2025, Bulgartransgaz EAD held a total of 7 auctions for the purchase of natural gas for technological needs through the platform of Balkan Gas Hub EAD.

Brokerage services segment

Through this segment, products and services for end customers are offered to natural gas consumers and end suppliers directly connected to the gas transmission system, who do not have access to the gas transmission networks and to VTP, but would like to purchase natural gas at exit points from registered Balkan Gas Hub EAD (BGH) members for their own needs. In this case, the end customer/end supplier has the status of a non-trading user and shall not pay membership and transactions fees under the applicable price list. A non-trading user shall be entitled to use BGH brokerage services by signing a Brokerage Services Agreement, and shall be granted with special rights to access a specialized section of BGH website.

Comparison of natural gas prices in the intraday and day ahead market segments of Balkan Gas Hub EAD, Bulgarian Energy Trading Platform AD and neighboring gas exchanges:



Bulgarian Energy Trading Platform AD:

As of 31 Dec 2025, the number of registered members of the Bulgarian Energy Trading Platform AD (BETP AD) was 37, compared to 10 as of 31 Dec 2024, which represents an increase of approximately 270%. The clearing trade of BETP AD started on 1 Aug 2025, and as of 31 Dec 2025,

there were 26 clearing members, or approximately 70% of all members of BETP AD. The introduction of clearing services and settlement of concluded transactions contributes to increasing security and more effective risk management among market participants of BETP AD.

In 2025, a total of 2 214 transactions were concluded on the natural gas trading platform of Bulgarian Energy Trading Platform AD in the individual segments, compared to 2 in 2024, with the traded natural gas quantities amounting to 1 007 449 MWh compared to 157 440 MWh in 2024. Trading activity, mainly realized in the second half of 2025, was concentrated in the short-term segment, within which standardized products were traded and bilaterally agreed transactions were registered, with 2 212 transactions realized in this segment with a total volume of 1 007 435 MWh, while 2 transactions with a total volume of 14 MWh were concluded in the long-term segment.

3.1.7. Retail market

Non-household customers and gas distribution networks are connected to Bulgartransgaz EAD gas transmission network.

The number of non-household customers connected to the gas transmission network at the end of 2025 was 234. Most of the gas distribution networks in the country are also connected to the gas transmission network. Three gas distribution networks are connected to local extraction facilities and receive natural gas from local extraction, and two of these networks simultaneously receive alternative supplies. There are gas distribution networks not connected to the gas transmission network, and gas supply is carried out through trucks delivering natural gas with bottles.

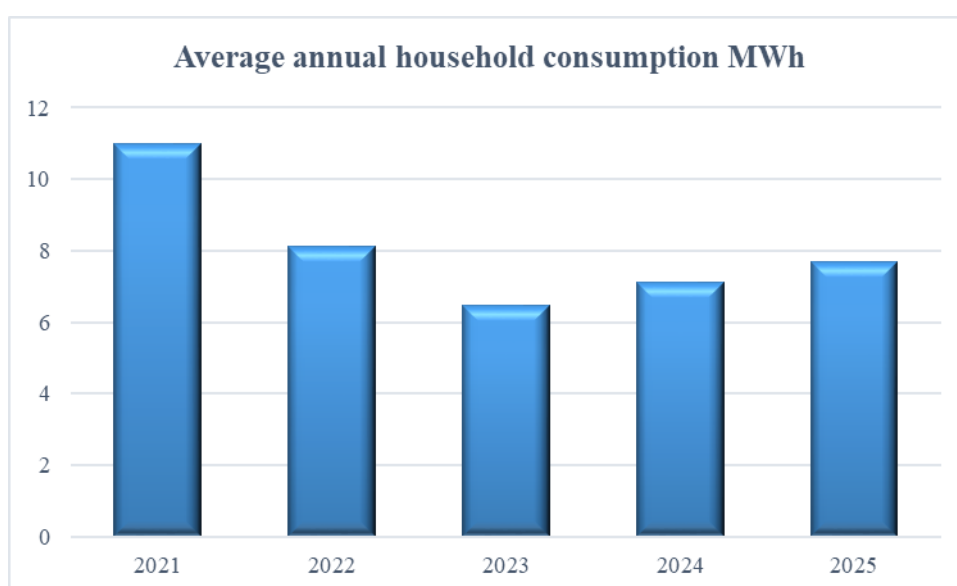
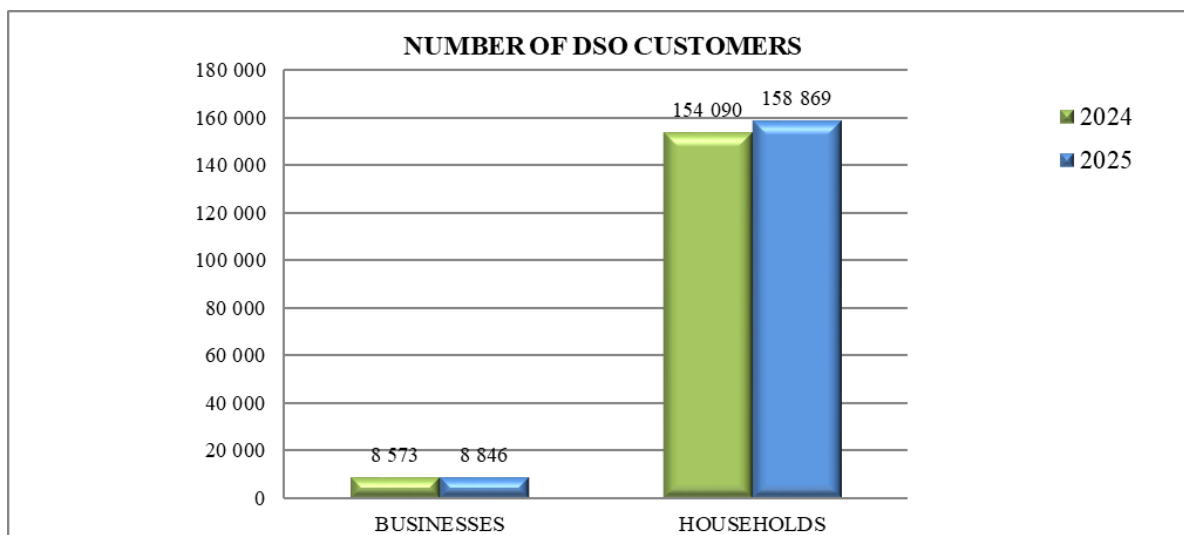
At the end of 2025, on the territory of the Republic of Bulgaria, 25 gas distribution companies (DSOs), licensed for the activities of “distribution of natural gas” and “supply of natural gas by an end supplier”, operated in 36 license territories, which covered 174 municipalities, representing 65% of all municipalities in the country. Eight of the companies supply natural gas through the delivery of compressed natural gas to customers in municipalities that are not connected to the gas transmission network.

The necessary infrastructure for natural gas distribution in the country is under construction and the number of household customers connected to the gas distribution network (GDN) is low.

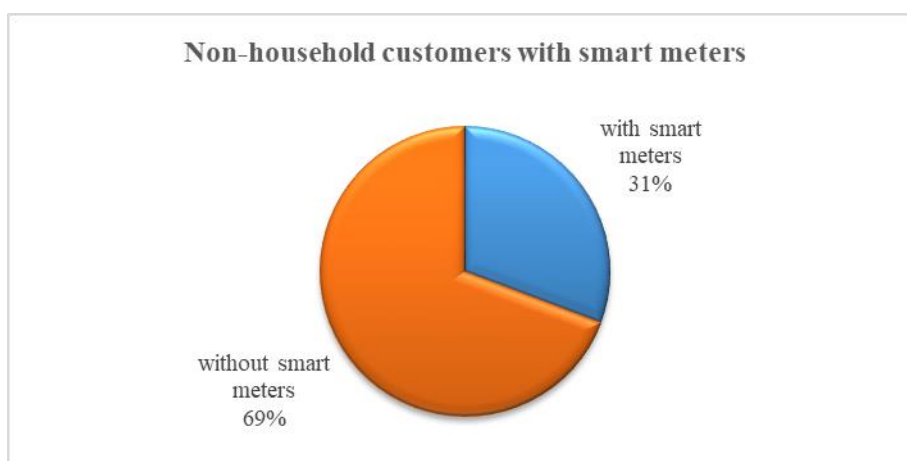
The constructed gas distribution network in 2025 was 35 110 m, and the total GDN length within the country at the end of 2025 was 5 768 544 m. The investments made by the distribution companies in 2025 amounted to BGN 18 539 thousand.

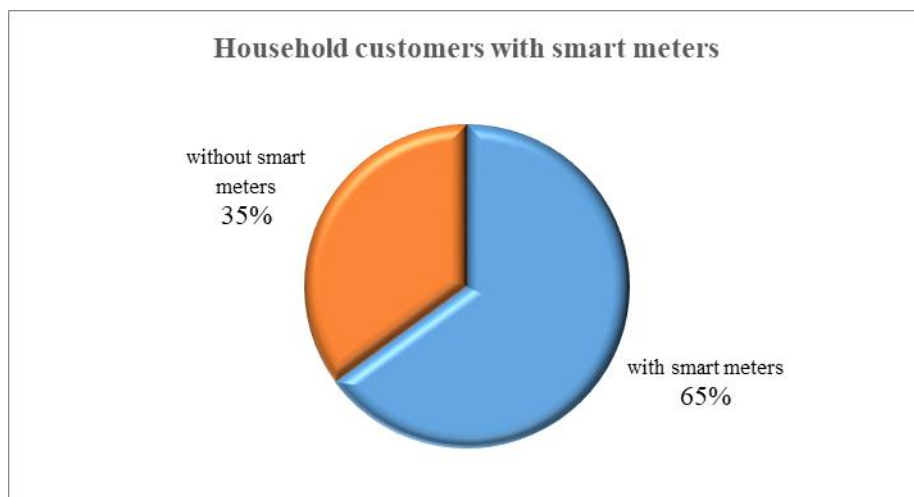
Total number of the gas DSOs’ clients as of 31 Dec 2025 was 167 715, of which 8 846 non-household customers (5.3%) and 158 869 household customers (94.7%). The customers’ number has increased from 162 663 in 2024 to 167 715 in 2025, which is an increase of 3%. The non-household customers have increased by 3.2%, and the household – by 3.1%.

The numbers of non-household and household customers in the licensed territories for 2024 and 2025 are presented in the graph below:

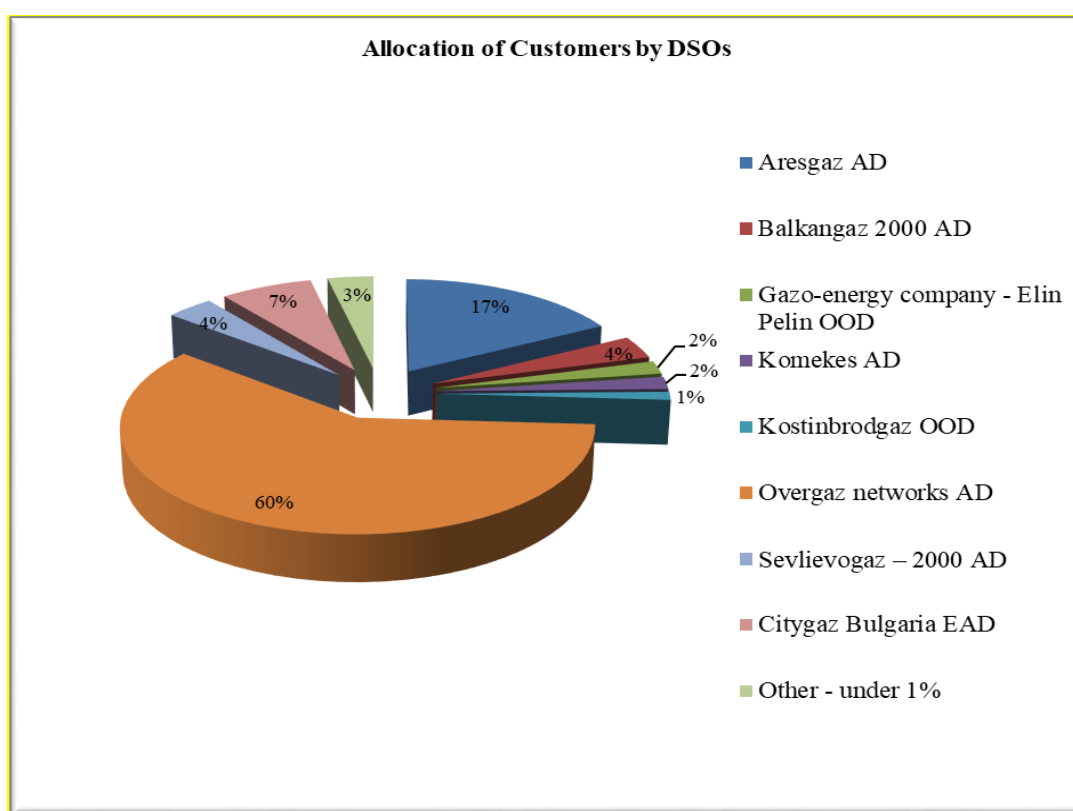


The following graphs present the percentages of non-household and household customers whose natural gas consumption is measured with smart meters.





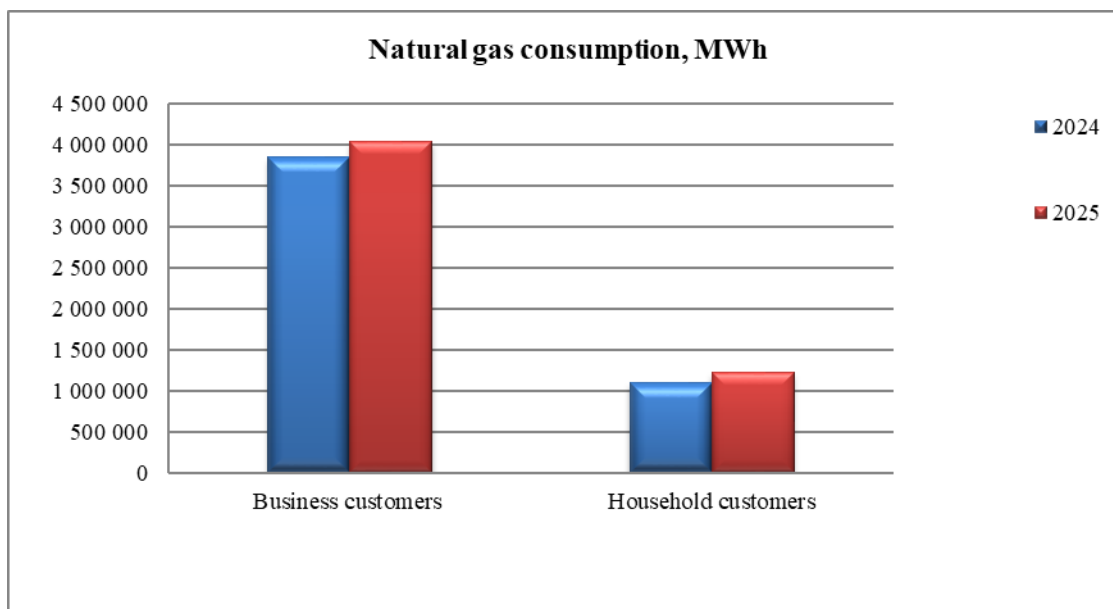
Breakdown of natural gas consumers by companies is presented in the graph below:



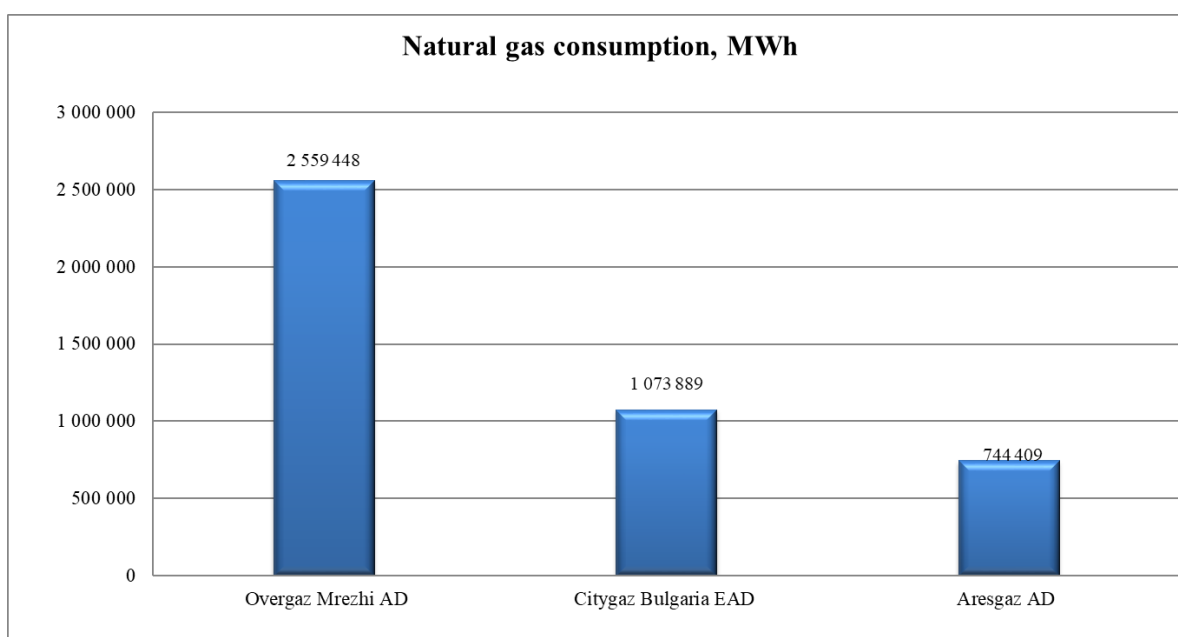
Overgas Mrezhi AD serves the largest number of customers – 100 411, which is 60% of all natural gas customers in the country, followed by Aresgas AD with 17%, Citygas Bulgaria EAD with 7%, Sevlievogas 2000 AD and Balkangas 2000 AD - with 4% each.

Total DSOs customers' consumption in 2025 was 5 256 432 MWh, which is an increase of 6,3% compared to 2024, when consumption was 4 946 768 MWh. Non-household customers' consumption increased from 3 850 658 MWh in 2024 to 4 036 585 MWh in 2025, and household customers' consumption increased from 1 096 110 MWh in 2024 to 1 219 847 MWh in 2025.

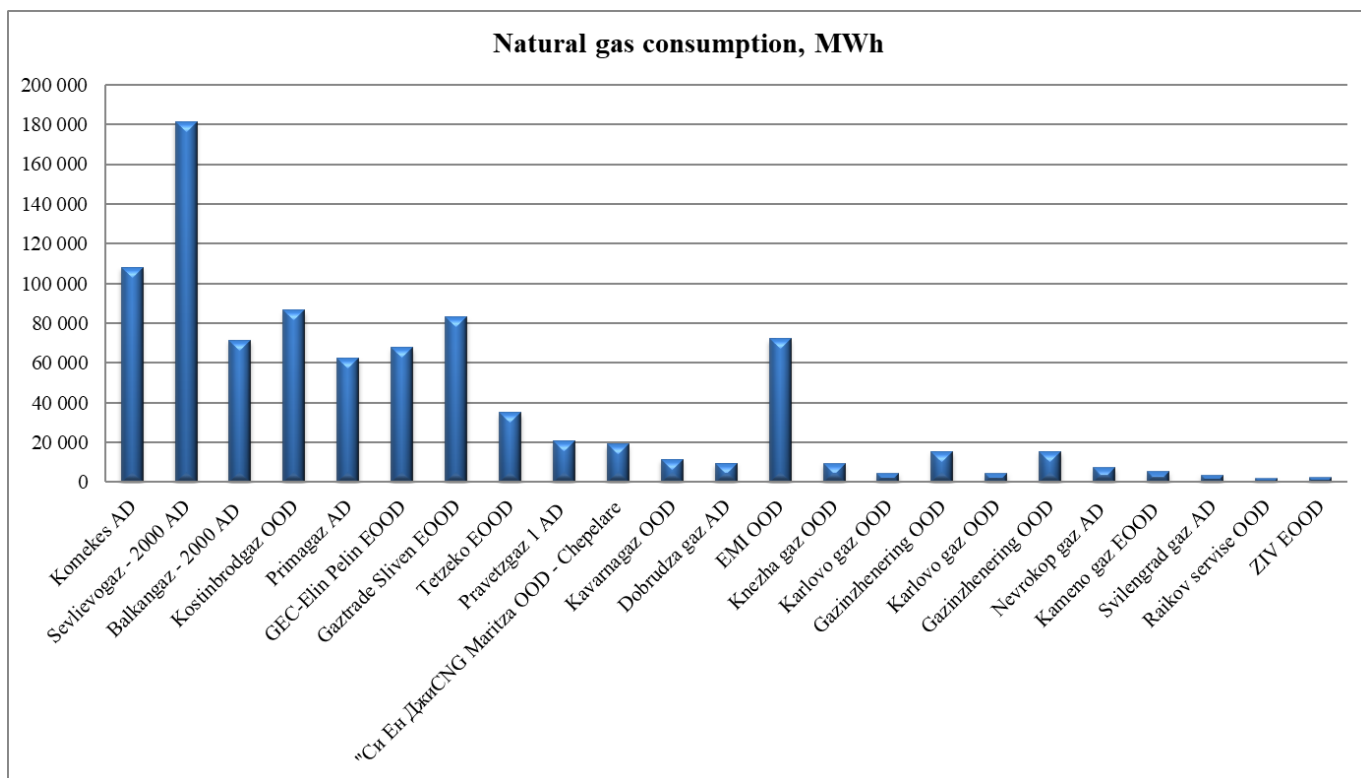
The share of non-household customers' consumption in 2025 was 77%, and the share of household customers' consumption was 23%.



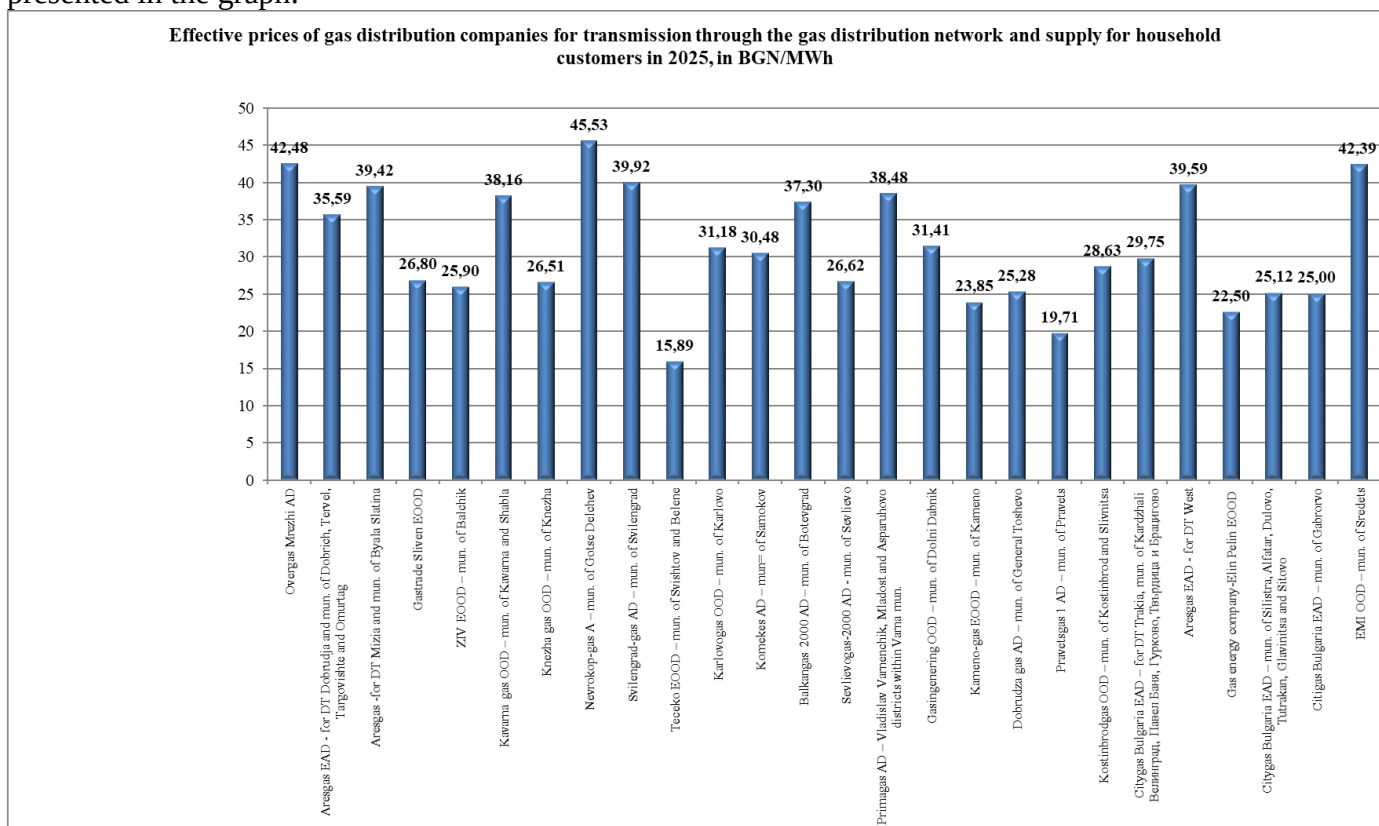
Customers of Overgaz Mrezhi AD, Citygas Bulgaria EAD and Aresgaz AD had the highest consumption:



The consumption of natural gas by the customers of the other companies is presented in the graph:



The current prices for natural gas transmission and supply to household customers in 2025 are presented in the graph:



3.1.8. Monitoring the level of prices, the level of transparency, the level and effectiveness of market opening and competition

In exercising its regulatory powers with regard to price levels, EWRC is guided by the main principles of developing competitive and well-functioning regional markets within the European Union.

In 2025, EWRC continuously monitored the levels of natural gas prices, market transparency, the degree of its opening and the development of the competitive environment. Within the framework of its regulatory activities, EWRC analyzed trends in the formation of natural gas prices, monitored the functioning of organized natural gas exchange markets, the conditions for access to the gas transmission infrastructure and the behavior of market participants with a view to ensuring effective competition and preventing discriminatory practices.

EWRC monitored the market development by analyzing the number of licensed traders, the organized exchange markets liquidity, the use of interconnection points and the gas transmission network capacity, as well as the influence of regional and international factors on the Bulgarian natural gas market.

ONGPR sets out natural gas price regulation methods, rules for price formation or determination and amendment, procedure for providing information, submission of price proposals and their approval; methods for energy enterprises compensation of costs incurred by imposed public service obligations under EA; terms and conditions on networks connection price formation; terms and conditions on natural gas access and transmission through transmission and/or distribution networks price formation. Prices subject to regulation are formed by the energy companies in accordance with EA and ONGPR. The Regulator's guidance on price regulation is binding for energy companies. EWRC approves prices for transmission through the gas distribution networks, prices for natural sale from end suppliers and prices for connection to the gas distribution networks based on analysis of the data presented in the applications and based on reasoned justification by applicants that the proposed prices will enable the companies to realize the investment and production programme parameters in their business plans.

Gas market liberalization is an important part of European energy policy and is linked to the strategic objectives of improving security of supply and natural gas supply sources diversification, as well as building an interconnected and single pan-European gas market.

One of the main EWRC guiding principles is to prevent restriction/distortion of competition in the energy market, as well as to ensure a balance between the interests of energy companies and consumers. In exercising its powers, EWRC shall analyse the performance of regulated energy companies, in order to prevent abuse of monopoly position or restriction/distortion of competition in the energy market in Bulgaria.

EWRC monitors gas networks development for the benefit of all participants, which will ensure sufficient and available capacity for everyone and monitors market competition and its effective functioning.

Implementation of Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency

With the expansion of natural gas exchange trading, the development of liquefied natural gas (LNG) trading and the deepening integration of regional gas markets in the Balkans, the need for effective market supervision is increasing. In implementation of Regulation (EU) No. 1227/2011, EWRC monitors the market in order to prevent market manipulation and ensure transparent and fair trading. The two natural gas trading platforms in Bulgaria, as wholesale energy transaction persons (PPAETs), have not reported to the national regulator any case of suspected violations under their obligation under Article 15 of REMIT. However, during ongoing monitoring of the wholesale energy market by EWRC, officials from the REMIT Division identified two violations in 2025. One of them was for failure to comply with the obligation to disclose inside information publicly, timely and

effectively on an inside information platform by the market participant Bulgargaz EAD. The company was fined 5 112.92 euros (10 000 leva) for violating Article 4 of REMIT. Balkan Gas Hub EAD, which operates the insider information platform specified by Bulgargaz EAD in CEREMP, was sanctioned with the same amount for failing to notify EWRC of the violation in accordance with its obligation under Article 15 of the Regulation.

3.1.9. Consumer protection and dispute settlement

The protection of the rights and interests of natural gas consumers is guaranteed through the provisions of EA and the subordinate regulations that regulate the relations between energy enterprises and customers, while observing the principles of transparency, equality and non-discrimination.

In exercising its regulatory powers, EWRC is guided by general principles defined in EA, including ensuring a balance between the interests of energy companies and customers, equality between different categories of energy companies and between consumer types and establishing end customers' protection measures. To protect energy customers' rights EWRC closely cooperates with the Commission for Consumer Protection, the Ombudsman of the Republic of Bulgaria, as well as a number of consumer protection NGOs.

As a specialized state authority EWRC regulates the activities in the energy sector and ensures consumer rights, approving the General conditions of contracts provided for in EA and the Rules on work with energy services consumers developed by energy companies that provide services of public interest. These contracts have mandatory content defined in EA, guaranteeing consumers' rights protection. The contracts shall state: term of the contract; temporary suspension conditions, termination of service provision and of the contract; rights of energy services consumers, including information concerning the procedure of considering complaints and making decision on them, conditions for unilateral termination of the contract by the user of energy services including upon a change of the contractual conditions and prices, incl. the possibility for such termination without additional payment. They provide for conditions and procedures of setting-off and reimbursement of sums in case of failure to comply with the requirements for quality of the contracted services. Licensees providing services of public interest are obliged to guarantee consumers' rights protection and equality between customer groups in the contracts' General conditions and Rules on work with energy services consumers. EWRC shall ensure that the approved General conditions include the content of invoices or bills which reflect the actual consumption and contain specific data on the metering device number, natural gas consumption, value added tax (VAT) and a price breakdown by components, if approved.

Energy companies shall provide to their customers information about: payment methods; prices of supply suspension or resumption; prices of maintenance services and prices of other services related to the licensed activity; procedure of switching supplier and information that energy services users do not owe additional payments when switching supplier, including a final equalizing bill at each supplier switching; a procedure of handling complaints and ruling on the actual quantities consumed, as well as the service provided value in accordance with the agreed metering frequency at no additional cost. The information shall be presented in the invoices or together with them in informational materials and on the websites of the energy companies. In accordance with that procedure, the energy and natural gas suppliers shall provide also to energy services users a checklist adopted by the European Commission, containing practical information about their rights.

Energy companies shall provide customers with detailed information on daily, week, month and annual consumption where smart metering systems are used, by providing the final customers via the Internet or via the metering device interface with data for a period covering not less than 24 previous months or since the entry into effect of the supply contract, if that is more recent. Natural gas suppliers shall provide customers with a wide range of payment methods, including advance payment systems that are fair and adequately reflect the expected consumption. Energy companies shall notify the household energy services customers of each proposed change to the contractual conditions and

prices of the services provided, as well as of the customers' right to terminate the contract unilaterally within 30 days as of the notification date, if they do not accept the new conditions and/or prices. The end supplier shall inform the customer, together with the invoice, on the last month of each 6-month period, when the reported natural gas consumption of the end customer for that 6-month period is higher by more than 50% than the reported consumption for the respective 6-month period of the previous calendar year.

Energy companies performing natural gas supply shall establish information centres where they will both provide users with information on energy services and customers' relations.

Complaints handling terms and conditions are regulated by EA and OLAES. EWRC shall consider complaints of: networks and facilities users against transmission and distribution network operators, extraction companies, natural gas storage facilities operators and LNG operators related to the way these entities perform their duties under EA; customers against energy and natural gas suppliers, including end suppliers, regarding their duties under EA as well as licensees against other licensees regarding their duties' performance under EA.

EWRC may assist an amicable dispute settlement on a complaint. The procedure is voluntary and confidential. In voluntary dispute resolution, the regulator does not issue a decision, and the procedure ends with an agreement. In case no amicable settlement is achieved or the parties reject amicable settlement, the Regulator shall decide on the complaint within two months after receiving it.

Periodically, EWRC checks the licensees' obligations fulfilment regarding the creation of a specialized unit for work with consumers within the company's structure, in which a sufficient number and qualified personnel must be appointed; the maintaining of a sufficient number of customer service centres to cover the needs of the license territory; provision of services to customers in accordance with the quality indicators of natural gas supply adopted by EWRC; maintenance of a quality management system for the licensing activity, certified by an independent competent organization; maintaining a system for receiving and processing complaints.

Complaints filed at Energy and Water Regulatory Commission

The total of 16 complaints in the gas sector was filed at EWRC in 2025. Only 12 of them were within the competence of EWRC, and 4 were referred to other institutions under their competence.

The graph below presents information on complaints filed by year for the period 2022 – 2025:



In 2025, a low number of complaints submitted to EWRC was observed, which is also due to the fact that energy companies provide their customers with the necessary information regarding their rights and obligations, regulated in the General Terms and Conditions of Contracts and the Rules for

Working with Consumers, including the procedure for submitting and considering complaints. In addition, the companies promptly review the complaints received and satisfy the justified ones. Out of 167,715 natural gas customers, complaints were filed by 16 customers, which represents 0.01% of these customers.

The main reason for the insignificant number of complaints can be the small percentage of gasified sites in the country, respectively the small number of household and business customers of natural gas, which determines the low number of complaints filed both with the Regulator and with the companies.

During 2025, EWRC issued decisions on 13 complaints. Four of the decisions were on complaints received in 2024 and nine complaints received in 2025:

EWRC issued decisions on three of the complaints filed in 2025 in the current 2026.

Complaints received at gas distribution companies

The number of customer complaints submitted at the gas distribution companies in 2025 was 43. Customers filing the complaints were 0.03% of all 167 715 DSO customers in 2025. The number of complaints filed in gas distribution companies remains unchanged compared to the number of complaints filed in 2024.

Household customers indicators	2021	2022	2023	2024	2025
Number of household natural gas customers	138 087	144 130	149 556	154 090	158 869
Number of disconnections of final household consumers due to non-payment	2 493	2 981	2 088	2 316	1 947
Number of household customers with smart meters	14 316	45 409	74 356	92 065	103 194

There has been a significant increase in installed smart meters of household customers, which increased from 14 316 in 2021 to 103 194 in 2025. By the end of 2025, the share of household customers with installed smart meters reached 65%, compared to 10% at the end of 2021.

The average percentage of household customers who have been disconnected due to non-payment in the period 2021– 2025 is relatively constant and amounts to below 2%.

3.2. Security of supply (if and insofar NRA is competent authority)

The Ministry of Energy is the state body that conducts the energy policy in the country. The Minister of Energy is the competent authority concerning security of supply in the meaning of Art.3, paragraph 2 of Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) № 994/2010 (Regulation (EU) № 2017/1938). Pursuant to Art.8, para.2, letters (a) and (b) of Regulation (EU) 2017/1938 the competent authority of each Member State, shall, after consulting the natural gas undertakings, the relevant organizations representing the interests of household and industrial gas customers, including electricity producers, electricity transmission system operators, and, where it is not the competent authority, the national regulatory authority, establish: a preventive action plan containing the measures needed to remove or mitigate the risks identified, including the effects of energy efficiency and demand-side measures in the common and national risk assessments and in accordance with Article 9; an emergency plan containing the measures to be taken to remove or mitigate the impact of a disruption of gas supply in accordance with Article 10 of the Regulation. In compliance to Regulation requirement, an inter-institutional group has been established, appointed by the Minister of Energy, which shall draft the above-mentioned documents. Representatives of EWRC have been included and they have participated in the documents drafting process.