

# Energy Act

Promulgated, SG No. 107/9.12.2003, amended, SG No. 18/5.03.2004, effective 5.03.2004, amended and supplemented, SG No. 18/25.02.2005, effective 20.01.2005, amended, SG No. 95/29.11.2005, effective 1.03.2006, SG No. 30/11.04.2006, effective 12.07.2006, amended and supplemented, SG No. 65/11.08.2006, effective 11.08.2006, SG No. 74/8.09.2006, effective 8.09.2006, amended, SG No. 49/19.06.2007, amended and supplemented, SG No. 55/6.07.2007, effective 6.07.2007, amended, SG No. 59/20.07.2007, effective 1.03.2008, SG No. 36/4.04.2008, amended and supplemented, SG No. 43/29.04.2008, supplemented, SG No. 98/14.11.2008, effective 14.11.2008, amended, SG No. 35/12.05.2009, effective 12.05.2009, amended and supplemented, SG No. 41/2.06.2009, SG No. 42/5.06.2009, amended, SG No. 82/16.10.2009, effective 16.10.2009, SG No. 103/29.12.2009, amended and supplemented, SG No. 54/16.07.2010, effective 16.07.2010, amended, SG No. 97/10.12.2010, effective 10.12.2010, amended and supplemented, SG No. 35/3.05.2011, effective 3.05.2011, supplemented, SG No. 47/21.06.2011, effective 21.06.2011, amended, SG No. 38/18.05.2012, effective 1.07.2012, amended and supplemented, SG No. 54/17.07.2012, effective 17.07.2012, amended, SG No. 82/26.10.2012, effective 26.11.2012, SG No. 15/15.02.2013, effective 1.01.2014, supplemented, SG No. 20/28.02.2013, effective 28.02.2013, SG No. 23/8.03.2013, effective 8.03.2013, amended and supplemented, SG No. 59/5.07.2013, effective 5.07.2013, amended, SG No. 66/26.07.2013, effective 26.07.2013, SG No. 98/28.11.2014, effective 28.11.2014, SG No. 14/20.02.2015, amended and supplemented, SG No. 17/6.03.2015, effective 6.03.2015, SG No. 35/15.05.2015, effective 15.05.2015, supplemented, SG No. 48/27.06.2015, effective 30.06.2015, amended and supplemented, SG No. 56/24.07.2015, effective 24.07.2015, supplemented, SG No. 42/3.06.2016, amended and supplemented, SG No. 47/21.06.2016, SG No. 105/30.12.2016, supplemented, SG No. 51/27.06.2017, amended, SG No. 58/18.07.2017, effective 18.07.2017, amended and supplemented, SG No. 102/22.12.2017, effective 1.01.2018, supplemented, SG No. 103/28.12.2017, effective 1.01.2018, amended, SG No. 7/19.01.2018, amended and supplemented, SG No. 38/8.05.2018, effective 8.05.2018, amended, SG No. 57/10.07.2018, effective 1.07.2018, amended and supplemented, SG No. 64/3.08.2018, effective 3.08.2018, SG No. 77/18.09.2018, effective 1.01.2019, SG No. 83/9.10.2018, SG No. 91/2.11.2018, amended, SG No. 103/13.12.2018, effective 13.12.2018, amended and supplemented, SG No. 17/26.02.2019, SG No. 41/21.05.2019, effective 21.05.2019, SG No. 79/8.10.2019, effective 8.10.2019, supplemented, SG No. 25/20.03.2020, SG No. 38/24.04.2020, effective 24.04.2020, amended and supplemented, SG No. 57/26.06.2020, effective 26.06.2020, SG No. 9/2.02.2021, effective 2.02.2021, SG No. 21/12.03.2021, effective 12.03.2021

Text in Bulgarian: Закон за енергетиката

## Chapter One GENERAL PROVISIONS

**Article 1.** (Supplemented, SG No. 74/2006, amended, SG No. 49/2007, SG No. 54/2012, effective 17.07.2012) This Act regulates the social relations associated with the activities of generation, import and export, transmission, distribution of electricity, heat and natural gas, oil and oil product transmission through pipelines, trade in electricity, heat and natural gas, as well as the powers of state bodies in formulating energy policy, regulation and control.

**Article 2.** (1) The principal purposes of this Act are to create conditions for:

1. high-quality and secure supply of electricity, heat and natural gas to the general public;
2. energy development and the energy security of the country through efficient use of energy and energy resources;
3. creation and development of a competitive and financially stable energy market;
4. energy deliveries at minimum costs;
5. (repealed, SG No. 49/2007);
6. promotion of the combined generation of electricity and heat;
7. (new, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) development of infrastructures for transmission and distribution of electricity and natural gas, and for transmission of oil or oil product on the territory of the country, and through it.

(2) (Amended and supplemented, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) The generation, import, export, transmission, distribution and trade in electricity, heat, natural gas, oil and oil products shall be carried out under the guaranteed protection of the life and health of citizens, the property, the environment, the security of supplies, the interests of consumers, and the national interests.

## **Chapter Two**

### **ENERGY POLICY**

#### **Section I**

#### **State Governance of the Energy Sector**

**Article 3.** (Amended, SG No. 103/2009) (1) The state policy in the energy sector shall be implemented through the National Assembly and the Council of Ministers.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) The National Assembly shall adopt the Strategy for Sustainable Energy Development of the Republic of Bulgaria on a motion by the Council of Ministers and by the said Strategy the basic objectives, stages, means and methods for the development of the energy sector shall be defined.

(3) (Amended, SG No. 38/2018, effective 8.05.2018) The Council of Ministers shall direct the energy sector of the country in line with the strategy adopted by the National Assembly.

**Article 4.** (1) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The national energy policy shall be implemented by the Minister of Energy.

(2) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall perform the following functions:

1. (amended, SG No. 103/2009, SG No. 38/2018, effective 8.05.2018) elaborate the Strategy for Sustainable Energy Development of the Republic of Bulgaria and lay the said Strategy for Sustainable Energy Development before the Council of Ministers for approval;

2. adopt the short-term, medium-term and long-term overall national forecast energy balances in accordance with the strategy as adopted;

3. (supplemented, SG No. 74/2006) lay a list of energy works of strategic national importance, including ones extracting local hard fuel, before the Council of Ministers for endorsement;

4. (supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) define, by an order, the mandatory parameters of the level of reliability of electricity supply, as well as measures to comply with them;

4a. (new, SG No. 54/2012, effective 17.07.2012, amended, SG No. 41/2019, effective 21.05.2019) be a competent authority on matters concerning the security of supplies of natural gas within the meaning 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) No. 994/2010 (OJ, L 280/1 of 28.10.2017), hereinafter referred to as Regulation (EU) No. 2017/1938;

5. (supplemented, SG No. 35/2011, amended, SG No. 54/2012, effective 17.07.2012) determine the required new electricity generating capacities, and promulgate the said inventory of required new capacities in the State Gazette;

6. lay before the Council of Ministers for endorsement an inventory of new self-contained areas for natural gas distribution and for modification of existing self-contained areas for natural gas distribution for which no license has been issued, and promulgate the said inventory in the State Gazette;

7. approve restructuring programmes and strategies for the energy sector;

8. determine an overall annual quota for mandatory acquisition of electricity from producers utilizing primary local energy sources (of fuel), of up to 15 per cent of the combined primary energy required for the generation of electricity that is consumed in the country during each calendar year, for reasons of security of supply;

9. (repealed, SG No. 49/2007);

10. (supplemented, SG No. 74/2006, repealed, SG No. 49/2007);

11. (amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 35/2015, effective 15.05.2015) prepare and lay down before the Council of Ministers for approval:

(a) a comprehensive assessment of the potential for the application of high-efficiency cogeneration of heat and electricity and efficient district heating and cooling;

(b) a cost-benefit analysis as part of the comprehensive assessment referred to in Literati (a), covering an evaluation of programmes under Article 6 (1) herein and projects for establishing the most cost-effective and beneficial heating or cooling option; the said analysis may be part of the environmental assessment of the programme and the projects, if such assessment is envisaged;

(c) an analysis of the national potential as part of the comprehensive assessment referred to in Littera (a) and an assessment of the progress achieved in increasing the share of high-efficiency cogeneration in gross electricity consumption;

(d) measures for efficient district heating and cooling infrastructure to be developed and/or to accommodate the development of high-efficiency cogeneration and the use of heating and cooling from waste heat and renewable energy sources in accordance with the assessment and the analysis under Litterae (a), (b) and (c);

12. make proposals for establishment and maintenance of national energy reserves and wartime energy reserves;

13. approve standard levels for the stocks of fuels necessary for secure energy supply;

14. (amended, SG No. 38/2018, effective 8.05.2018) act as an administrator of state aid and minimum aid in the energy field;

15. exercises control in the cases provided for by this Act;

16. issue permits for prospecting and exploration of energy resources and organize procedures for the award of concessions for extraction of energy resources and for construction of hydro power works;

17. publish an annual bulletin on the status and development of the energy sector;

18. formulate and implement a state policy related to the activities comprehended in the transmission of oil and petroleum products through pipelines within and through the national territory;

18a. (new, SG No. 74/2006, amended and supplemented, SG No. 54/2012, effective 17.07.2012) represent the government in its relationships with other countries, as well as with commercial companies in all matters, related to the application of the Agreement to the Energy Charter and to the implementation of transnational electricity, natural gas and oil transmission infrastructures and for the integration of the national electricity and the natural gas market on regional level;

18b. (new, SG No. 74/2006, effective 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) provide competent authorities in the European Union with all information under the law of the European Union;

18c. (new, SG No. 74/2006, effective 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) according to its authority, send requests and notices to the competent authorities of the European Union for granting temporary derogation from the application of provisions in the law of the European Union and transitional periods in the field of energy in all cases under the law of the European Union;

18d. (new, SG No. 54/2012, effective 17.07.2012) shall organize and control the implementation of the National Investment Plan for the period 2013 - 2020 and shall submit a summary report on its implementation to the European Commission annually by 31st January, considered from 2014, on the basis of the reports of the energy companies, for which obligations under that plan will arise;

18e. (new, SG No. 25/2020) after the European Commission approves the National Investment Framework for the period 2021 - 2030, shall organise and control its implementation under the conditions and according to the procedure determined by an ordinance of the Council of Ministers on a proposal by the Minister of Energy;

19. issue the statutory instruments of secondary legislation provided for in this Act according to the competence vested therein;

20. represent the Republic of Bulgaria in international organizations on energy matters;

21. (new, SG No. 17/2015, effective 6.03.2015, supplemented, SG No. 38/2018, effective 8.05.2018) together with the Minister of Finance and the Minister of Economy, issue an ordinance on reducing the burden associated with the expenses for energy from renewable sources and from high-efficiency combined generation of electricity and heat, according to the Guidelines regarding the state aid for environmental protection and for the energy sector for the period 2014 – 2020 (OJ, C 200/1 of 28 June 2014);

22. (new, SG No. 56/2015, effective 24.07.2015) issue an ordinance on public disclosure and optimisation of the expenses of the commercial companies having 50% and more than 50% of a state or municipal participatory stake in the capital, jointly with the principal of the companies performing activities under this act;

23. (renumbered from Item 21, SG No. 17/2015, effective 6.03.2015, renumbered from Item 22, SG No. 56/2015, effective 24.07.2015) exercise other powers as well, conferred thereon by other statutory instruments.

(3) (Amended, SG No. 103/2009, SG No. 38/2018, effective 8.05.2018) The strategy adopted by the National Assembly under Article 3 (2) hereof shall be promulgated in the State Gazette.

(4) (New, SG No. 38/2018, effective 8.05.2018) The competent authorities shall make available the necessary information to the Minister of Energy in view of his/her powers under

Paragraph 2, Item 14.

**Article 5.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, supplemented, SG No. 38/2018, effective 8.05.2018) The list under Article 4, Paragraph 2, Item 3 of the strategic works of national importance in the energy sector and the hydro energy systems, which are a part of them, with an up-to-date assessment of condition and risks associated with their economic state and security of operation, shall be drawn up each year at the Ministry of Energy and shall be laid by the Minister of Energy before the Council of Ministers for approval.

(2) Any persons performing activities under this Act by means of works included in the list referred to in Paragraph (1) shall enjoy protection which includes:

1. (supplemented, SG No. 74/2006) organization and control of physical protection (security) of works, implemented by the authorities of the Ministry of Interior or by persons conducting activities under the Private Security Business Act;

2. information security, implemented through administrative, organizational and technical measures.

(3) The protection covered under Paragraph (2) shall be for the account of the persons performing the activities under this Act by means of works included in the list referred to in Paragraph (1).

(4) (New, SG No. 74/2006, amended, SG No. 35/2009, effective 12.05.2009, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Any persons carrying out activities under this act through sites, included in the list under Paragraph 1, shall carry out activities and work during disasters and military time, as assigned to them by the Minister of Energy.

**Article 6.** (1) Municipality mayors shall require from energy companies operating on the territory of the municipalities thereof to submit forecasts of the development of demand for electricity, heat and natural gas, programmes and plans for electricity, heat and natural-gas supply.

(2) Acting on a proposal by the energy companies, municipality mayors shall mandatorily project, in the master plans and detailed plans, spatial renewal works required for implementation of the programmes and plans referred to in Paragraph (1).

(3) (Amended, SG No. 74/2006) Municipality mayors shall ensure the construction, operation, maintenance and development of the outdoor lighting networks and facilities within the territory of the municipality in respect of corporeal immovables constituting municipal property.

**Article 7.** (1) (Amended and supplemented, SG No. 74/2006, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Upon conduct of the state policy in the energy sector, the Minister of Energy may be assisted by industrial branch chambers and organizations of energy and energy resource extraction sector workers.

(2) (Supplemented, SG No. 74/2006) Employers in the energy sector may establish and participate in industrial branch chambers and organizations of energy and energy resource extraction sector workers.

(3) (Supplemented, SG No. 74/2006) The industrial branch chambers and organizations of energy and energy resource extraction sector workers shall be registered under the terms and according to the procedure established by the Non-profit Legal Persons Act.

(4) (Supplemented, SG No. 74/2006) The industrial branch chambers and organizations of energy and energy resource extraction sector workers shall:

1. have as an objective to represent and protect the common interests of the members thereof;

2. may negotiate with trade unions on issues of common interest and be parties in signing

an industry-wide collective agreement;

3. (supplemented, SG No. 74/2006) elaborate rules for good manufacturing practices, models of systems for risk analysis of energy generation and/or energy resource extraction, as well as other professional criteria;

4. participate in the elaboration of strategies, analyses, programmes and opinions on the development of the sector and facilitate the implementation thereof;

5. (supplemented, SG No. 74/2006) create data bases on professionals in the sector available to assist energy producers and energy resource extractors, as well as the state bodies;

6. (supplemented, SG No. 74/2006) elaborate a Code of Ethics regulating professional ethics in the sector and prevention of unfair competition between energy producers and energy resource extractors;

7. (supplemented, SG No. 74/2006) notify the competent authorities of violations committed in the production of and trade in energy and/or energy resource and natural gas extraction;

8. give opinions on any amendments to statutory instruments for the respective industrial branch;

9. organize and deliver vocational training;

10. perform other functions as well assigned thereto by a law.

(5) (Supplemented, SG No. 74/2006) The state bodies and the management bodies of the industrial branch chambers and organizations of energy sector workers shall collaborate and inform each other of violations detected in the production of and/or trade in energy and/or energy resource and natural gas extraction.

(6) (Supplemented, SG No. 74/2006) The state bodies, institutions and central-government departments, the bodies of local self-government and local administration work shall assist and provide the industrial branch chambers and organizations of energy and energy resource extraction sector workers with information the said chambers and organizations need to perform the functions thereof provided for under this Act.

**Article 7a.** (New, SG No. 98/2008, effective 14.11.2008, repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 20/2013, effective 28.02.2013) (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) For protection of consumers' interests, a Public Council shall be established under the Minister of Energy as an advisory unit for resolution of issues that are specifically within the competences of the Minister, as provided for in this Act.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The membership of the Public Council under paragraph 1 shall include representatives of the Ministry of Energy, consumer associations, scientific unions, organizations of the trade unions and non-profit legal entities.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Public Council under paragraph 1 shall be established by an order of the Minister of Energy.

(4) The order under paragraph 3 shall provide for the matters subject of consideration by the Public Council, as well as for the conditions and procedure for performing its activities.

## **Section II**

### **Energy Forecasting and Planning**

**Article 8.** (1) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 38/2018, effective 8.05.2018) The Minister of Energy shall elaborate the Strategy for Sustainable Energy Development of the Republic of Bulgaria.

(2) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 38/2018, effective 8.05.2018) On the basis of the Strategy for Sustainable Energy Development of the Republic of Bulgaria, the Ministry of Energy shall prepare programmes and strategies for restructuring of the energy sector that shall be approved by the Minister of Energy. Commercial corporations in the energy sector shall be privatized in accordance with the programmes and strategies for restructuring of the energy sector, as approved by the Minister of Energy.

(3) There shall be short-term, medium-term and long-term overall national forecast energy balances. The said balances shall be prepared on the basis of:

1. (amended, SG No. 74/2006) forecasts, studies and plans of enterprises engaged in the activities comprehended in extraction, processing, conversion, transmission and distribution of energy resources and energy;

2. information from the overall indicative energy balances;

3. information provided by the National Statistical Institute.

(4) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall determine the needed new electricity generating capacities under Article 4, Paragraph 2, item 5 in the interest of security of electricity supply, for implementation of the obligations for a share of renewable energy sources in the gross end-user electricity consumption as well as in the interest of environmental protection and encouragement of new technologies, where these goals cannot be achieved by means of the market mechanisms for investments on the basis of:

1. the overall forecast energy balances;

2. the mandatory parameters of the level of reliability of electricity supply;

3. the ten year plan for development of the electricity transmission network;

4. the reports under Article 13 of the Energy from Renewable Sources Act for implementation of the National Action Plan for Energy from Renewable Sources.

(5) (Amended and supplemented, SG No. 74/2006, amended, SG No. 103/2009, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 38/2018, effective 8.05.2018) The Minister of Energy shall implement an energy policy targeting national energy development with efficient utilization of energy and energy resources and meeting the demand of the public for electricity, heat and natural gas, oil products, and solid fuels on the basis of the overall forecast energy balances and in accordance with the Strategy for Sustainable Energy Development as adopted by the National Assembly.

(6) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall perform oversight on the security of supply and shall publish all measures planned and taken, the results from the oversight, as well as the energy policy guidelines in the bulletin under Article 4, Paragraph 2, Item 17, as well as on Ministry of Energy's web site.

**Article 9.** (1) (Supplemented, SG No. 74/2006) Companies engaged in activities comprehended in energy resource extraction, processing and trade in fuels, conversion, transmission, distribution and trade in energy and natural gas shall:

1. (supplemented, SG No. 74/2006) conduct studies and analyses, elaborate short-term, medium term and long-term forecasts of the energy resource extraction, processing and trade in fuels and energy, and adopt the relevant plans ensuring the said activities;

2. (amended, SG No. 74/2006, supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) prepare, at least once every two years, and submit to the Minister of Energy plans for rehabilitation, for measures to improve the

efficiency of existing generating capacities and networks, and for the construction of new capacities and networks at minimum costs and information about the investment projects in implementation of Commission Regulation (EU, Euratom) No. 833/2010 of 21 September 2010 implementing Council Regulation (EU, Euratom) No. 617/2010 concerning the notification to the Commission of investment projects in energy infrastructure within the European Union (OJ, L 248/36 of 22 September 2010). The said plans shall be accompanied by a feasibility study, a financial analysis and an environmental impact analysis, and alternatives for energy saving.

(2) (Supplemented, SG No. 74/2006) The forecasts referred to in Paragraph (1), including the respective reporting information and the preliminary studies and a list of required new generating capacities and networks, and natural gas storage facilities, shall be submitted as follows:

1. (amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) to the Minister of Energy;

2. (supplemented, SG No. 18/2005, amended, SG No. 17/2015, effective 6.03.2015) to the Energy and Water Regulatory Commission;

3. to the mayors of the municipalities concerned for fulfillment of the obligations under Paragraph (6);

4. (supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) to the electricity transmission network operators;

5. (amended, SG No. 54/2012, effective 17.07.2012) to the electricity distribution network operators.

(3) (Amended and supplemented, SG No. 74/2006, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The content, structure, terms and procedure for submission of the information covered under Paragraphs (1) and (2) shall be established in an ordinance of the Minister of Energy.

(4) (New, SG No. 74/2006, amended and supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 17/2015, effective 6.03.2015) The content, structure, and procedure to present all information under Article 4, Paragraph 2, Item 18b, and Item 18d and, as well as under Article 21, Paragraph 1, items 7, 24, 26, and 27, shall be defined by a Council of Ministers ordinance, after a proposal by the Minister of Energy, and of the Energy and Water Regulatory Commission.

## **Chapter Three**

### **REGULATION OF ENERGY SECTOR ACTIVITIES**

#### **Section I**

#### **Energy and Water Regulatory Commission**

#### **(Title amended, SG No. 18/2005, SG No. 17/2015, effective 6.03.2015)**

**Article 10.** (1) (Amended, SG No. 18/2005, SG No. 17/2015, effective 6.03.2015) The Energy and Water Regulatory Commission, hereinafter referred to as the "Commission", shall regulate energy-sector and water-supply and sewerage activities.

(2) The Commission shall be an independent specialized state body, a legal person with a head office in Sofia.



(3) (New, SG No. 17/2015, effective 6.03.2015) In exercising its powers, the Commission shall be independent of the executive authorities and its activity shall be performed on the basis of independence, impartiality, professionalism, honesty, consistency, publicity and transparency. The Commission shall be accountable for its activities before the National Assembly.

**Article 11.** (1) (Amended, SG No. 18/2005, SG No. 54/2010, effective 16.07.2010, SG No. 17/2015, effective 6.03.2015) The Commission shall be a collegial authority and shall consist of nine members, including a Chairperson.

(2) (Amended, SG No. 18/2005, SG No. 54/2010, effective 16.07.2010, SG No. 17/2015, effective 6.03.2015) The Chairperson and the members of the Commission shall be elected and removed from office by the National Assembly.

(3) (Supplemented, SG No. 54/2010, effective 16.07.2010) The term of office of the members of the Commission shall be five years. They shall be entitled to only two full consecutive terms of office.

(4) (New, SG No. 54/2010, effective 16.07.2010, amended, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 17/2015, effective 6.03.2015).

(5) (New, SG No. 54/2010, effective 16.07.2010, amended, SG No. 17/2015, effective 6.03.2015) The election of new members of the Commission shall be made not earlier than three months and not later than one month before the expiration of the term of office of the current members. The members of the Commission shall continue to exercise their functions after their term of office has expired and until the new members take up their duties.

**Article 12.** (1) (Supplemented, SG No. 18/2005, amended, SG No. 54/2010, effective 16.07.2010, SG No. 17/2015, effective 6.03.2015) Eligibility for membership of the Commission shall be limited to capable Bulgarian citizens:

1. who have graduated from a higher educational establishment, attaining an educational qualification degree of Master;

2. (amended, SG No. 57/2020, effective 26.06.2020) who possess good professional reputation and a professional experience of not less than 5 years:

a) experience in the energy sector, applicable to four of the members;

b) experience in the sphere of water supply and sewerage, applicable to two of the members;

c) legal experience, applicable to one of the members of the Commission;

d) experience in the field of the economy, applicable to one of the members of the Commission;

e) (supplemented, SG No. 57/2020, effective 26.06.2020) experience on a managerial position in the energy sector and/or in water supply and sewerage, applicable to the Chairperson of the Commission;

3. who has not been sentenced to deprivation of liberty for a premeditated offence at public law.

(2) (Supplemented, SG No. 18/2005, amended, SG No. 42/2009, SG No. 17/2015, effective 6.03.2015, SG No. 7/2018) The members of the Commission may not be related parties in the sense of the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act.

(3) (Supplemented, SG No. 42/2009, amended, SG No. 97/2010, effective 10.12.2010, SG No. 17/2015, effective 6.03.2015) The members of the Commission may not occupy any other paid position and may not perform any other paid activity, other than those under international projects and programs related to the activity of the Commission, scientific activity, teaching activity or activity regulated in the Copyright and Similar Rights Act.

(4) (Repealed, SG No. 17/2015, effective 6.03.2015, new, SG No. 103/2017, effective

1.01.2018) The circumstance under Article 12, Paragraph (1), item 3 shall be established ex officio.

(5) The remuneration of the members of the Commission shall be fixed as follows:

1. (amended, SG No. 18/2005, SG No. 54/2012, effective 17.07.2012) for the Chairperson: 93 per cent of three average monthly salaries of persons hired under an employment or under a civil-service relationship in the "Electricity and heat, and gaseous fuel production and distribution sector" as reported by the National Statistical Institute;

2. (amended, SG No. 18/2005, repealed, SG No. 54/2010, effective 16.07.2010);

3. (amended, SG No. 18/2005, SG No. 54/2012, effective 17.07.2012) for the rest of the members of the Commission: 85 per cent of three average monthly salaries of persons hired under an employment or under a civil-service relationship in the "Electricity and heating energy, and gaseous fuel production and distribution sector" as reported by the National Statistical Institute.

**Article 12a.** (New, SG No. 17/2015, effective 6.03.2015) (1) The members of the Commission shall be elected after a public procedure conducted.

(2) The members of parliament and the parliamentary groups may make proposals for election of members of the Commission.

(3) The National Assembly shall elect separately the chairman and the other members of the Commission.

(4) The members of the Commission shall take an oath before the National Assembly under Article 76 (2) of the Constitution of the Republic of Bulgaria.

**Article 12b.** (New, SG No. 17/2015, effective 6.03.2015) (1) The powers of a member of the Commission shall be terminated prematurely:

1. upon his/her request;

2. upon incompatibility;

3. upon actual impossibility for him/her to perform his/her duties for more than 6 months;

4. when he/she is sentenced to time in prison for pre-meditated crime of general nature with a ruling that has entered into force;

5. upon grave violation or upon persistent non-compliance with the official duties;

6. (amended, SG No. 7/2018) upon entry into force of an act which ascertains a conflict of interest under the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act;

7. in the case of death.

(2) In the cases under Paragraph (1), Items 1, 4, 6 and 7, the grounds shall be announced by the chairman of the National Assembly before the National Assembly.

(3) In the cases of premature termination of the powers of a member of the Commission, a new member shall be elected within a 2-month time limit from the entry into force of the ruling for termination under Paragraph (1), Item 2, 3 and 5 or from the announcement under Paragraph (1), Item 1, 4, 6 and 7. The newly-elected member shall complete the term of office of the person in the place of whom he/she was elected.

**Article 13.** (Amended, SG No. 18/2005, supplemented, SG No. 74/2006, amended, SG No. 54/2010, effective 16.07.2010, amended and supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 17/2015, effective 6.03.2015) (1) (Amended, SG No. 35/2015, effective 15.05.2015) The Commission shall be a standing body and shall meet if more than half of the total number of members or of the members of the relevant panel thereof are present.

(2) (Supplemented, SG No. 105/2016) The Commission shall consider and pass judgment on the issues related to regulation of the business plans and the prices in the energy sector and of the Water Supply and Sewerage services and on the complaints received in two panels as follows:

1. Energy Sector Panel, which shall include the chairman, the members with experience in the energy sector, as well as the lawyer member and the economist member.

2. Water Supply and Sewerage Sector, which shall include the chairman, the members with experience in the field of water supply and sewerage, as well as the lawyer member and the economist member.

(3) (Amended, SG No. 35/2015, effective 15.05.2015) The Commission shall rule by reasoned decisions, which shall be individual or general administrative acts. The rulings shall be adopted by a majority of more than a half of the total number of members or of the members of the relevant panel of the Commission, of which at least:

1. two of the members with experience in the energy sector – upon the exercising of powers of the Commission in the energy sector;

2. one of the members with experience in the field of water supply and sewerage – upon the exercising of powers of the Commission in the water supply and sewerage sector.

(4) It shall not be permissible to abstain from voting. The method of voting of each voting member and the arguments of each voting member who voted against a specific ruling shall be recorded in the minutes of proceedings pertaining to this specific ruling.

(5) Commission meetings shall be open to the public when considering applications or requests related to:

1. the issuance, modification, supplementation, withdrawal and termination of a licence;

2. endorsement of prices;

3. other matters in relation to implementation of the powers of the Commission.

(6) In cases where information protected by law is disclosed, the Commission meetings referred to in Paragraph (5) shall be held behind closed doors, attendance thereat being limited to members of the Commission and the parties to the relevant proceeding.

(7) The decisions of the Commission under Paragraphs (5) and (6) shall be made in a meeting behind closed doors and shall be announced according to a procedure established in the Rules referred to in Article 16 (2) herein.

(8) In performance of the powers thereof, the Commission shall apply the rules of procedure provided for in this Act, and in cases unregulated thereby, the rules of the Administrative Procedure Code.

(9) (Amended, SG No. 77/2018, effective 1.01.2019) Any decisions of the Commission shall be appealable before the Administrative Court - Sofia Region regarding their legal conformity within fourteen days after the communication thereof. An appeal shall not stay the execution of a decision. The request for staying of decision disputed under a court procedure shall be inadmissible, except in relation to decisions imposing penalties, decisions for termination and withdrawal of licenses, and decisions for withdrawal of transmission network operators' independence certificates.

**Article 14.** (1) (Supplemented, SG No. 18/2005) The Commission shall conduct a procedure for public discussions with interested parties when drafting general administrative acts provided for in this Act and in the Supply and Sewerage Services Regulation Act, as well as on other matters of public relevance for development of the energy sector and of the water and sewerage sector.

(2) (Supplemented, SG No. 18/2005, amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Interested parties under Paragraph (1) shall be the state bodies, the industrial branch organizations, the energy companies, the water and sewerage utilities, the customers, directly related to the draft prepared, as well as consumer organizations.

(3) The Commission shall discuss with the interested parties the basic principles set in the

draft and shall allow not less than 14 days for preparation of opinions on the said draft.

(4) The Commission shall consider all opinions submitted by interested parties and shall reason its own opinion, posting the reasoning on the Internet site thereof.

**Article 15.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Previous text of Article 15 – SG No. 17/2015, effective 6.03.2015) The Commission shall make public the policies pursued and the practice established in the implementation of its acts and reasoning for revision of the said acts on the website of the Commission.

(2) (New, SG No. 17/2015, effective 6.03.2015) The Commission shall publish on its web page the proposals of the energy companies and the Water Supply and Sewerage operators for endorsement of prices, together with all the input data, the minutes from conducted open and closed sessions and public discussions, the rulings of the Commission, including the method of voting of the members of the Commission and the arguments of each voting member who voted against, the adopted statutory acts, rules, methodologies and instructions.

(3) (New, SG No. 56/2015, effective 24.07.2015) The ordinance and rules adopted by the commission shall be promulgated in the State Gazette.

**Article 16.** (Amended, SG No. 42/2009, SG No. 17/2015, effective 6.03.2015) (1) The Commission shall adopt Rules for its activity, which shall be promulgated in the State Gazette.

(2) In performing its activity, the Commission shall be assisted by the administration, the structure and organization of which shall be specified by the Rules under Paragraph (1).

(3) (Amended, SG No. 38/2018, effective 1.01.2019) The activity of the administration shall be implemented by persons working under an employment relationship. The employment relationships of the employees of the Commission shall be governed by the provisions of the Labour Code.

(4) (Amended, SG No. 38/2018, effective 1.01.2019) Employee of the Commission may not be a person who:

1. has been convicted of a premeditated publicly prosecutable offence;
2. would come in a hierarchical relationship of direction and control with a spouse, with a de facto cohabitee therewith, a lineal relative up to any degree of consanguinity, a collateral relative up to the fourth degree of consanguinity inclusive, or an affine up to the fourth degree of affinity inclusive;
3. is a sole trader, an unlimited partner in a commercial corporation, a managing director, a business attorney, a commercial agent, a management agent, a broker, a liquidator or a trustee in bankruptcy, a member of a management or supervisory body of a commercial corporation or cooperative;
4. is a National Representative;
5. occupies a leading or controlling position at national level in a political party;
6. exercises control over an energy works and/or over a water supply and sewerage operator or owns directly or through related parties more than 5 percent of the voting rights in the general meeting or of the capital of an energy works and/or of the water supply and sewerage operator.
7. is a member of managing or supervisory bodies of an energy works and/or of an water supply and sewerage operator, or is authorized to manage or represent an energy works or a water supply and sewerage operator without being member of its managing or supervisory bodies;
8. works on a full-time employment contract or on a freelance contract for an energy works and/or for a water supply and sewerage operator.

(5) (New, SG No. 38/2018, effective 1.01.2019) Upon entry into employment and annually by the 15th day of May, the employees of the commission shall be obliged to submit to the

chairman of the commission a declaration of assets and interests under Article 35 of the Prevention of Corruption and Forfeiture of the Illegally-Acquired Assets. This obligation shall not apply to the employees who hold technical positions.

(6) (New, SG No. 38/2018, effective 1.01.2019) Employees holding a high-level management position shall have university degree with minimum educational qualification degree "master" in economics, finance, law, mathematics, informatics and other appropriate fields, with a view to the regulatory functions of the commission, and a major area of specialization and work experience in the major area of specialization of not less than three years.

(7) (New, SG No. 38/2018, effective 1.01.2019) When the circumstances referred to in paragraph 4 change, the persons concerned shall notify, in writing and within 7 days, the president of the Commission who must take action in line with his/her legal authorities.

**Article 16a.** (New, SG No. 38/2018, effective 1.01.2019) (1) The basic monthly remuneration amounts for the Commission staff shall be determined by the Chairperson in accordance with the internal rules on the payroll adopted by the Commission and within the disposable resources in the budget for the corresponding year.

(2) The employees of the Commission may receive additional performance-based remunerations, determined in accordance with the procedure and manner set out in the internal rules for the payroll.

(3) Where a position in the Commission administration is occupied by an employee holding a university degree in Law, the length of employment or service acquired in such a position shall count as experience of the legal profession.

(4) The members and staff of the Commission shall be entitled each year to business clothing in an amount not exceeding the tripled amount of the minimum salary, whereby the business clothing shall be paid from the budget of the Commission. The individual amount of money shall be determined by the chairperson of the commission.

(5) On account of having completed specific tasks, the staff of the Commission may be awarded with distinctions and/or awards, in cash or in kind, which shall not exceed the base monthly salary and shall not go beyond the funds available in the budget for the relevant year, according to a procedure and in a manner established by the internal rules on salaries.

(6) The members and the administration of the Commission shall be mandatorily insured by means of Life insurance and Accident insurance at the expense of the Commission budget.

(7) The employees of the Commission shall be subjected to annual assessment of their work performance according to a procedure and in a manner established by internal rules. The employment legal relations of an employee may be terminated without notice, where he has received the lowest possible annual grade in the performance assessment, within one month of receiving the annual grade.

**Article 17.** The members of the Commission, as well as the employees of the administration thereof, shall be obligated to comply with the professional ethics rules adopted by the Commission.

**Article 18.** (Amended, SG No. 74/2006) (1) The Commission's Chairperson, its members and administrative officials shall not disclose any classified information they have created and stored, and which has become known to them in the course of their duties under this Act and under the Supply and Sewerage Services Regulation Act, contained in list of facts, data, and subjects, constituting an official secret.

(2) The Commission, after coordination with the State Commission on Information Security, issues a decision to endorse, amend and supplement the list under Paragraph 1.

(3) The list under Paragraph 1 may include information, declared to be commercial secret

by the applicants and licensees, only if its publication would not lead to unfair competition between companies or threaten commercial interests of third parties. This category of information the Commission shall include in the list after coordination with the Protection of Competition Commission.

(4) Any information constituting an official secret may be disclosed only to judicial authorities or other public authorities according to the procedure established by the law.

**Article 19.** (1) State bodies, energy companies and public officials shall assist the Commission in the performance of the functions thereof.

(2) (Supplemented, SG No. 54/2012, effective 17.07.2012) In the performance of the functions thereof, the Commission may collaborate with persons representing and protecting energy service consumer interests.

(3) (New, SG No. 54/2012, effective 17.07.2012) In implementing its functions, the Commission shall publish once a year recommendations concerning conformity of the prices for sale by a public provider, end suppliers, and providers of last resort with the obligations for services of public interest, including for protection of energy service consumers and for environmental protection, and shall send the recommendations to the Commission for Protection of Competition, if needed.

**Article 20.** The Chairperson of the Commission shall perform the following functions:

1. organize and direct the activities of the Commission and of the administration thereof according to this Act and the decisions of the Commission;

2. represent the Commission in dealing with third parties;

3. appoint and dismisses the employees of the administration;

4. (amended, SG No. 17/2015, effective 6.03.2015) submit annually a report on the performance of the Commission to the National Assembly;

5. organize the preparation of the budget and lay it before the Commission for consideration and adoption;

6. be responsible for the implementation, balancing off and reporting of the budget of the Commission;

7. lay the annual report and the periodic financial statements before the Commission for adoption.

## **Section II**

### **Powers of the Commission**

**Article 21.** (Amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 35/2011, effective 3.05.2011, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 17/2015, effective 6.03.2015) The Energy and Water Regulatory Commission shall:

1. issue, modify, supplement, suspend, terminate and withdraw licences in the cases provided for in this Act;

2. adopt and publish guidelines for the activities thereof;

3. adopt the statutory instruments of secondary legislation provided for in this Act;

4. approve the general conditions of the contracts provided for in this Act;

5. approve the rules of work with energy service consumers;

6. exercise control, analyze, consider periodically and shall have the right to request for amending and supplementing of the pricing mechanisms laid down in long-term availability and electricity purchase agreements, concluded with the public provider, where the same are in conflict with the law of the European Union or are not in conformity with the policies of the

European Union;

7. monitor applying of all measures adopted for implementing of obligations for services of public interest, including for protection of energy service consumers and for protection of environment, and for their possible effect on domestic and international competition and shall inform the European Commission about all those measures and about all amendments thereto;

8. implement regulation of prices in the cases provided for in this Act, as well as determine on annual basis marginal price for concluding transactions in the balancing energy market;

8a. (new, SG No. 59/2013, effective 5.07.2013, amended, SG No. 9/2021, effective 2.02.2021) set for each price period a marginal value of the costs of the electricity transmission network operator for purchase of availability for additional services under the procedure of Article 105, Paragraph 2;

8b. (new, SG No.38/2018, effective 8.05.2018, amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) determine, each year by the 30th of June, premiums for electricity from renewable source and from high-efficiency combined generation of electricity and heat generated by power plants with a total installed electric capacity of 500 kW and more;

8c. (new, SG No. 38/2018, effective 8.05.2018) determine, each year by the 30th of June, a forecasted market price for the electricity for covering the technological expenses of the operator of the electricity transmission network and of the operators of electricity distribution networks, for pricing purposes;

9. (amended, SG No. 38/2018, effective 8.05.2018) by proposal of energy companies or at his/her own initiative, adopt or amend rules for trading in electricity and rules for trading in natural gas, as well as technical rules for the respective networks and systems, including rules for security and reliability, and shall control their compliance and perform reviews and exercise control over the results of past periods;

10. adopt and control compliance with the rules for supply with electricity from end suppliers and the providers of last resort and rules for supply with natural gas by the public provider and by end suppliers as part of the rules under item 9, including norms of quality of services and deliveries, as well as rules for supply of customers with heat, including norms of quality of services and deliveries;

11. adopt and control applying of the methodology for setting of prices of balancing electricity as part of the rules for trading in electricity under item 9;

12. (amended, SG No. 59/2013, effective 5.07.2013) adopt and control applying of the methodology for setting of prices of electricity of the provider of last resort;

13. determine the rules for access to the electricity transmission network and gas transmission network, respectively to the electricity distribution and gas distribution networks and of natural gas storage facilities, including norms of quality of services and deliveries, and if needed, shall review them in view of ensuring effective access;

14. by proposal of the transmission network operator, respectively the distribution network operator make decision concerning the belonging of the electricity transmission lines, heating mains and the systems thereof, to the transmission and distribution networks and give mandatory prescriptions for their purchase and/or provision of access to them;

15. (supplemented, SG No. 41/2019, effective 1.07.2019) conduct tenders under Article 46 and the auction under Article 163e;

16. require any information and documents related to the operation of the energy market, including contracts for delivery, transmission, distribution and storage, as well as all subsequent

agreements thereto, and may provide to the market participants parts of such information, provided that no information constituting trade secret, or information protected by virtue of law is disclosed;

17. (amended and supplemented, SG No. 38/2018, effective 8.05.2018) consider the requests of energy companies and the Electricity System Security Fund for compensation of expenses under Article 34 and 35, approve their substantiated amount and determine the manner of their compensation in compliance with the requirements for the state aid;

17a. (new, SG No. 9/2021, effective 2.02.2021) approve interest expenses under Article 36b, Paragraph 1, Item 3;

18. (supplemented, SG No. 56/2015, effective 1.01.2016, amended, SG No. 105/2016) issue, transfer and repeal monthly certificates to the electricity producers for the origin of the commodity of electricity, produced by high-efficiency co-generation of electricity and heat;

19. determine maximum amounts of technological costs of electricity, heat and natural gas which may be recognised in pricing regulation in generation, transmission and distribution of electricity, in production and transmission of heat and in transmission, distribution and storage of natural gas in accordance with a methodology or instructions adopted by the Commission;

19a. (new, SG No. 35/2015, effective 15.05.2015) require from electricity and gas network operators to make an assessment of the energy efficiency potentials of the networks concerned through reduction of technological losses; the said assessment shall include an analysis of transmission, distribution, loan management, network functioning and access possibilities for distributed energy generators;

19b. (new, SG No. 35/2015, effective 15.05.2015) on the basis of the assessment referred to in Item 19a, require that network development plans include concrete measures and investments for energy efficiency improvement in the gas and electricity networks and a timetable for their introduction;

20. perform evaluation of economic feasibility in relation to the implementation of intelligent metering systems by proposal of the network operators and in case such implementation is economically feasible, prepare schedules for their implementation, and guarantee operating compatibility of the intelligent metering systems taking into account suitable standards, best practices and their significance for the development of the electricity and natural gas domestic market;

21. (amended, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 38/2018, effective 8.05.2018, amended, SG No. 41/2019, effective 1.07.2019) determine estimated monthly availability for generation of electricity for the generating companies, from which the public provider shall purchase electricity, as well as the quantity of electricity, in accordance with which the public provider shall conclude transactions with the end suppliers; the Commission shall not allocate availability to generating companies whose regulated price exceeds by more than 10 percent the projected market price for the regulated period, with the exception of those under Articles 93a and 94;

22. give consent for division, spin-off, take-over or merger of energy companies - license holders under this Act;

22a. (new, SG No. 38/2018, effective 8.05.2018) require from the owners of energy works under this act, within the framework of the annual reports on compliance with the licenses, to declare any intentions of division, spin-off, merger or disposal of shares and stocks accounting for more than 20 percent of the capital or sales of part or all of the assets of the energy works;

23. authorise implementation of disposal of property, by which a licensed activity is exercised in the cases provided for in this Act, as well as other transactions, which lead or may



lead to violating of the security of supply in consequence of indebtedness of the energy company;

23a. (new, SG No. 38/2018, effective 8.05.2018, amended and supplemented, SG No. 83/2018) grant permission for transactions of disposal of shares and stocks accounting for more than 20 percent of the capital of companies that are carrying out licensed activities for transmission and distribution of electricity, heat or natural gas with a view to guaranteeing the security of supply, protection of the national security and public order; the Commission shall come up with a decision after the effectiveness of all other required permits and approvals in relation to the transactions;

24. provide to the competent institutions of the European Union the information envisaged in the European Union law;

25. in accordance with its powers, make requests and notifications to the competent institutions of the European Union for obtaining temporary derogation from provisions of the legislation of the European Union and transitional periods in the energy sector in the cases provided for in the law of the European Union;

26. publish annual report on its activities, including about the results of control for prevention of limiting and abuse of competition in the energy markets and for their effective operation, and shall send the said report to the Agency for the Cooperation of Energy Regulators (ACER) and the European Commission;

27. issue certificates to operators of the electricity transmission network and gas transmission networks for compliance with the requirements for independence, monitor their compliance and send the necessary notifications to the European Commission;

27a. (new, SG No. 57/2020, effective 26.06.2020) establish and maintain a platform for comparing electricity supply offers;

28. implement co-operation on matters of cross-border nature with regulators of other Member States of the European Union, and ACER, enter into agreements for co-operation with the national regulators;

28a. (new, SG No. 9/2021, effective 2.02.2021) cooperate with the competent authorities of a third country, after consulting the competent regulatory authorities of other interested Member States, in order to ensure compliance of the Bulgarian legislation regarding gas infrastructure to and from a third country, within the territory of the Member States, when the first point of interconnection with the network of the Member States is located on the territory of the Republic of Bulgaria;

28b. (new, SG No. 9/2021, effective 2.02.2021) may consult and cooperate with the relevant competent authorities of third countries in connection with the operation of gas infrastructure to and from third countries, in order to ensure the application of the Bulgarian legislation with regard to the respective infrastructure on the territory and in the territorial waters of the Republic of Bulgaria;

29. contribute to compatibility of the processes for data exchange in relation to the most important market processes at regional level, and guarantee the necessary degree of confidentiality of information;

30. control the implementation of the investment plans of electricity transmission and gas transmission network operators and submit in its annual report an evaluation of the operators' investment plans in relation to their conformity with the 10-year plans for development of the networks in the European Union under Article 8, paragraph 3, item "b" of Regulation (EC) No. 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No. 1228/2003 (OJ, L 211/15 of 14 August 2009), hereinafter referred to as "Regulation (EC) No.

714/2009", and Article 8, paragraph 3, item "b" of Regulation (EC) No. 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1775/2005 (OJ, L 211/36 of 14 August 2009), hereinafter referred to as "Regulation (EC) No. 715/2009", and that evaluation may include recommendations for change of the investment plans;

31. apply and control the implementation of legally binding decisions of the European Commission or of ACER;

32. (amended, SG No. 17/2015, effective 6.03.2015) adopt the draft annual budget and financial statements of the Commission and report under Article 20, item 4 submitted by the Chairperson;

33. (amended, SG No. 35/2015, effective 15.05.2015) control the fulfilment of the obligations to provide energy services customers with access to data on their consumption;

34. monitor and control fulfillment of the obligation for transparency of energy companies when setting prices, accounting, and work with energy service consumers;

35. monitor the degree and effectiveness of opening of the market and competition in the wholesale and retail sectors, and watch for connection with the energy markets of other Member States of the European Union;

36. encourage integration of the markets and supports research and development activities related to it;

37. monitor technical co-operation between the transmission network operators of Member States of the European Union, and of third countries;

38. require from transmission and distribution network operators, where needed, to make proposal for amendment of the rules and general provisions of the contracts, provided for in this Act, which shall be approved by the Commission upon their proposal;

39. (supplemented, SG No. 79/2019, effective 8.10.2019) implement control of changing over from regulated price market to freely negotiated prices in conformity with the rules for trading in electricity or the rules of trade in natural gas;

40. monitor announcing and fair distribution of the available capacity of the networks among all users;

41. implement control over development of electricity and natural gas networks in favour of all participants, which shall ensure capacity sufficient and available for all;

41a. (new, SG No. 38/2018, effective 8.05.2018) exercise control over the implementation of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 concerning the Integrity and Transparency of the Market for Wholesale Trade in Energy (OJ, L 326/1 of 8 December 2011), hereinafter referred to as "Regulation (EU) No. 1227/2011";

41b. (new, SG No. 38/2018, effective 8.05.2018) interact with state authorities and collaborate with regulatory bodies of other member states of the European Union and ACPE, by concluding agreements for exchange of information, and establish mechanisms according to the procedure of Regulation (EU) No. 1227/2011;

42. (new, SG No. 79/2019, effective 8.10.2019) upon a proposal by an operator of the relevant exchange market, approve rules of operation of an organized electricity exchange market or rules of operation of an organized natural gas exchange market;

43. (new, SG No. 79/2019, effective 8.10.2019) upon a proposal by the public provider, approve the agreement on implementation of the natural gas release programme, including price mechanisms therein; the Commission may amend or require amendment of the agreement within a term set by it; the Commission shall control the implementation of the agreement;

44. (renumbered from item 42, SG No. 79/2019, effective 8.10.2019) exercise control in

the cases provided for in this Act;

45. (renumbered from item 43, SG No. 79/2019, effective 8.10.2019) have other powers determined by a legal act.

(2) The powers of the Commission under Paragraph 1, items 10, 16, 17, 19, and 34 shall not apply to activities under Article 39, paragraph 4, items 2, 3, and 4.

(3) In relation to the implementation of its powers for regulating the activity of independent transmission operators of the electricity transmission network and gas transmission networks, the Commission shall:

1. impose penalties for discriminatory behaviour of operators in favour of a vertically integrated company;

2. monitor communications between the operator and the vertically integrated company, in order to ensure fulfillment of the operator's obligations;

3. act as a body for settlement of disputes between the vertically integrated company and the operator;

4. require information and documents concerning commercial and financial relations, including loans between the vertically integrated company and the operator;

5. approve trade and financial agreements between the vertically integrated company and the operator in the cases, where the same have impact on the conditions for development of the market;

6. require from the vertically integrated company justification in relation to decisions on the network development plan presented by the compliance officer or on separate investments of the operator, including in relation to compliance with the requirements for non-discriminatory behaviour in favour of the vertically integrated company;

7. perform inspections on the works of the vertically integrated company and of the operator;

8. approve a 10-year plan for development of the transmission network, monitor and control its implementation under the provisions and in accordance with the procedure of the ordinance under Article 60;

9. assign all or certain tasks to the independent transmission operator of an independent system operator, proposed by the owner of the network, provided the operator systematically violates his obligations in relation to requirements for independence in accordance with Chapter Eight "a", section II, including in the case of systematic discriminatory behaviour in favour of the vertically integrated company.

(4) With regard to implementation of its powers for regulation of the activity of an independent system operator of the electricity transmission network and of gas transmission networks, the Commission shall:

1. impose penalties for no fulfillment of the obligations of the network owner and of the operator;

2. monitor relations and communications between the operator and the network owner, in order to ensure that the operator fulfills his obligations;

3. approve contracts and act as a body for settlement of disputes between the network owner and the operator;

4. approve a 10-year plan for development of the transmission network, monitor and control its implementation under the provisions and in accordance with the procedure of the ordinance under Article 60;

5. ensure conditions, which guarantee that the revenues collected by the independent system operator from access and transmission through the networks provide sufficient return on

the assets of the network and on the new investments therein;

6. monitor the use of all revenues collected by the independent system operator in accordance with Article 16, paragraph 6 of Regulation (EC) No. 714/2009;

7. perform inspections of the works of the network owner and of the operator.

(5) The rules and methods under Paragraph 1, items 9 through 13 shall be published by the energy companies on their websites.

(6) When implementing its activity, the Commission shall co-operate with the Commission for Protection of Competition and with the Commission for Consumer Protection, and in case of need it may apprise them in view of initiation of proceedings in pursuance with the Competition Protection, respectively pursuant to the Consumer Protection Act.

(7) Powers of the Commission for regulating activities in the area of water supply and sewerage shall be provided for in the Water Supply and Sewerage Services Act.

**Article 21a.** (New, SG No. 54/2012, effective 17.07.2012) (1) The Commission may request from ACER a statement of opinion, and shall be obliged respectively to provide to ACER its findings, concerning the conformity of a decision made by another regulator of an EU Member State with the guidelines laid down in Regulation (EC) No. 714/2009 and Regulation (EC) No. 715/2009.

(2) The Commission shall take into account the statement of opinion of ACER concerning the conformity of decision made by it with the guidelines under Paragraph 1 and shall inform ACER within 4 months from the date of receiving of the statement of opinion.

(3) The Commission may inform the European Commission when, in its opinion, any decision related to cross-border trading, made by another regulator, does not conform to the guidelines under paragraph 1, within two months from decision making.

(4) Where the European Commission, at the request of another regulator or of ACER has made a decision that the guidelines under Paragraph 1 were not complied with and has requested for repealing or change, the Commission shall be obliged within two months from the decision of the European Commission to repeal or change its decision and to inform the European Commission.

**Article 22.** (Amended, SG No. 18/2005, SG No. 54/2012, effective 17.07.2012) (1) The Commission shall consider complaints of:

1. users of networks and facilities against operators of transmission and distribution networks, extraction companies, operators of natural gas storage facilities, and operators of liquefied natural gas facilities, in relation to fulfillment of their obligations under this Act, and of consumers against water supply and sewerage operators, in relation to the subject of regulation under the Water Supply and Sewerage Services Regulation Act;

2. customers against providers of energy and natural gas, including end suppliers, related to implementation of their obligations under this Act;

3. licensees against other licensees, related to performance of the licensed activity under this Act, as well as of water supply and sewerage operators against water supply and sewerage operators, in relation to the subject of regulation under the Water Supply and Sewerage Services Regulation Act;

4. members of the bodies of a transmission network operator, of the compliance officers at a transmission network operator and of the persons under Article 81e, paragraph 9 upon termination of their legal relations in the cases provided for by this Act.

(2) Consumers' associations under the Consumer Protection Act and non-profit legal entities for protection of energy service consumers may file complaints under Paragraph 1, items 1 and 2 for infringement upon collective interests of energy service consumers, as well as to

make proposals to the Commission to initiate procedures for amendments to the general conditions of contracts under the provisions of the ordinance under Article 60.

(3) The Commission may facilitate an amicable settlement of the dispute within two months from filing of complaint under paragraph 1, items 1, 2, and 3 and paragraph 2. This period may be extended by additional two months, if the nature of the dispute requires collection of additional data and information by the Commission.

(4) In case of complaints under paragraph 1, items 1, 2 and 3, inclusive, filed under paragraph 2, where no amicable settlement of the dispute has been achieved or in case of refusal by any of the parties to settle it amicably, the Commission shall make decision on the complaint within two months from its receipt. This period may be extended by additional two months, if the nature of the dispute requires collection of additional data and information by the Commission. With the consent of the complainant such extended period may be extended by another two months.

(5) In the cases where the Commission upholds any complaint as justified, by its decision it shall provide mandatory instructions on the implementation of the law.

(6) The Commission shall consider complaints by:

1. the independent transmission operator against the vertically integrated company and by the vertically integrated company against the independent transmission operator - after determining of an independent transmission operator;

2. the independent transmission operator against the owner of the transmission network and by the owner of the transmission network against the independent transmission operator - after determining of an independent transmission operator, and shall make decision on the complaint within two months from its receipt; this period may be extended by additional two months, if the nature of the dispute requires collection of additional data and information by the Commission; with the consent of the complainant the extended period may be extended by another two months.

(7) The procedure for lodging of complaints, their consideration, and the procedure for amicable settlement of disputes shall be provided for in the ordinance under Article 60.

**Article 23.** (Amended, SG No. 54/2012, effective 17.07.2012) In exercising the regulatory powers thereof, the Commission shall be guided by the following general principles:

1. encouragement in close co-operation with ACER, with the regulators of the other Member States of the European Union, and with the European Commission of development of competitive, secure, and environmentally sustainable domestic market of electricity and natural gas within the European Union, as well as of the actual opening of the market to all customers and providers in the European Union, and ensuring suitable conditions for effective and reliable operation of the electricity and natural gas networks, taking into account the long-term goals;

2. development of competitive and properly operating regional markets within the European Union;

3. e prevention and preclusion of limiting or distortion of competition in the energy market;

4. ensuring balance between the interests of energy companies and the customers;

5. ensuring equal treatment of individual categories of energy companies and of types of customers;

6. creating incentives for development of a competitive market for energy sector activities, where conditions so permit;

7. encouragement of integration of the markets, ensuring of suitable incentives and support for Research and Development activities related to them;

8. creating incentives for effective development of secure, reliable, and efficient networks in accordance with the customers' interests, integrating production of electricity from renewable

sources on different scale and distributed production;

9. stimulating investments in infrastructure in a non-discriminatory manner, equal access for new participants to the networks and the market;

10. achievement of high standards of the provided services of public interest, ensuring to the customers of possibilities for choice and for change of the providers, ensuring of protection of energy service consumers;

11. creation of incentives for efficiency of the regulated activities of energy companies;

12. (new, SG No. 59/2013, effective 5.07.2013) establishing of guarantees for protection of end customers;

13. (new, SG No. 59/2013, effective 5.07.2013) creation of conditions for ensuring a balance between generation and consumption of electricity at the domestic market;

14. (new, SG No. 35/2015, effective 15.05.2015) promotion of the improvement of energy efficiency in energy and natural gas production, transmission and final consumption;

15. (new, SG No. 35/2015, effective 15.05.2015) provision of incentives for transmission and distribution network operators to make available system services to final customers permitting them to implement energy efficiency improvement measures with the deployment of smart grids, taking into account the costs and benefits of each measures, while ensuring the security of the system.

**Article 24.** (1) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, SG No. 38/2018, effective 8.05.2018) Implementing the power thereof under Article 21, Paragraph 1, Item 10 and § 135 herein, the Commission shall adhere to the following principles:

1. (amended and supplemented, SG No. 74/2006) fair allocation of the economic consequences of market liberalisation between all parties to transactions in electricity and natural gas;

2. (supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) ensuring equal terms for conclusion of transactions at freely negotiated prices, compared to the transactions concluded with the public provider or the end suppliers of electricity and natural gas;

3. (supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) ensuring a balanced adjustment of end customer prices, taking into account the obligations of the public provider, of the end suppliers and of the operators of transmission and distribution networks in relation to implementation of services of public interest, to public obligations and to non-recoverable costs;

4. (new, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) ensuring all measures required to supply customers with electricity and natural gas of certain quality at fully comparable, transparent, and objectively set prices, applied on equal-treatment conditions.

(2) (New, SG No. 38/2018, effective 8.05.2018) When exercising its powers under Article 21, Paragraph 1, Item 21, the Commission shall apply the criteria of lower price, seasonality and covering peak loads.

(3) (Renumbered from Paragraph 2, SG No. 38/2018, effective 8.05.2018) The eligibility requirements for the persons entitled to conclude transactions under Article 100 (1) herein, as well as the conditions for granting network access, shall be established by rules adopted by the Commission.

**Article 25.** (1) The Commission shall keep public registers of:

1. any licences as issued, recording therein all licensees, licences issued and other particulars;

2. (amended, SG No. 105/2016) the certificate of origin of the electricity generated from high efficiency combined generation of electric and thermal energy;

3. (repealed, SG No. 74/2006);
4. (repealed, SG No. 74/2006);
5. any permits as issued by the Commission under this Act;
6. (new, SG No. 54/2012, effective 17.07.2012) the decisions issued by it under Article 21, Paragraph 1, items 1, 4, 5, 9, 10, 15, 18, 21, 25, and 26.

(2) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, SG No. 105/2016) The particulars recordable under Items 1,5 and 6 of Paragraph (1), the procedure for recording in the registers and for obtaining information shall be determined in the ordinance referred to in Article 60 herein. The particulars recordable under Items 2, of Paragraph (1), the procedure for recording in the register and for obtaining information shall be determined by the ordinance referred to in Article 163c, paragraph 3 herein.

(3) (Amended, SG No. 54/2010, effective 16.07.2010) Any decisions of the Commission to issue, modify, supplement, withdraw and terminate licences, as well as any decisions to endorse prices, shall be published on the website of the Commission.

## **Section III**

### **Financing of the Commission. Fees**

**Article 26.** (1) (Supplemented, SG No. 18/2005) The activities of the Commission and of the administration thereof shall be financed from the revenue specified under Article 27 (1) herein and in the Supply and Sewerage Services Regulation Act.

(2) (Amended, SG No. 15/2013, effective 1.01.2014) The Commission shall be a budget authoriser by delegation.

(3) (New, SG No. 38/2018, effective 1.01.2019) The budget of the Commission shall form part of the state budget and shall be drawn up, implemented and reported as per the procedure set out in the Public Finance Act.

(4) (New, SG No. 38/2018, effective 1.01.2019) The budget if the commission includes all the revenues and resources under Article 27 (1).

**Article 27.** (1) (Amended, SG No. 38/2018, effective 1.01.2019) The following revenue shall be allocated to the budget of the Commission:

1. (amended, SG No. 18/2005) the fees collected by the Commission under Article 28 herein and under Items 1 and 3 of Article 8 (1) of the Supply and Sewerage Services Regulation Act, and any interest thereon;

2. (supplemented, SG No. 18/2005, amended, SG No. 54/2012, effective 17.07.2012, SG No. 17/2015, effective 6.03.2015, SG No. 38/2018, effective 1.01.2019) the fines and pecuniary penalties imposed by the Commission in accordance with this Act and in the Supply and Sewerage Services Regulation Act;

3. (supplemented, SG No. 54/2012, effective 17.07.2012) donations from persons not subject to licensing and/or control under this Act or from persons connected therewith within the meaning given by the Commerce Act;

4. (new, SG No. 38/2018, effective 1.01.2019) state budget subsidy.

(2) (Supplemented, SG No. 18/2005, SG No. 54/2012, effective 17.07.2012) No donation may be accepted from any persons subject to licensing and/or control under this Act or subject to regulation under the Supply and Sewerage Services Regulation Act from any persons connected therewith within the meaning given by the Commerce Act.

(3) The resources referred to in Paragraph (1) shall be expended on:

1. (supplemented, SG No. 18/2005) financing the activities of the Commission and of the

administration thereof, including the conduct of studies, analyses and expert assessments associated with the regulatory activities under this Act and under the Supply and Sewerage Services Regulation Act;

2. (repealed, SG No. 38/2012, effective 1.07.2012);

3. (repealed, SG No. 38/2012, effective 1.07.2012);

4. (repealed, SG No. 38/2012, effective 1.07.2012);

(4) (Repealed, SG No. 38/2012, effective 1.07.2012, new, SG No. 38/2018, effective 1.01.2019) The Commission's budget may not provide for financing of expenditures and the provision of transfers on the account of the income under Item 2 of Paragraph (1), which shall be recorded as a contribution to the central budget.

(5) (New, SG No. 38/2018, effective 1.01.2019) Upon non-fulfilment of income under Items 1 and 3 of Paragraph (1), and in the event of unutilised funds from expenditures and transfers for provision, additional expenditures and payment of transfers within the Commission's budget may be approved for next year under the Public Finance Act.

(6) (Renumbered from Paragraph 5, SG No. 38/2018, effective 1.01.2019) If the annual revenues from fees under this Act exceed or are insufficient to cover the necessary expenditures on the budget of the Commission for the succeeding calendar year, the Chairperson of the Commission may propose a review of the amount of the fees.

(7) (New, SG No. 38/2018, effective 1.01.2019, repealed, SG No. 103/2018, effective 13.12.2018).

**Article 28.** (1) (Amended, SG No. 18/2005) For exercise of the regulatory powers thereof under this Act and under the Supply and Sewerage Services Regulation Act, the Commission shall charge fees for consideration of applications, for issuance of certificates, for sale of tender documents, licensing fees, and experts registration fees.

(2) The amount of the fees covered under Paragraph (1), the procedure and time limits for payment thereof shall be established by a rate schedule approved by the Council of Ministers on a motion by the Commission.

(3) (New, SG No. 74/2006) Any fees collected under the procedure of this Act and the Supply and Sewerage Services Regulation Act, shall be public state receivables.

**Article 29.** (1) The fee for consideration of an application shall be paid upon submission of the application.

(2) Any persons who have obtained a licence shall pay licensing fees for each licence issued, as well as for any modification of the licence in the cases specified in the rate schedule.

(3) There shall be the following licensing fees:

1. initial: for issuance or modification of a licence, covering the expenses on preparation and expenses on the regulatory activity under the licence until the end of the current year;

2. annual: covering the expenses on the regulatory activity under the licence for the respective year.

(4) Annual fees for the term of validity of the licence, as well as for the term of any extension thereof, shall be paid by the licensee for every year succeeding the year of its issuance.

(5) Licensing fees shall be fixed depending on the type of licensed activity performed and shall be differentiated on the basis of criteria determined by the rate schedule referred to in Article 28 (2) herein.

## **Section IV**

### **Price Regulation**



**Article 30.** (Amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 103/2009, supplemented, SG No. 47/2011, effective 22.09.2011, amended, SG No. 54/2012, effective 17.07.2012) (1) The following prices shall be subject to regulation by the Commission:

1. (amended, SG No. 59/2013, effective 5.07.2013) at which producers, within the availability set by the Commission under Article 21, Paragraph 1, Item 21, sell electricity to the public provider;

2. (repealed, SG No. 59/2013, effective 5.07.2013);

3. at which producers sell heat to the heat transmission company and to directly connected customers;

4. at which the heat transmission company sells heat to customers;

5. (repealed, SG No. 38/2018, effective 1.07.2018);

6. at which the public provider sells the electricity purchased pursuant to Article 21, paragraph 1, item 21 to the end suppliers;

7. (amended, SG No. 79/2019, effective 1.01.2020, supplemented, SG No. 38/2020, effective 24.04.2020) at which the public provider sells natural gas to end suppliers of natural gas and to customers connected to the natural gas transmission network and a person licensed for heat production and transmission; the prices shall be approved on a monthly basis and shall apply from the first day of the month for which they are approved;

8. at which end suppliers sell natural gas to customers connected to the respective gas distribution networks;

9. (amended, SG No. 57/2020, effective 1.10.2020) at which end suppliers sell electricity to household customers for works connected to an electricity distribution network at low voltage level;

10. (amended, SG No. 59/2013, effective 5.07.2013) for access and/or transmission through the electricity transmission network;

11. for connection to the networks;

12. for access and transmission of natural gas through transmission and/or distribution networks except in the cases where the Commission at its discretion approves a methodology for setting the price for access and transmission through a transmission network;

13. (amended, SG No. 59/2013, effective 5.07.2013) for access and/or transmission through the electricity distribution networks;

14. for access to and storage of natural gas in storage facilities;

15. for distribution of electricity traction power over the railroad transportation distribution networks;

16. of services provided to customers, as determined by the Commission in relation to the licensed activity;

17. (new, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 56/2015, effective 24.07.2015) including the price or the price component, through which all the end customers connected to the electric power grid, including the operator of the electricity transmission grid and the operators of the electricity distribution grids, participate in compensation of the expenses under Article 34 and Article 35.

(2) The prices of electricity, natural gas, and services provided by the energy companies shall not be subject to regulation by the Commission when the latter finds presence of competition, which creates conditions for free negotiation of prices at market conditions for the respective activity in the energy sector.

(3) The prices for heat supply by the persons under Article 39, paragraph 4, items 2 and 3

shall not be subject to regulation by the Commission.

(4) (New, SG No. 47/2016, supplemented, SG No. 51/2017, amended, SG No. 41/2019, effective 21.05.2019) The Commission shall not regulate the sale prices of heat and shall not set the prices under Article 33, Paragraphs 1 and 2 and premiums under Article 33a for producers who, in compliance with the audited annual financial statements for any of the previous three calendar years, have a total income of over BGN 5,000,000 and their income from sale of electricity from combined generation of heat and electricity exceeds 35 percent of their total annual income, unless those producers engage in heat supply for household customers or use 100 percent of the generated heat for production of agricultural plant products.

(5) (New, SG No. 41/2019, effective 21.05.2019) The Commission shall not regulate the sale price of heat and shall not set the prices under Article 33, Paragraphs 1 and 2 and premiums under Article 33a for producers of electricity from high efficiency cogeneration (combined heat and power generation), to whom no such prices and premiums have been determined, except in the cases under Article 163e, paragraph 1 or paragraph 2.

(6) (New, SG No. 79/2019, effective 8.10.2019) For price regulation purposes pursuant to paragraph 1, items 1 - 4, the expenses for paying prices for access to and/or transmission through the electricity transmission network, respectively electricity distribution networks, that are owed by electricity producers, shall not be included in the expenses recognised by the Commission.

(7) (New, SG No. 21/2021) Prices for access to and/or transmission through closed electricity distribution network or gas distribution network shall not be subject to approval by the Commission prior to their application by the relevant operator of the electricity distribution network or gas distribution network.

(8) (New, SG No. 21/2021) The operator of closed electricity distribution network shall apply prices for access to and/or transmission through that network, which are not higher than the prices for access to and/or transmission through the electricity distribution network of the operator from whose licensed territory has been excluded the territory for which a license has been issued for the activity "distribution of electricity in closed electricity distribution network".

(9) (New, SG No. 21/2021) The operator of closed gas distribution network shall apply prices for access to and/or transmission through that network, which are not higher than the prices for access to and/or transmission through the gas distribution network of the operator from whose licensed territory has been excluded

the territory for which a license has been issued for the activity "distribution of natural gas in closed gas distribution network".

(10) (New, SG No. 21/2021) In the cases where at the time of issuance of license for the activity "distribution of natural gas in closed gas distribution network" the territory of that network is not excluded from the licensed territory for the activity "distribution of natural gas" as well as in the cases where the closed gas distribution network is not joined to another network, the operator of the closed gas distribution network shall apply prices for access to and/or transmission through that network, which are not higher than the prices for access to and/or transmission through network on every licensed territory.

(11) (New, SG No. 21/2021) Each user of closed electricity or gas distribution network may request from the Commission to review the prices for access to and/or transmission, which the respective operator of closed energy or gas distribution network applies and to establish prices of this operator for a certain time period.

(12) (New, SG No. 21/2021) After the expiration of the period under Paragraph 11 the operator of the closed electricity or gas distribution network shall apply the rules under Paragraphs 7 - 10.

**Article 31.** (Supplemented, SG No. 74/2006) In exercising its price regulation powers, in addition to the principles under Articles 23 and 24 herein, the Commission shall be guided by the following principles as well:

1. prices shall be non-discriminatory, based on objective criteria and determined in a transparent manner;

2. prices of energy companies shall cover the economically justified operating costs, including the costs of:

(a) management, operation and maintenance of energy works;

(b) (amended, SG No. 54/2012, effective 17.07.2012) maintenance of stand-by and regulating capacities required for reliable supply to customers;

(c) delivery and maintenance of the stocks of fuels;

(d) repairs;

(e) depreciation;

(f) storage and processing of spent nuclear fuel and radioactive waste, decommissioning of nuclear facilities, and nuclear safety;

(g) (new, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 38/2018, effective 8.05.2018);

3. (supplemented, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013) apart from the costs covered under Item 2, prices may include non-recoverable costs related to the transition to a competitive energy market, as well as costs resulting from fulfilment of public obligations related to security of supply, including for protection of works, which constitute a critical infrastructure in the energy sector;

4. prices must ensure an economically justified rate of capital return;

5. (amended, SG No. 54/2012, effective 17.07.2012) prices for the individual groups of customers shall conform to the costs of delivery of energy and natural gas to the said customers;

6. avoidance of cross subsidization through the prices:

(a) (amended, SG No. 54/2012, effective 17.07.2012) between individual groups of customers;

(b) for integrated energy companies: between individual activities subject to licensing under this Act, and/or between activities subject to licensing under this Act and other activities;

7. (new, SG No. 74/2006, amended, SG No. 35/2011, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 59/2013, effective 5.07.2013, SG No. 38/2018, effective 8.05.2018) fair passing of any costs attributable to the preferential pricing of energy from renewable sources and high-efficiency cogeneration of electricity and heat to electricity end customers, connected to the electric power grid, including the operator of the electricity transmission network and the operators of the electricity distribution networks, for the technological expenses of transmission and distribution;

8. (new, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012, SG No. 9/2021, effective 2.02.2021) fair passing over of costs for any system services, incl. additional and ancillary services and for technology costs to transmission network users, respectively to distribution network, users.

9. (new, SG No. 35/2015, effective 15.05.2015) electricity transmission and distribution prices do not restrict the improvement of energy efficiency in energy production, transmission and distribution and the participation of demand response in balancing markets and ancillary services procurement, as well as network tariffs that are cost-reflective of cost savings in networks achieved from demand-side and demand-response measures, distributed generation, lowering the cost of delivery or of network investment and a more optimal operation of the

network;

10. (new, SG No. 35/2015, effective 15.05.2015) electricity transmission and distribution prices allow final customer participation in an efficiency improvement of the grid system through demand response;

11. (new, SG No. 35/2015, effective 15.05.2015) encouragement of transmission and distribution network operators to make available system services for electricity demand response measures, demand management and distributed generation on organised electricity markets and to improve efficiency in network design and operation, in particular:

(a) the shifting of the load from peak to off-peak times by final customers taking into account the availability of renewable energy, energy from cogeneration and distributed generation;

(b) energy savings from demand response of distributed generation sources through a combination of making available energy efficiency services and participation in the balancing market for electricity;

(c) demand reduction from energy efficiency measures undertaken by energy efficiency service providers;

(d) the connection and dispatch of electricity generation sources at medium and low voltage levels;

(e) the connection of generation sources from closer location to the consumption;

(f) the provision of access to the networks of energy storage facilities;

12. (new, SG No. 35/2015, effective 15.05.2015) introduction of dynamic pricing for demand response measures by final customers by means of:

(a) time-of-use prices;

(b) critical peak pricing;

(c) real time pricing;

(d) peak time rebates.

**Article 31a.** (New, SG No. 41/2019, effective 21.05.2019) (1) Where the Commission approves a price and/or a price component, or sets a premium that participates in the formation of pricing elements of other prices, the Commission may also conduct in parallel procedures for approval of these prices.

(2) Where the Commission changes a price and/or a price or premium component that results in a change in the approved pricing elements of another price and/or a price component or premiums, the Commission may also conduct in parallel a procedure for change of this price or premium component.

**Article 31b.** (New, SG No. 20/2013, effective 28.02.2013, previous Article 31a, SG No. 41/2019, effective 21.05.2019) (1) (Supplemented, SG No. 17/2015, effective 6.03.2015, SG No. 83/2018) The Commission shall have the right, where necessary, to change the approved prices of electricity, prices of access and/or transmission through the electricity transmission network and/or electricity distribution networks and the price and/or the price component under Article 30, paragraph 1, item 17 during the pricing period but not more frequently than once in a calendar quarter, by:

1. changing the availability under Article 21, Paragraph 1, Item 21, as well as the amount of electricity of the public provider, in accordance with which the producers and/or the public provider are obliged to conclude transactions with the end suppliers taking into consideration the energy balance with a view to providing maximum protection of end users' interests and in compliance with the principle of ensuring balance between the interests of energy companies and of customers;

2. change the amount of technological costs of energy companies for the production, transmission and distribution of electricity by setting their target values in compliance with the principle of ensuring balance between the interests of energy companies and of customers;

3. change the recognised amount of other pricing elements in compliance with the principle of ensuring balance between the interests of energy companies and of customers.

(2) (New, SG No. 38/2018, effective 8.05.2018, supplemented, SG No. 79/2019, effective 8.10.2019) The Commission shall have the right to amend certain premiums, if necessary, but this should not happen more frequently than once every 6 months, provided that there is a significant change between the specified forecasted market price for base load for this period and the achieved and forecasted price for the remainder of the period on an organized commodities market for electricity.

(3) (Renumbered from Paragraph 2, supplemented, SG No. 38/2018, effective 8.05.2018) In the cases under Paragraphs 1 and 2, the Commission may accept shorter procedures and periods.

(4) (Renumbered from Paragraph 3, SG No. 38/2018, effective 8.05.2018, supplemented, SG No. 41/2019, effective 21.05.2019) The decision on price and premium changes shall come into force from the date of its adoption by the Commission.

**Article 32.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The Commission may regulate prices by applying of various methods of regulation, including by setting efficiency parameters for energy companies, parameters of comparability between such companies, achievement of basis criteria.

(2) The Commission may determine:

1. price components reflecting the cost structure;

2. time-of-the-day, seasonal and other tariff structures of prices in accordance with costs.

(3) (New, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012).

(4) (New, SG No. 54/2012, effective 17.07.2012) The Commission may determine temporary prices under Article 30, paragraph 1, items 10, 12, 13, 14 and 15 in case of delay of the operators of transmission or distribution networks in determining prices for access, transmission and distribution and may make decisions on suitable compensatory measures in case the final prices for access, transmission and distribution deviate from temporary prices.

**Article 33.** (Amended, SG No. 74/2006) (1) (Amended, SG No. 49/2007, SG No. 54/2010, effective 16.07.2010, supplemented, SG No. 54/2012, effective 1.01.2012, amended, SG No. 17/2015, effective 6.03.2015) The Commission shall set preferential prices for sale of electricity generated from high-efficiency co-generation by combined heat and power plants under Article 162, paragraph 1 herein.

(2) (Repealed, SG No. 49/2007, new, SG No. 38/2018, effective 1.07.2018) The Commission shall determined preferential prices for generating companied under Article 162a in connection with determining the premium under Article 33a.

(3) (Supplemented, SG No. 54/2012, effective 1.01.2012, amended and supplemented, SG No. 38/2018, effective 1.07.2018) The preferential price of any electricity produced using a highly efficient combined method by plants for combined electricity and heat generation under Paragraphs 1 and 2 shall be set based on individual production costs according to the ordinance under Article 36, Paragraph 3.

(4) (New, SG No. 54/2012, effective 1.01.2012, repealed, SG No. 17/2015, effective 6.03.2015).

(5) (Renumbered from Paragraph 4, SG No. 54/2012, effective 1.01.2012) Acting on a proposal by the respective heat transmission company, the Commission shall determine a

preferential price for heat for the association referred to in Article 151 (1) herein and for the supplier under Article 149a.

(6) (New, SG No. 79/2019, effective 8.10.2019) For price regulation purposes pursuant to paragraphs 1 - 5, the expenses for paying prices for access to and/or transmission through the electricity transmission network, respectively electricity distribution networks, that are owed by electricity producers, shall not be included in the expenses recognised by the Commission.

**Article 33a.** (New, SG No. 38/2018, effective 1.07.2018) (1) (Amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) The Commission shall specify, for power plants with a total installed electric capacity of 500 kW and over 500 kW, premiums for the generated electricity from high-efficiency combined generation of heat and electricity.

(2) The premiums shall be specified each year by the 30th of June as the difference between the preferential prices of the generating companies and the forecasted market price determined for this period for electricity generated by high-efficiency co-generation.

**Article 34.** (1) Energy companies shall have the right to lodge requests for allowance and compensation of non-recoverable costs.

(2) Non-recoverable costs shall be the costs resulting from investments made and/or transactions concluded prior to the entry of this Act into force by energy companies, which cannot be recovered as a result of the establishment of a competitive electricity market.

(3) Energy companies under Paragraph (1) shall submit applications to the Commission for allowance of costs as non recoverable and establishment of the amount thereof. Any such applications shall be accompanied by evidence of the grounds for incurrence of such non-recoverable costs and the amount thereof.

(4) The Commission shall determine the maximum total amount and period of compensation of allowed non-recoverable costs for each individual company.

(5) The Commission, guided by the principles under Article 23 herein and taking into account the changes in competitive conditions, shall:

1. recalculate annually the maximum total amount of the compensation related to non-recoverable costs;

2. determine the recoverable volume for the respective period;

3. allocate them among the respective energy companies.

(6) (Amended, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 56/2015, effective 24.07.2015) The manner of compensation of non-recoverable costs shall be determined by a mechanism for allocation of these costs in a transparent manner among the end customers connected to the electric power grid, including the operator of the electricity transmission grid and the operators of the electricity distribution grids, and/or by another procedure laid down in a law.

(7) (Amended, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 59/2013, effective 5.07.2013).

**Article 35.** (1) (Supplemented, SG No. 38/2018, effective 1.07.2018) Energy companies shall have the right to request compensation of expenses resulting from public obligations imposed thereon, including such related to security of supply, environmental protection, and energy efficiency. The Fund for Security of the Electric Energy System shall be entitled to lodge a request for compensation of expenses resulting from obligations for acquisition of electric energy at preferential prices and from providing premiums for electricity from renewable sources and from high-efficiency combined generation of electricity and heat.

(2) The following shall be treated as expenses under Paragraph (1):

1. those resulting from obligations to purchase electricity from producers awarded

tendering procedures under Article 46 herein;

2. those resulting from obligations to generate electricity using local primary energy sources under Item 8 of Article 4 (2) herein;

3. (amended, SG No. 49/2007, SG No. 54/2010, effective 16.07.2010, SG No. 35/2011, effective 3.05.2011, supplemented, SG No. 38/2018, effective 1.07.2018) those resulting from obligations to purchase electricity at preferential prices under Article 162 herein and under Article 31 of the Energy from Renewable Sources Act;

3a. (new, SG No. 38/2018, effective 1.07.2018, amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) those resulting from an obligation to provide a premium to a generating company under Article 162a and to a generating company whose generating works have a total installed capacity of 500 kW and over 500 kW under the Energy From Renewable Sources Act;

4. (new, SG No. 54/2012, effective 17.07.2012) resulting from obligations related to protection of works, which constitute critical infrastructure in the energy sector;

5. (new, SG No. 54/2012, effective 17.07.2012, amended, SG No. 35/2015, effective 15.05.2015, SG No. 21/2021, effective 12.03.2021) resulting from obligations related to implementation of individual energy savings targets in accordance with Article 14 (4), Article 14a (4), Article 15(6) and Article 20 of the Energy Efficiency Act;

6. (renumbered from Item 4, SG No. 54/2012, effective 17.07.2012) other additional obligations.

(3) (Amended, SG No. 38/2018, effective 1.07.2018) The persons under Paragraph (1) shall submit periodically to the Commission applications for compensation the respective costs. The application shall be accompanied by evidence of the legal grounds and the amount of the said costs.

(4) (Amended, SG No. 38/2018, effective 1.07.2018) The Commission shall determine the volume of compensation for each individual company and the overall volume for compensation for the respective period.

(5) (Amended, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 56/2015, effective 24.07.2015) The manner of compensation for costs resulting from public obligations shall be determined by a methodology adopted by the Commission for allocation of these costs in a transparent manner among all end customers, including the ones using imported electricity, that are connected to the electric power grid, the operator of the electricity transmission grid and the operators of the electricity distribution grids, and/or through another procedure provided for in a law.

(6) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 91/2018, SG No. 41/2019, effective 21.05.2019) End users under paragraph 5, the electricity transmission network operator and the electricity distribution network operators shall pay the part of the price or of the price component under Article 30, paragraph 1, item 17 for distribution of the costs arising from the obligations for provision of premiums and for purchasing electricity at preferential prices;

1. from high efficiency combined generation of heat and electricity;

2. produced from renewable sources.

(7) (New, SG No. 91/2018, amended, SG No. 41/2019, effective 21.05.2019) The end customers under paragraph 5, the electricity transmission network operator and the electricity

distribution network operators shall not pay the costs under paragraph 6, items 1 and/or 2, for the quantities of electricity generated in other member states of the European Union, and for which certificates of origin of electricity from high efficiency cogeneration (combined heat and power generation) or guarantees for origin of the electricity from renewable sources are recognized in the Republic of Bulgaria pursuant to the provisions of Article 163d, respectively Article 35 of the Energy from Renewable Sources Act.

(8) (New, SG No. 91/2018) For the quantities of electricity under paragraph 7, the persons under Article 36g, paragraph 1, items 1 and 3 shall settle their relations with the Electricity System Security Fund under the conditions and according to the procedure of the ordinance under Article 36j.

**Article 35a.** (New, SG No. 38/2018, effective 8.05.2018) (1) (Previous text of Article 35a, SG No. 41/2019, effective 21.05.2019) All the end customers connected to the electric power grid, including the operator of the electricity transmission grid and the operators of the electricity distribution grid, shall pay the expenses under Articles 34 and 35.

(2) (New, SG No. 41/2019, effective 21.05.2019) End customers shall not pay the costs under Article 34 and 35 for the quantities of electricity supplied through a direct power transmission line pursuant to Article 119, paragraph 1, item 2 and paragraph 2 of energy works for generation of electricity from renewable sources commissioned into operation after 1 July 2019.

(3) (New, SG No. 79/2019, effective 8.10.2019) End customers and traders shall not pay the expenses under Articles 34 and 35 for the quantities of electricity purchased in a bilateral transaction and produced by energy works for generation of electricity from renewable sources, commissioned into operation after 1 November 2019, with the exception of electricity generated at energy works under Article 24, item 1 of the Energy from Renewable Sources Act. The producer shall transfer to end customers or traders the guarantees of origin under Article 34 of the Energy from Renewable Sources Act for the electricity produced.

**Article 36.** (1) Prices that are subject to regulation shall be formed by the energy companies in compliance with the requirements of this Act and the ordinances referred to in Paragraph (3). The instructions adopted by the Commission shall be mandatory for the energy companies.

(2) (Repealed, SG No. 74/2006).

(3) (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 38/2018, effective 8.05.2018) The methods for regulating the prices, the rules for their formation or determination and amendment, the procedure for providing information, submitting proposals for the prices and endorsing the prices, the procedure for determining the premiums, the methodology for determining the forecasted market price by groups of generating companies depending on the primary energy source, as well as the procedure for determining the forecasted market price for the technological expenses of the operator of the electricity transmission network and of the operators of the electricity distribution networks, shall be stipulated by ordinances on electricity, heat and natural gas adopted by the Commission.

**Article 36a.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2012, effective 17.07.2012) Energy companies providing electricity and natural gas at regulated prices to operators of transmission and distribution networks within one month prior to submitting the request for new price endorsement or current price modification shall publish in the media their proposal for endorsing new or modifying current prices.

(2) The Commission shall endorse prices under Paragraph 1 as price limits for each licensee by a decision, which shall be an individual administrative act.

(3) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 17/2015, effective



6.03.2015) Within 7 days after receiving the decision under Paragraph 2, the licensee shall publish on his website the price limits endorsed and the customer agreement prices.

**Article 36b.** (New, SG No. 56/2015, effective 24.07.2015) (1) (Amended, SG No. 38/2018, effective 1.07.2018, SG No. 103/2018, effective 13.12.2018) The Fund for Security of the Electric Power Grid, hereinafter referred to as the "Fund", is created for managing the financial resources for covering the expenses:

1. incurred by the public provider resulting from its obligations under Article 93a and 94 stipulated by a decision of the Commission, including for past regulatory periods;

2. (amended, SG No. 41/2019, effective 21.05.2019, SG No. 9/2021, effective 2.02.2021) for providing a premium to a generating company under Article 162a and to a generating company whose generating works have a total installed capacity of 500 kW and over 500 kW under the Energy from Renewable Sources Act, where the said premium shall be stipulated by a decision of the Commission, including for past regulatory periods;

3. (new, SG No. 9/2021, effective 2.02.2021) for interest rates agreed in a framework agreement between the Fund and a credit or other financing institution for financing energy efficiency projects; the amount of the financial resource, which the Fund provides for interest, shall be approved by the Commission upon proposal of the Chairperson of the Fund.

(2) (Supplemented, SG No. 38/2018, effective 1.07.2018) The payment to the public provider and to the producers for covering the expenses by the fund's financial resources shall be effected on a monthly basis.

(3) The Fund shall be a legal entity domiciled in Sofia.

**Article 36c.** (New, SG No. 56/2015, effective 24.07.2015) (1) The Fund shall be managed by a Management Board.

(2) (Supplemented, SG No. 38/2018, effective 8.05.2018) The Management Board shall consist of 5 members which shall be designated for a period of 5 years as follows:

1. Chairman - by the Minister of Energy;
2. one member - by the Minister of Finance;
3. one member - by the Minister of Environment and Waters;
4. two members - by the producers of electricity.

(3) (New, SG No. 38/2018, effective 8.05.2018) After the expiration of the term under Paragraph 2, the members of the Management Board of the Fund can be designated again to be members for only one other term of 5 years at most.

(4) (Renumbered from Paragraph 3, SG No. 38/2018, effective 8.05.2018) The members of the Management Board shall be designated according to rules endorsed by the Minister of Energy.

(5) (Renumbered from Paragraph 4, SG No. 38/2018, effective 8.05.2018) The Minister of Energy, by virtue of an order, shall designate by names the members of the Management Board after coordination with the Minister of Finance, Minister of Environment and Waters and the electricity producers.

(6) (New, SG No. 38/2018, effective 8.05.2018) The Chairperson of the Management Board shall:

1. ensure that the Management Board's resolutions are implemented;
2. organise and direct the activities of the administration of the Fund;
3. convene and preside over the meetings of the Management Board;
4. represent the Fund in its relations with third parties;
5. appoint and dismisses the employees of the administration.

(7) (New, SG No. 103/2017, effective 1.01.2018, renumbered from Paragraph 5, SG No. 38/2018, effective 8.05.2018) The circumstance that the persons proposed by the Minister of Finance and the Minister of Environment and Waters as members of the management board have not been convicted for any publicly prosecuted offence shall be established by official channels.

(8) (Renumbered from Paragraph 5, SG No. 103/2017, effective 1.01.2018, renumbered from Paragraph 6, SG No. 38/2018, effective 8.05.2018) A person who has been convicted for a crime of general nature or who is a spouse or a lineal or a collateral relative up to the fourth degree of consanguinity or an affine up to and including the third degree of affinity with another member of the management bodies of the fund cannot be a member of the Management Board.

(9) (New, SG No. 38/2018, effective 8.05.2018) The powers of a member of the Management Board of the Fund shall be terminated prior to the expiry of the term of office thereof:

1. upon his/her request;
2. upon incompatibility;
3. upon actual impossibility for him/her to perform his/her duties for more than 6 months;
4. when he/she is sentenced for a crime of general nature with a ruling that has entered into force;
5. upon grave violation or upon persistent non-compliance with the official duties;
6. in the case of death.

(10) (New, SG No. 38/2018, effective 8.05.2018) In the cases of premature termination of the powers of a member of the Fund's Management Board, a new member shall be designated within a 2-month time limit after the termination. The newly-elected member shall complete the term of office of the person in the place of whom he/she was elected.

(11) (New, SG No. 38/2018, effective 8.05.2018) The remuneration of the members of the Fund's Management Board shall be fixed as follows:

1. for the Chairperson: two thirds of three average monthly salaries of persons hired under an employment relationship or under a civil-service relationship in the "Electricity and heat, and gaseous fuel production and distribution sector" as reported by the National Statistical Institute;
2. for the remaining members: one third of the remuneration of the Chairperson under Item 1.

(12) (New, SG No. 41/2019, effective 21.05.2019) The activities of the Fund shall be assisted by an administration, the structure and organization of which shall be set forth by the Rules under Article 36d, Paragraph 5, item 1.

(13) (New, SG No. 41/2019, effective 21.05.2019) The activity of the administration shall be implemented by persons working under an employment legal relationship. The employment relationships of the employees of the Fund shall be governed by the provisions of the Labour Code.

(14) (New, SG No. 41/2019, effective 21.05.2019) Where a university degree in Law is required for a position in the Fund's administration, the length of service acquired in such a position shall count as experience of the legal profession.

**Article 36d.** (New, SG No. 56/2015, effective 24.07.2015) (1) The Management Board shall be convened by the Chairman.

(2) The sessions of the Management Board shall be legitimate, if not less than two thirds of its members are in attendance.

(3) The decision of the Management Board shall be adopted by open vote and by an

ordinary majority of the attending members.

(4) (New, SG No. 38/2018, effective 8.05.2018) The Management Board shall manage the Fund on the basis of the following principles:

1. independence;
2. transparency in managing the financial resources;
3. traceability and accountability for all the revenues and expenses;
4. objectivity in the decision-making process;

(5) (Renumbered from Paragraph 4, SG No. 38/2018, effective 8.05.2018) The Management Board:

1. shall adopt regulations for the organisation and activity of the fund and rules for spending the financial resources and for the operations of the fund;

2. shall exercise control over the administering of the revenues of the fund and the spending thereof;

3. shall send to the Ministry of Energy, by the 31st of March of each year, a report on its activities, which shall be submitted by the Minister of Energy to the Council of Ministers for adoption and to the commission - for information;

4. shall perform also other functions related to the management of the fund in accordance with the applicable statutory acts;

5. (new, SG No. 9/2021, effective 2.02.2021) shall adopt rules for determining the minimum conditions under the framework agreements and for selecting credit or other financing institutions under Article 36b, Paragraph 1, Item 3, which shall be submitted for approval by the Council of Ministers.

**Article 36e.** (New, SG No. 56/2015, effective 24.07.2015) (1) The financial resources of the fund shall be raised from:

1. the contributions under Article 36f;
2. the revenues received from the tenders for selling quotas under Article 57 (1) of the Climate Change Mitigation Act, which are used for development of renewable energy sources;
3. interest revenues, including interest revenues on overdue payments of the contributions under Item 1;
4. donations;
5. the revenues from statistical transferrals of energy from renewable sources, which are used for development of renewable energy sources;
6. (new, SG No. 38/2018, effective 1.07.2018, repealed, SG No. 103/2018, effective 13.12.2018);
7. (new, SG No. 38/2018, effective 1.07.2018) the revenues from the price and/or from the price component under Article 30, Paragraph 1, Item 17.

(2) (Amended, SG No. 38/2018, effective 1.07.2018) The financial resources under Paragraph 1 shall be spent on upkeep related to the Fund's activities and for covering the expenses under Article 36b (1).

(3) (New, SG No. 38/2018, effective 1.07.2018) The financial resources for upkeep, related to the Fund's activities, shall amount to one percent of the financial resources collected under Paragraph 1, Items 1 and 3.

**Article 36f.** (New, SG No. 56/2015, effective 24.07.2015) (1) (Amended, SG No. 41/2019, effective 21.05.2019) Contributions into the Fund in the amount of 5 percent shall be payable on a monthly basis:

1. (supplemented, SG No. 38/2018, effective 01.07.2018, SG No. 9/2021, effective 1.01.2021) the producers of electricity from the revenues from the sold electricity without VAT,

and for those who receive a premium under Article 162a under the Energy from Renewable Sources Act also from the premium revenues without VAT; the producers of electricity from an energy site for production of electricity from renewable sources or from green hydrogen, commissioned into operation after 1 January 2021, with the exception of the producers under Article 24, Item 1 of the Energy from Renewable Sources Act, on which electricity is purchased under the conditions of Article 31 thereby, do not owe a contribution to the fund;

2. (repealed, SG No. 41/2019, effective 21.05.2019);

3. (new, SG No. 47/2016) the electricity transmission network operator from the electricity access and transmission revenues, VAT excluded;

4. (new, SG No. 47/2016) the gas transmission network operators from natural gas access and transmission revenues, VAT excluded;

5. (new, SG No. 47/2016) the natural gas storage facilities operators from the natural gas access and storage revenues, VAT excluded.

(2) (Amended, SG No. 47/2016, SG No. 102/2017, effective 1.01.2018, SG No. 38/2018, effective 1.07.2018, SG No. 41/2019, effective 21.05.2019) The persons under paragraph 1, with the exception of producers under Article 30, paragraph 2 of the Energy from Renewable Sources Act, by the 20th of a current month shall:

1. file with the Fund a declaration of the relevant income for the previous month;

2. pay into the Fund the relevant contribution under paragraph 1 for the previous month.

(3) (Amended, SG No. 102/2017, effective 1.01.2018, SG No. 41/2019, effective 21.05.2019) Electricity producers under Article 30, paragraph 2 of the Energy from Renewable Sources Act, by 31 March of each year shall:

1. file with the Fund a declaration of the income for the previous calendar year;

2. pay into the Fund the relevant contributions under paragraph 1 for the previous calendar year.

(4) For the purposes of the price regulation, the expenses for contributions under Paragraph 1 shall not be included in the expenses recognised by the commission.

(5) (Repealed, SG No. 38/2018, effective 1.07.2018, new, SG No. 41/2019, effective 21.05.2019) For taxation purposes, the contributions paid into the Fund shall be recognized as current operating costs.

(6) (Repealed, SG No. 38/2018, effective 1.07.2018).

(7) (Repealed, SG No. 38/2018, effective 1.07.2018).

**Article 36g.** (New, SG No. 38/2018, effective 1.07.2018) (1) The invoiced monetary amounts from the price and/or from the price component under Article 30, Paragraph 1, Item 17 shall be paid into the Fund by:

1. (supplemented, SG No. 79/2019, effective 8.10.2019) traders, producers and operators of an organized commodities for electricity exchange and suppliers of last instance concluding transactions at freely negotiated prices with end customers connected to the electric power grid;

2. end suppliers concluding transactions at regulated prices with end customers;

3. the operator of the electricity transmission network and the operators of the electricity distribution networks for the consumed electricity for technological expenditures.

(2) The contributions to the fund shall be made by the 20th of the month following the month that they pertain to and shall be recognised as current expenses for the activity for the purposes of taxation.

(3) (Amended, SG No. 64/2018, effective 3.08.2018, amended and supplemented, SG No. 83/2018, supplemented, SG No. 91/2018, amended, SG No. 79/2019, effective 8.10.2019) Collateral shall be provided to secure the liabilities of the traders and producers under paragraph 1 for the current month, amounting to the product of the average monthly value of the quantity of electricity sold by them to the end customers for the previous 6 months and the price and/or the price component under Article 30, paragraph 1, item 17, valid at the time of calculation. Where no data are available for the previous 6 months, the previous months for which data are available shall be taken into account in the calculation of the collateral, and in this case the amount of the collateral may not be less than BGN 20,000. The collateral shall be provided before the 25th day of the current month in one of the following forms:

1. cash deposit into a bank account of the fund;
2. a bank guarantee;
3. (new, SG No. 91/2018, amended, SG No. 41/2019, effective 21.05.2019) insurance within the meaning of item 15, section II, letter "A" of Annex No. 1 to the Insurance Code.

(4) (Supplemented, SG No. 91/2018, amended, SG No. 41/2019, effective 21.05.2019) When the liabilities under Paragraph 1 are secured by a bank guarantee, its term of validity shall be 12 months. Where the liabilities under paragraph 1 are secured by insurance, its period of validity shall be 12 months, as the insurance premium shall be with one-off payment, and the fund shall be indicated as a third party beneficiary under that insurance. The insurance shall be accepted provided it secures no other liability and provided the insurer has assumed an unconditional obligation for the full term of the insurance contract to pay upon occurrence of an insured event within a 5-day term from the receipt of the first request in writing. In case of withdrawal of an insurer's licence a new security of the liability under paragraph 1 shall be provided within 7 days from the licence withdrawal.

(5) When the liabilities under Paragraph 1 are secured by a deposit, no interest shall be due and payable thereon.

(6) (Amended, SG No. 64/2018, effective 3.08.2018, SG No. 83/2018, SG No. 79/2019, effective 8.10.2019) Where the obligations under paragraph 1 are met accurately for 12 consecutive months, the collateral for the month following this period, shall amount to 50 percent of the collateral calculated under paragraph 3.

(7) (Amended, SG No. 64/2018, effective 3.08.2018) No collateral shall be provided for the liabilities under Paragraph 1 where the traders and producers referred to in Paragraph 1 have fulfilled simultaneously the following conditions for the current month:

1. by the 20th day of the month they have no outstanding and/or overdue liabilities to the fund;
2. (amended, SG No. 79/2019, effective 8.10.2019) by the 25th day of the month they have deposited in advance into the Fund's bank account funds equal to the product of the average monthly value of the quantity of electricity sold by them to the end customers for the previous 6 months and the price and/or price component under Article 30, paragraph 1, item 17;
3. by the 25th day of the month they have notified the Fund that they have deposited the funds referred to in Item 2.

(8) (New, SG No. 64/2018, effective 3.08.2018) The Fund shall verify the fulfilment of the conditions under Paragraph 7 and, in case of default, shall notify the respective trader or producer to deposit the collateral under Paragraph 3 within 7 days of the notification.

(9) (Renumbered from Paragraph 8, SG No. 64/2018, effective 3.08.2018, amended, SG No. 83/2018) The Fund shall check on a monthly basis the amount of the collateral and shall notify the trader or the producer when it is necessary to bring it in conformity with the requirements. The trader or the producer shall submit an updated collateral within a 7-day term from receiving the above notification.

(10) (Renumbered from Paragraph 9, SG No. 64/2018, effective 3.08.2018, amended, SG No. 83/2018) In case of non-compliance of a trader or producer with the obligations under this article, the Fund shall undertake actions for drawing on the provided collateral in the amount of the liabilities under Paragraph 1 under the procedure of the Ordinance referred to in Article 36j.

(11) (New, SG No. 83/2018) In case of failure of trader or producer to fulfil any obligations under this article, the Fund shall adopt a reasoned decision for its removal from the electricity market for a period set in the decision. The removal shall be made by the independent transmission operator after receiving a request from the Fund. The decision for removal shall be subject to appeal according to the procedure stipulated in the Administrative Procedures Code, whereas the appeal shall not stay the execution.

(12) (New, SG No. 64/2018, effective 3.08.2018, renumbered from Paragraph 11, supplemented, SG No. 83/2018) Notification under paragraphs 7, 8, and 9 shall be made electronically by an electronic signature, by registered mail with advice of delivery or by fax.

(13) (New, SG No. 79/2019, effective 8.10.2019) Traders and producers shall have no obligation under paragraph 1 for the quantity of electricity under Article 35a, paragraph 3, which have declared to the Fund by the 10th day of the month following the month they apply for.

**Article 36h.** (New, SG No. 38/2018, effective 1.07.2018) (1) (Supplemented, SG No. 91/2018) The contributions under Article 36f, paragraph 1 and the financial resources under Article 36e, paragraph 1, item 7 are public state receivables which shall be subject to compulsory enforcement by a public executive magistrate according to the procedure of the Tax and Insurance Procedures Code. The written statement ascertaining the receivable shall be issued by the Chairperson of the Fund and shall be subject to provisional enforcement.

(3) (Amended, SG No. 83/2018) Resources of the Fund shall not be accessible for sequestration and no offsetting may be made in relation to them by third parties against obligations of the Fund. The Fund may set off its receivables for payments under Article 36f, paragraph 1 against its obligation to pay a premium under Article 36i based on an act for offsetting of receivables, issued by the chair of the Fund.

(4) (New, SG No. 83/2018) Deferral or rescheduling of the liabilities for contributions under Article 36f, paragraph 1 shall be made under the conditions and procedure of the Tax and Insurance Procedures Code. Authorisation of deferral or rescheduling shall be granted by the Management Board of the Fund.

**Article 36i.** (New, SG No. 38/2018, effective 1.07.2018) (1) (Amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) The Fund shall conclude with a producer under Article 162a and with a producer whose generating works have a total installed capacity of 500 kW or over 500 kW under the Energy from Renewable Sources Act a contract for compensation by means of premiums.

(2) The premium shall not be paid, when the producer under Paragraph 1 has liabilities to the Fund, where the Fund shall not owe any interest for delay in this case.

(3) The Fund shall not owe a premium for the electricity amounts for which the producer under Paragraph 1:

1. (amended, SG No. 57/2018, effective 1.07.2018) has not concluded a transaction under the procedure of Article 100, Paragraphs 4 and/or 6 or a transaction on a balancing market;

2. has no transferred monthly certificates of origin or guarantees of origin under Article 34 of the Energy from Renewable Sources Act.

(4) The Fund shall pay the premium by the end of the month, as of the 20th of which an expense accounting documents has been submitted and the monthly certificates of origin or a guarantee of origin have been transferred to Fund under Article 34 of the Energy from Renewable Sources Act.

**Article 36j.** (New, SG No. 56/2015, effective 24.07.2015, previous Article 36g, SG No. 38/2018, effective 1.07.2018, supplemented, SG No. 83/2018, amended, SG No. 103/2018, effective 13.12.2018) (1) For payments under Article 36b, paragraphs 1 and 2 can be used an account for foreign funds of the Fund up to the amount of the revenues received under the Fund's budget, transferred to this account, after approval by the Minister of Finance.

(2) The amounts transferred to the account for foreign funds pursuant to Paragraph 1 shall be recorded under the respective expenditure items of the Fund's budget, whereby the relevant requirements of the Public Finance Act regarding the accounts for foreign funds shall apply to the keeping, disbursement and reporting of these funds.

(3) The Council of Ministers shall determine by an ordinance the procedure and method of raising, spending, reporting and control of the resources of the Fund, as well as the procedure for providing, releasing and forfeiture of the collateral under Article 36g (3).

## **Section V**

### **Separate Accounting. Storage and Providing of Information (Title amended, SG No. 54/2012, effective 17.07.2012)**

**Article 37.** (1) Energy companies shall keep separate accounts of:

1. each activity subject to licensing under this Act;
2. activities subject to licensing under this Act and other activities;
3. each branch or company;
4. activities in the cases of regulated and freely negotiated prices.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The rules for keeping separate accounts by energy companies, including assets for the purposes of pricing by groups of customers, as well as the form and content of the financial statements for regulatory purposes, shall be established by a decision of the Commission according to a procedure established in the ordinances referred to in Article 36 (3) herein.

(3) (New, SG No. 54/2012, effective 17.07.2012) The energy companies, which are subject to independent financial audit shall submit to the Commission audit report for compliance with the rules for keeping of separate accounting.

**Article 38.** (1) Energy companies shall be obligated to submit the following to the Commission on an annual basis:

1. their annual financial statements, including the notes thereto, according to the Accountancy Act, and the annual audit reports;
2. reports by types of activity;
3. (new, SG No. 54/2012, effective 17.07.2012) information about assets and costs by types of customers for pricing purposes.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Energy companies shall be

obligated, when so requested by the Commission, by the Commission for Protection of Competition and by the European Commission, in implementation of their powers, to provide documentation, accounting, technical and economic, and any other information including regarding contracts concluded.

(3) (New, SG No. 54/2012, effective 17.07.2012) The companies for delivery of electricity and natural gas shall keep for a period of 5 years data of all transactions concluded for delivery of electricity and natural gas with wholesale customers and transmission network operators - term, conditions of delivery and payment, quantity, date and time of the implementation, prices and manner of identifying of the respective wholesale customer, as well as other data determined by the ordinance under Article 60. The Commission may provide to the market participants parts of the above information, provided no information, which is a trade secret or information protected by law shall be disclosed.

## **Section VI**

**(New, SG No. 54/2012, effective 17.07.2012)**

### **Measures for Protection of Energy Services Customers**

**(Title amended, SG No. 35/2015, effective 15.05.2015)**

**Article 38a.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 35/2015, effective 15.05.2015) The contracts with energy services customers shall mandatorily state:

1. data identifying the energy company, including its address;
2. proposed services, conditions and procedure for their provision;
3. means through which current information may be obtained about all applicable prices of the proposed services;
4. term of the contract, conditions for temporary suspension, termination of their provision and of the contract;
5. (supplemented, SG No. 35/2015, effective 15.05.2015) conditions for unilateral termination of the contract by the user of energy services including upon a change of the contractual conditions and prices and possibility for such termination without additional payment;
6. 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, including inaccurate or delayed invoicing;
7. (supplemented, SG No. 35/2015, effective 15.05.2015) rights of energy services consumers, including information concerning the procedure of considering complaints and making decision on them within three months from the receipt of any such complaints;
8. other conditions as provided for in this Act.

(2) The conditions under paragraph 1, as well as proposals for their amendment shall be announced prior to concluding or endorsing the contract.

**Article 38b.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 35/2015, effective 15.05.2015) The energy companies parties to the contracts under Article 38a, paragraph 1 shall provide to its users of energy services information about:

1. manners of payment, prices of stopping or resuming of supply, prices of services for carrying out maintenance and prices of other services related to the licensed activity;
2. procedure for changing of provider and information that the users of energy services do not owe additional payments when changing their provider;
3. (amended, SG No. 35/2015, effective 15.05.2015) the actual quantities consumed and the



value of the service provided in accordance with the agreed metering frequency at no additional cost of that service;

4. preparation of a final equalizing bill at each change of provider;

5. share of each energy source in the total supplied energy by the provider during the previous calendar year in an understandable and clearly comparable manner;

6. existing sources of publicly accessible information about the environmental impact in relation at least to emissions of carbon dioxide and radioactive wastes - resulting from production of electricity from various energy sources in the total energy supplied by the provider during the previous year;

7. information about the means of dispute settlement;

8. (new, SG No. 35/2015, effective 15.05.2015) conditions for the provision of electronic billing information and electronic bills;

9. (new, SG No. 9/2021, effective 2.02.2021) information regarding the type of the calculated standard load profile of the energy services consumers related to the electricity supply.

(2) (New, SG No. 35/2015, effective 15.05.2015) An energy or natural gas supplier shall provide customers with a wide choice of payment methods, including advance payment systems that are fair and adequately reflect the expected consumption.

(3) (New, SG No. 35/2015, effective 15.05.2015) An energy or natural gas supplier shall make available details about the consumption of a household customer to another energy or natural gas supplier if this is expressly agreed between the customer and the energy or natural gas supplier.

(4) (Renumbered from Paragraph (2), SG No. 35/2015, effective 15.05.2015) The information under paragraph 1 shall be presented in the invoices or together with them in information materials and on the websites of the energy companies. In accordance with that procedure, the providers of energy and natural gas shall provide also to the users of energy services a checklist adopted by the European Commission, containing practical information about their rights.

(5) (New, SG No. 35/2015, effective 15.05.2015) Billing information shall be made available at least once every three months or, where requested or where customers have opted to receive electronic bills, twice a year.

(6) (New, SG No. 35/2015, effective 15.05.2015) The energy companies referred to in Paragraph (1) shall provide customers of energy services related to electricity or natural gas supply with additional information on:

1. cumulative data covering a period of at least three previous years or since the entry into effect of the supply contract if that is more recent; the data shall correspond to the intervals for which the billing information is provided;

2. detailed information on the consumption for every day, week, month and year where smart metering systems are used, by providing the final customers via the Internet or via the interface of the metering device 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.

(7) (New, SG No. 21/2021, effective 1.01.2022) At least once a month the end users shall be provided with information regarding the billing based on the actual consumption or the consumption based on the indicators of the heating valve in the cases where in the condominium project building each installed device for measuring heat consumption, cooling consumption or hot water for household uses and/or the heating valves have remote reading. This information may be provided through internet and shall be updated as often as the measuring devices allow that.

**Article 38c.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 35/2015, effective 15.05.2015) The energy companies under Article 38b, paragraph 1, shall prepare and submit for approval to the Commission the rules for operation with their users of energy services.

(2) The rules under paragraph 1 shall be provided for in accordance with the procedure and terms for receiving, consideration, and response to the submitted complaints, alerting information and proposals, format of the consumption data and procedure under which the providers and users of energy services shall have access to them.

(3) The rules under paragraph 1 shall be approved by the Commission, shall be published in one central and in one local daily newspaper, as well as on the website of the licensee and shall come into effect after their publication. The rules shall be part of the general conditions of the contracts approved by the Commission, where general conditions are provided for in this Act.

(4) The conditions and procedure for approval of the rules for operating with the energy service consumers shall be provided for in the ordinance under Article 60.

(5) (New, SG No. 35/2015, effective 15.05.2015) The energy companies referred to in Article 38b (1) herein shall notify the domestic energy services customers thereof of each proposed change to the contractual conditions and prices of the services provided, as well as of the right of the customers to terminate the contract unilaterally within 30 days from the date of notification if they do not accept the new conditions and/or prices.

(6) (New, SG No. 35/2015, effective 15.05.2015) Notification of an increase of prices shall be effected within the billing time limit after the entry into effect of the increase of prices.

(7) (New, SG No. 35/2015, effective 15.05.2015) Where the Commission approves general conditions, notification of a change to the contractual conditions shall be presumed effected as from the date of publication of the general conditions as approved.

(8) (New, SG No. 35/2015, effective 15.05.2015) Paragraphs (5) to (7) shall not apply to heat supply contracts.

**Article 38d.** (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 35/2015, effective 15.05.2015) Energy companies performing delivery of energy or natural gas shall ensure centres for providing information under Article 38a, 38b and 38c to users of energy services, as well as for operation with them in accordance with the rules under Article 38c.

**Article 38e.** (New, SG No. 54/2012, effective 17.07.2012) Energy companies providing services of public interest, in the general conditions for supply and use of the networks and in the rules for operation with the users of energy services shall determine special procedures for providing to vulnerable customers information related to consumption and suspension of supply to vulnerable customers.

**Article 38f.** (New, SG No. 17/2015, effective 6.03.2015) The end supplier shall inform the customer, together with the invoice for the last months of each 6-month period, when the reported consumption of electricity or natural gas of the end customer for this 6-month period is higher by more than 50 percent than the reported consumption for the respective 6-month period of the previous calendar year.

**Article 38g.** (New, SG No. 17/2015, effective 6.03.2015) (1) The customer may request from the operator of the electricity distribution or gas distribution network to perform a metrological expert assessment of the means for commercial measurement. The expert assessment shall be performed by the Bulgarian Institute of Metrology according to the procedure of Chapter Five of the Measurements Act. The means for commercial measurement shall be dismantled and stored by the operator, who shall make sure that they are sent to the Bulgarian Institute of Metrology sealed with seals and stickers recorded in the protocol of findings drawn up at the time of the dismantling.

(2) The expenses for the metrological expert assessment of the means for commercial measurements shall be at the expense of:

1. the operator of the electricity distribution or the gas distribution network respectively, in case the expert assessment proves a defect in the means for commercial measurement;
2. the customer in case the expert assessment proves that the means of commercial measurement are intact.

**Article 38h.** (New, SG No. 17/2015, effective 6.03.2015) When, on the initiative of the end supplier, the electricity or natural gas supply for the customer shall be terminated, the end supplier shall be obligated to notify the customer, in a manner chosen in advance by the customer, not later than three days before the date of termination of the supply. In case the customer has not chosen in advance a specific method of notification, he/she shall be notified by a method chosen by the end supplier.

**Article 38i.** (New, SG No. 57/2020, effective 26.06.2020) (1) The platform referred to in Article 21, paragraph 1, item 27a shall be a unified, central, public web-based information system providing access to up-to-date information about electricity supply offers. End customers with expected annual consumption below 100,000 kWh shall have free-of-charge access to the platform to compare electricity supply offers, including offers for contracts with dynamic pricing of electricity.

(2) The platform referred to in paragraph 1 must:

1. provide conditions for equal treatment of electricity companies when comparing electricity supply offers;
2. provide criteria, based on which comparison should be made, including the services that are public;
3. provide accurate and up-to-date information, including the date of the latest update;
4. be accessible for disabled persons, easy for sensory perception, functionally suitable, understandable and stable;
5. provide an effective procedure for alerting of inaccurate information regarding the offers published;
6. make comparisons, while limiting processing of personal data to the data needed for the comparison.

(3) The Commission shall be the operator of the platform referred to in paragraph 1.

(4) The platform shall cover the whole electricity market with customers referred to in paragraph 1.

(5) The conditions and procedure of maintaining the platform under paragraph 1 shall be determined in rules adopted by a decision of the Commission that shall be published on its website.

**Article 38j.** (New, SG No. 57/2020, effective in one month's time from the adoption of the decision referred to in Article 38i, paragraph 5) (1) Electricity traders shall be obliged to provide to the platform operator on a monthly basis up-to-date information of their offers to end customers under Article 38i, paragraph 1.

(2) Electricity traders shall provide information for the platform referred to in Article 38i, paragraph 1, in customers' invoices or in annexes to them.

## **Chapter Four**

### **LICENCES**

## **Section I**

### **Issuance of Licences**

**Article 39.** (1) The following activities shall be subject to licensing under this Act:

1. generation of electricity and/or heat;
2. transmission of electricity, heat and natural gas;
3. distribution of electricity or natural gas;
4. (supplemented, SG No. 54/2012, effective 17.07.2012) storage of natural gas in a facility for storage and/or liquefying of natural gas or import, unloading and regasification of liquefied natural gas in a liquefied natural gas facility;
5. (supplemented, SG No. 57/2020, effective 26.06.2020) trade in electricity or natural gas;
6. (supplemented, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) organizing an electricity or natural gas exchange market;
7. public delivery of electricity or natural gas;
8. (repealed, SG No. 74/2006, effective 1.07.2007, new, SG No. 21/2021) distribution of electricity or natural gas in closed electricity or gas distribution network;
9. (repealed, SG No. 54/2012, effective 17.07.2012);
10. (new, SG No. 74/2006, effective 1.07.2007) electricity or natural gas supply from end suppliers;
11. (new, SG No. 74/2006, effective on the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01.2007, repealed, SG No. 54/2012, effective 17.07.2012);
12. (new, SG No. 74/2006) traction power distribution over the railroad transportation distribution networks;
13. (new, SG No. 54/2012, effective 17.07.2012) delivery of electricity by provider of last resort.

(2) A licence shall authorize performance of any of the activities covered under Paragraph (1) subject to the conditions stated therein and shall constitute an integral part of the decision on the issuance thereof.

(3) Where a licence is issued for performance of any of the activities covered under Paragraph (1) before construction of the energy work required for implementation of the said activity, the licence shall state the conditions for construction of the said work and a time limit for commencement of the licensed activity.

(4) (Amended, SG No. 74/2006) Issuance of a licence shall not be required for:

1. electricity generation by person, having a plant with a total installed electric power up to 5 MW;
2. (amended, SG No. 54/2012, effective 17.07.2012) heat generation by person, having a plant with a total installed heat generating capacity up to 10 MW;
3. (amended, SG No. 54/2012, effective 17.07.2012) heat transmission by person, having a heat transmission network, connecting plants with a total installed power up to 10 MW;
4. generation of heat for own consumption only;
5. (new, SG No. 17/2015, effective 6.03.2015) generation of electricity for own consumption only;
6. (new, SG No. 9/2021, effective 2.02.2021) sale of compressed natural gas, obtained through a compressor station for increasing the pressure of natural gas, as well as for sale of natural gas by local extraction company.

(5) (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) When the person, applying for licence for any of the following activities:

1. generation of electricity;
2. generation of electricity and heat;
3. transmission of electricity;
4. distribution of electricity;
- 4a. (new, SG No. 21/2021) distribution of electricity in closed electricity distribution network;
5. trade in electricity;
6. organizing of electricity exchange market;
7. public delivery of electricity;
8. supply of electricity by end supplier;
9. delivery of electricity by provider of last resort;
10. distribution of electric traction power on the electricity distribution networks of the railroad transport, or holds such a license and meets the requirements for coordinator of a balancing group, the respective license shall include the rights and obligations related to the activity of coordinator of a balancing group.

(6) (New, SG No. 54/2012, effective 17.07.2012) A license for providing of electricity from provider of last resort to customers, which have not chosen another provider or the provider chosen fails to perform a delivery due to reasons beyond the customer's control, shall be issued to:

1. the licensee of the activity for public delivery of electricity - for the customers connected to the electricity transmission network;
2. licensees of the activity of electricity supply from end supplier - for customers connected to the respective distribution network, for the territory of the existing licenses for public delivery and supply from end supplier.

**Article 40.** (Supplemented, SG No. 65/2006, amended and supplemented, SG No. 74/2006, effective 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) (1) A licence shall be issued to a person registered under the Commerce Act which:

1. possesses the technical and financial capabilities, material and human resources and organizational structure required to meet the regulatory requirements for performance of the licensed activity;
2. (amended, SG No. 38/2018, effective 8.05.2018) holds real rights to the energy works whereby the activity is to be performed, if the said facilities are constructed, with the exception of the licenses referred to in Article 39 Paragraph 1, Items 4, 5, 6, 7, 10 and 13;
3. furnishes evidence that the energy works whereby the licensed activity is to be performed meet the regulatory requirements for safe operation and environmental protection.

(2) The conditions under Items 1 to 3 of Paragraph (1) must be fulfilled at the time of commencement of the licensed activity in case of issuance of a licence under Article 39 (3) herein.

(3) A license under Article 39, Paragraph (1), Item 4 shall be issued in compliance with the provisions of Articles 118a (3) - (6) of the Water Act.

(4) A licence shall not be issued to any person which:

1. is subject to instituted bankruptcy proceedings or has been adjudicated bankrupt;
2. is placed in liquidation;
3. whose license for the same activity has been withdrawn or the issuance of such license has been refused thereto, and the period referred to in Article 59 paragraph (4) herein or under

Article 41 paragraph (4) herein has not yet expired.

(5) A licence shall not be issued if there is a risk to the life and health of citizens, to property of third parties and to the interests of customers, of disturbing the reliable supply of electricity, heat and natural gas.

(6) In cases where one and the same person performs more than one of the activities subject to licensing, separate licences shall be issued for each of the said activities. The Commission shall ensure that there are no conflicts in the regime of performance of the individual licensed activities.

(7) A licence under Paragraph 1 shall also be issued to a person with registration equivalent to that under Paragraph 1 in accordance with the legislation of another EU member state, under the provisions of Paragraphs 1-6.

(8) (New, SG No. 17/2015, effective 6.03.2015) The licence under Article 39, Paragraph (1), Items 1 and 2 shall also be issued to a person who has been granted a concession or who has the right to use and operate energy facilities for generation, transmission and distribution of heat under the terms of Paragraphs 1 - 6.

**Article 41.** (1) The procedure for the issuance of a licence shall be initiated acting on a written application accompanied by all documents required for the issuance of a licence.

(2) Should the licensed activity be performed at prices subject to regulation under this Act, an application for endorsement of the said prices shall be submitted attached to the application referred to in Paragraph (1).

(3) Within three months after submission of any application referred to in Paragraphs (1) and (2), the Commission shall issue a licence or shall refuse to issue a licence by a reasoned decision and shall endorse or determine the relevant prices.

(4) In cases of refusal, the applicant may submit a new request for the issuance of a licence not earlier than three months after the decision on a refusal or, respectively, after the entry into effect of the judgment of court whereby any appeal is dismissed as unfounded.

(5) (New, SG No. 54/2012, effective 17.07.2012) The Commission shall send information to the European Commission about each case of a reasoned refusal for issuance of licenses for transmission, distribution, storage, public delivery of natural gas and supply with natural gas from end suppliers.

**Article 42.** (1) Licences shall be issued for a term of validity not exceeding 35 years in accordance with the requirements of the ordinance referred to in Article 60 herein.

(2) The term of validity of a licence may be extended for a period not exceeding the term referred to in Paragraph, provided that the licensee satisfies the conditions established by the law and fulfils all obligations and requirements under the licence and has submitted a written request for an extension at least one year prior to the expiry of the term of the original licence.

(3) In a decision to extend the term of validity under Paragraph (2), the Commission shall also determine the conditions for performance of the activity for the new term of validity of the licence.

**Article 43.** (1) Only a single licence shall be issued within the national territory for:

1. (amended, SG No. 54/2012, effective 17.07.2012) transmission of electricity;
2. (supplemented, SG No. 54/2012, effective 17.07.2012) organizing an electricity exchange market;
3. public delivery of electricity or of natural gas;
4. (new, SG No. 74/2006, effective on the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01.2007, repealed, SG No. 54/2012, effective 17.07.2012);

5. (new, SG No. 54/2012, effective 17.07.2012) delivery of electricity by provider of last resort to customers connected to the electricity transmission network.

(2) Only a single licence shall be issued for one self contained area for:

1. distribution of electricity or of natural gas;

2. (repealed, SG No. 74/2006, effective 1.07.2007);

2a. (new, SG No. 74/2006) electricity or natural gas supply by end suppliers;

3. transmission of heat;

4. (new, SG No. 54/2012, effective 17.07.2012) delivery of electricity by provider of last resort to customers connected to the electricity distribution network in the territory.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) A self-contained area for distribution of electricity shall comprise not fewer than 150,000 customers connected to the adjoining electricity distribution network and shall be coextensive with at least one administrative region according to the territorial administration of Bulgaria.

(4) (New, SG No. 74/2006, effective 1.07.2007) For a self-contained area under Paragraph 3, a single licence on electricity supply from end suppliers shall be issued.

(5) (Renumbered from Paragraph 4, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) A self-contained areas for distribution of natural gas shall comprise not fewer than 50,000 customers, which may be connected to the adjoining gas distribution network, and the boundaries thereof shall be determined by the inventory referred to in Item 6 of Article 4 (2) herein.

(6) (New, SG No. 74/2006, effective 1.07.2007) For a self-contained area under Paragraph 5, a single licence on natural gas supply from end suppliers shall be issued.

(7) (Renumbered from Paragraph 5, SG No. 74/2006, amended, SG No. 82/2012, effective 25.11.2012) A self-contained area for transmission of heat shall be designated conforming to the projections of the effective spatial development plans of the nucleated settlement.

(8) (Renumbered from Paragraph 6, amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) The provision made in Paragraph 6 shall not apply, where an interest has been expressed in natural gas supply of a particular area which is not included in the inventory referred to in Item 6 of Article 4 (2) herein. In this case, the area, subject to investment interest, shall be designated as a self-contained area for natural gas distribution. Licenses for natural gas distribution, or natural gas supply from end supplier in this area shall be issued without a tender to the interested investor under the terms of Section I of this Chapter and according to the procedure in the ordinance under Article 60, after coordinating with the respective municipality.

(9) (Renumbered from Paragraph 7, amended, SG No. 74/2006) If there is more than one gas supply request for the area under Paragraph 8 submitted, the Commission shall announce a tender under the terms of Section II of this Chapter and according to procedure in the ordinance under Article 60.

(10) (Renumbered from Paragraph 8, amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) By Commission decision to amend the licence, the area of the municipality, which is outside the list under Article 4, Paragraph 2, item 6 may be joined to a self-contained area for natural gas distribution or to the area of a municipality, for which a license is issued for the same activity upon declared consent by the respective municipality outside the list and consent of the titleholder of the licence.

(11) (New, SG No. 74/2006, supplemented, SG No. 54/2012, effective 17.07.2012) Provisions of Paragraphs 8 and 9 shall not apply, when the consent under Paragraph 10 by the titleholder of the natural gas distribution licence for the self-contained area or in the area under paragraph 8 has been obtained.

(12) (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) For the territory of the country, a single traction power distribution licence shall be issued only for the railroad transportation electricity distribution networks to the National Railroad Infrastructure Company.

(13) (New, SG No. 21/2021) For the territory of an industrial park or geographically separate industrial site, in the cases where the activities or the manufacturing process of the users of the network are integrated due to specific technical reasons or safety related reasons or in the case where the distribution of electricity or natural gas is performed mainly for the owner, the network operator or related to them enterprises, a license shall be issued for:

1. distribution of electricity in closed electricity distribution network;
2. distribution of natural gas in closed gas distribution network.

(14) (New, SG No. 21/2021) License for distribution of electricity in closed electricity distribution network and license for distribution of natural gas in closed gas distribution network shall be issued by the Commission under the terms and procedure of Article 60.

**Article 44.** (1) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) Any person whereto a licence for transmission of electricity has been issued may not be issued a licence for another activity subject to licensing under this Act, except a licence for organizing an electricity exchange market.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Any person whereto a licence for natural gas transmission has been issued may not be issued a licence for another activity subject to licensing under this Act, except a licence for the activity under Article 39, paragraph 1, item 4 and a license for distribution of natural gas. Any persons whereto a licence for transmission of natural gas has been issued may not engage in natural gas trade.

(3) (Amended, SG No. 74/2006) Any persons whereto licences for distribution of electricity have been issued may not be issued licences for other activities subject to licensing under this Act.

(4) (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Any persons whereto licences for natural gas distribution have been issued may not be issued licences for other activities, subject to licensing under this Act, except licences for natural gas supply from an end supplier, if the customers attached to the gas distribution network in the respective area are less than 100 000.

(5) (New, SG No. 21/2021) A license for distribution of electricity in closed electricity distribution network and license for distribution of natural gas in closed gas distribution network may be issued to the same person.

**Article 45.** A licence shall state:

1. the designation of the licensee;
2. the activity for which the licence is issued;
3. the works whereby the licensed activity is to be performed;
4. the territorial scope of the licence for the activities for which it is required;
5. the term of validity of the licence;
6. the types of insurance, the risks covered, and the amount of insurance cover which the licensee is obligated to maintain as long as it performs the licensed activity;
7. requirements for decommissioning of the energy works whereby the activity is to be performed;
8. any other special regulatory requirements related to performance of the licensed activity.



## **Section II**

### **Tendering Procedure**

**Article 46.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) A tender procedure for necessary electricity generating capacity shall be conducted only in the cases under Article 4, paragraph 2, item 5 for construction of a new or for providing of existing capacity. The successful bidder shall be determined as a holder of the license containing an obligation for construction, in case of construction of a new capacity.

(2) The holders of licences for distribution of natural gas for self-contained areas designated by the inventory referred to in Item 6 of Article 4 (2) herein shall be selected by tendering procedures.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The successful bidder under Paragraph (1) - in the cases of construction of new capacity, or under Paragraph (2) shall be issued a licence under Article 39 paragraph 1, item 1 or 3.

(4) (New, SG No. 54/2012, effective 17.07.2012) In the cases under paragraph 2 by the decision of the Commission under paragraph 3 a license shall be issued also for performing the activity of supply of natural gas from end supplier until reaching 100,000 customers in accordance with Article 44, paragraph 4.

(5) (Supplemented, SG No. 74/2006, effective 1.01.2007, renumbered from Paragraph 4, SG No. 54/2012, effective 17.07.2012) Where the winner in a tendering procedure is a non-resident person, not registered in a member country of the European Union, or another country party to the European Economic Area Agreement, the licence shall be issued to a corporation registered under the Commerce Act wherein the non-resident person holds at least 67 per cent of the corporate capital. Any such person shall have no right to transfer the participating interest thereof in the licensee corporation to a third party until the date of commencement of the licensed activity.

(6) (Renumbered from Paragraph 5, SG No. 54/2012, effective 17.07.2012) The public provider shall conclude a contract for purchase of electricity with the winner of the tendering procedure under Paragraph (1).

**Article 47.** (1) A tendering procedure shall be announced by the Commission in accordance with the inventory referred to in Item 5 or 6 of Article 4 (2) herein and shall be held under terms and according to a procedure established by the ordinance referred to in Article 60 herein.

(2) The tender documents shall be prepared in accordance with the ordinance referred to in Article 60 herein and shall be endorsed by the Commission. The tender documents shall include a draft licence and, in the case under Article 46 (1) herein, also a drafts a contract for purchase of electricity.

(3) (Amended, SG No. 54/2012, effective 17.07.2012, amended and supplemented, SG No. 83/2018) The decision of the Commission for announcement of a tendering procedure shall be published in the State Gazette, and detailed information of the tendering procedure shall also be published in the Official Journal of the European Union. The period for submission of applications for participation in the tender procedure shall not be less than 6 months from the date of publication of the decision in the State Gazette. The decision of the Commission announcing the tendering procedure shall be appealable solely together with the decision declaring the winner of the tendering procedure.

(4) (New, SG No. 54/2012, effective 17.07.2012) An applicant for participation in the tendering procedure may be any person possessing technical, economic, financial and

organizational capabilities in accordance with the requirements laid down in the tender documentation, and for which the circumstances under Article 40, paragraph 4 are not present.

**Article 48.** (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) Where no application is received by the deadline for submission of applications for participation in the tendering procedure, or where only a single such application is received, the said time limit may be extended by not more than 60 days reckoned from the date of promulgation in the State Gazette of the decision for extension of the time limit. In such a case, the date of conduct of the tendering procedure shall be changed as well.

**Article 49.** (1) The Commission shall adopt a decision appointing a tender board for conduct of the tendering procedure, chaired by a member of the Commission. The said board shall include employees of the administration of the Commission and, depending of the subject of the tendering procedure, also representatives of the municipalities concerned and interested central-government departments and organizations as well.

(2) The tender board shall consider and evaluate the bids of the candidates and shall propose to the Commission to make a decision designating the winner of the tendering procedure.

(3) (Amended, SG No. 74/2006) Within 14 days after receipt of the proposal of the tender board, the Commission shall rank the candidates, shall adopt a reasoned decision designating the winner of the tendering procedure and shall issue the respective license thereto.

(4) (Amended, SG No. 74/2006) The Commission shall notify the candidates on its decision referred to in Paragraph 3.

**Article 50.** (1) The Commission shall cancel the tendering procedure and shall announce a new tendering procedure where:

1. only a single candidate has appeared, or
2. the proposals of the candidates are not responsive to the tendering procedure requirements.

(2) (New, SG No. 83/2018) In case of re-announcement of a tendering procedure the period for submitting of applications may not be less than three months from the date of announcing of the decision for repeated announcement of the tender procedure in the State Gazette.

(3) (Renumbered from Paragraph (2), SG No. 83/2018) Should after the tendering procedure is re-announced only a single candidate has appeared, the Commission shall declare the said candidate the winner of the tendering procedure, provided that the said candidate is responsive to the tendering procedure requirements.

## **Section III**

### **Modifications, Supplements, Termination and Withdrawal of Licences**

**Article 51.** (1) A licence may be modified and/or supplemented by a decision of the Commission:

1. at the request of the licensee;
2. on the Commission's own initiative.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The Commission shall have the right to initiate a modification and/or supplementing of a licence as issued:

1. (amended, SG No. 54/2012, effective 17.07.2012) in order to ensure reliability or uninterrupted and high quality supply of electricity, heat and natural gas to customers;
2. (supplemented, SG No. 54/2012, effective 17.07.2012) upon change in the relevant

legislation, as well as for implementation of legally binding decisions of the European Commission or ACER;

3. to safeguard national security and public order in coordination with the relevant competent state bodies;

4. in case of risk to the life and health of citizens, of damage to the environment or to the property of third parties, when this does not necessitate withdrawal of the licence, and/or on a motion by specialized state bodies in pursuance of the powers vested therein;

5. should corporate transformation of a licensee or a capital improvement transaction is authorized, where this does not lead to termination of the licence.

(3) The Commission shall inform the licensee in writing of the initiation of a proceeding for modification and/or supplementation of the licence under Paragraph (2). Within fourteen days, the licensee may submit a written opinion regarding the grounds for the modification and/or supplementation of the licence.

(4) The Commission shall modify and/or amend the licence after expiry of the time limit referred to in Paragraph (3).

(5) The licensee may request modification and/or supplementation of the licence in respect of the utilized primary energy sources and/or the technology of energy conversion.

(6) The holder of a licence under Article 39 (3) herein, issued after a tendering procedure, may request modification and/or supplementation of the said licence before commencement of the licensed activity solely by reason of occurrence of circumstances beyond the control of the holder.

**Article 51a.** (New, SG No. 21/2021) (1) The Commission on its own initiative shall open proceedings for amendment of the issued license for distribution of electricity, respectively, for distribution of natural gas, on which territory is the separate territory for which has been filed application for license for distribution of electricity in closed electricity distribution network and respectively for natural gas in closed gas distribution network.

(2) The Commission shall notify in writing the licensee for initiating the proceedings under Paragraph 1 for amendment of the licence for distribution of electricity or natural gas.

(3) The Commission shall amend the existing license for distribution of electricity, respectively, the existing license for distribution of natural gas, and shall exclude the territory for which has been filed application for license for distribution of electricity in closed electricity distribution network and respectively for licence for distribution of natural gas in closed gas distribution network if the applicant meets the requirements for the performance of the activity.

(4) The Commission shall issue one decision on the proceedings under Paragraph 1 and on the application for licence for distribution of electricity in closed electricity distribution network and respectively for licence for distribution of natural gas in closed gas distribution network.

(5) In case the application under Paragraph 1 does not meet the requirements of Article 43, Paragraph 13 and/or the applicant does not meet the requirements of Article 40, the Commission may deny the issuance of licenses and shall terminate the proceedings.

**Article 52.** (1) The Commission shall authorize the corporate transformation of a licensee through merger by acquisition, merger by the formation of a new company, division by the formation of new companies, division by acquisition, and division by the formation of a wholly owned commercial corporation or through change of the legal form of business organization if the person that will perform the licensed activity after the corporate transformation is responsive to the eligibility requirements for issuance of a licence for the activity.

(2) In the cases under Paragraph (1), the Commission shall modify or terminate the existing licence and/or shall issue a new licence depending on the particular case within one month after

submission of the application. The termination, modification or issuance of a licence shall become effective as from the date of recording of the corporate transformation in the commercial register.

(3) (New, SG No. 74/2006, effective as of the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) The termination, modification or issuance of a licence in the Republic of Bulgaria upon any transformation of a legal person, having a licence issued under Article 40, Paragraph 6, shall become effective on the date when said transformation of the legal person under the law of country, where it is registered, becomes effective.

**Article 53.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Disposition of any construction works in progress or in any property whereby the licensed activity is performed may be effected solely in their entirety, subject to advance authorization by the Commission, including when the licensee is adjudicated bankrupt.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) In the cases under Paragraph (1), where the licence is issued for generation of electricity and/or heat and the activity is performed by means of generating capacities (units) which can technologically be operated independently of one other, an individual unit may be the subject of the disposition. In such a case, the original licence shall be modified or supplemented.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) Where termination or modification of a licence under Paragraph (1) or (2) could lead to disturbance of the security of supply of electricity, heat or natural gas, the Commission shall authorize the disposition provided the transferee has submitted an application and meets the conditions for issuance of a licence for the respective activity. The licence issued to the transferee shall become effective as from the date of acquisition of ownership.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) Where termination or modification of a licence under Paragraph (1) or (2) does not lead to disturbance of the security of supply, the Commission shall issue authorization for disposition regardless of whether the transferee has submitted an application for issuance of a licence.

(5) The Commission shall also authorize conduct of the capital improvement transaction in the cases of pledge or mortgage on the property whereby the licensed activity is performed.

(6) No authorization shall be required in cases of replacement or modernization, or where such disposition does not lead to change of the terms under which the licensed activity is performed.

(7) (Amended, SG No. 54/2012, effective 17.07.2012) Any dispositions performed in violation of the foregoing paragraphs shall be declared null and void by the court on a petition by the Commission, the prosecutor, or any interested party.

(8) The Commission shall consider the requests covered under Paragraphs (1) to (4) within three months after submission of the application, and the requests referred to in Paragraph (5) within one month.

**Article 54.** (1) No authorization under Article 53 herein shall be required upon privatization of a self-contained part of an energy company.

(2) The Commission shall issue a licence to the transferee in a privatization transaction referred to in Paragraph (1) if the said transferee has requested issuance of a licence and is responsive to requirements for issuance of such a licence.

**Article 55.** (1) A licence shall be terminated by a decision of the Commission:

1. at the request of the licensee, including upon transfer of the property whereby the licensed activity is performed, under the terms established by Article 53 herein;

2. in the event of a total loss of the energy work whereby the licensee performs the activity thereof;

3. upon corporate transformation of the licensee, where the said transformation leads to dissolution of the legal person which is the holder of the licence;

4. entry into effect of a judgment of court adjudicating the licensee bankrupt or of a judgment on cessation of operation owing to the placing of the licensee in liquidation beside the cases under Article 61 herein.

(2) (Amended, SG No. 74/2006, supplemented, SG No. 38/2018, effective 8.05.2018) After a written notification, the Commission can terminate the license, when the holder of the license does not perform the licensed activity for a period of more than 1 (one) year, as well as in the event of disposition transactions with shares or stocks of the company without the required permission under Article 21, Paragraph 1, Item 23a.

(3) A licence shall be terminated upon expiry of the term of validity thereof, except in the cases under Article 56 herein.

(4) The decision to terminate a licence shall be a precondition for consideration by the competent court of a petition for recording of liquidators upon cessation of the operation of the legal person which is the holder of the licence.

(5) (Amended, SG No. 54/2012, effective 17.07.2012) In cases of termination of the licence under Item 1 of Paragraph (1) and Paragraph (2) under terms specified in the ordinance referred to in Article 60 herein, the Commission shall have the right to order the licensee to transfer to a third party the property whereby the licensed activity is performed in its entirety or to create a right of use of the said property, where the transferee is a licensee or has submitted an application and meets the requirements for issuance of a licence for the respective activity. In case the licensee fails to transfer the ownership or to create a real right of use within one month after termination of the licence, the provisions of Article 56 (4) to (11) shall apply accordingly.

**Article 56.** (1) Not later than one year before expiry of the term of validity of the licence, the licensee shall be obligated:

1. to submit an application for extension of the said term, or
2. to notify the Commission that it will not perform the licensed activity after expiry of the said term.

(2) Where, after expiry of the term of validity of a licence, the energy work whereby the licensed activity was performed is subject to final decommissioning for technical reasons, the Commission shall extend the term of validity of the licence until the final decommissioning of the said energy work.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) In the case under Item 2 of Paragraph (1), or should the Commission refuse to extend the term of validity of the licence if cessation of the licensed activity could lead to disturbance of the security of supply of electricity, heat or natural gas to customers, or a risk to national security and public order could arise, the licensee shall be obligated to transfer the ownership thereof to a third party or to create a right of use of the property whereby the licensed activity is performed solely in its entirety, according to the procedure established by Article 53 (1) and (3) herein.

(4) Where the licensee fails to fulfill the obligations thereof under Paragraph (3) not later than 60 days prior to expiry of the term of validity of the licence or the Commission refuses to authorize the capital improvement transaction, the Commission shall appoint a special commercial administrator who:

1. shall accept, against a checklist, the works whereby the licensed activity was performed, where the said facilities are transferred thereto for management, effective the first day following

the expiry of the term of validity of the licence, and

2. shall continue performance of the licensed activity for the account of the licensee until transfer of ownership of the energy works and selection of a new licensee.

(5) The special commercial administrator shall be selected by mutual consent of the licensee and the Commission not later than 30 days prior to expiry of the term of validity of the licence. Should no agreement be reached, the special commercial administrator shall be designated by the Commission.

(6) The special commercial administrator shall have the right to perform solely activities and transactions directly related to the licensed activity and shall have no right to alienate or encumber any corporeal immovables, as well as to perform any activities determined by the Commission by the act of appointment.

(7) The name and address of the special commercial administrator as appointed shall be recorded in the commercial register at the request of the Chairperson of the Commission and shall be promulgated in the State Gazette.

(8) After recording of the special commercial administrator in the commercial register, the management bodies of the licensee may perform solely activities related to the preparation and conclusion of a capital improvement transaction under Paragraph (3).

(9) In cases of appeal against a refusal by the Commission, the licensee shall continue to perform the activity until the final judgment of the court on the appeal.

(10) The circumstances under Paragraph (3) shall be ascertained in coordination with the relevant competent state bodies.

(11) Eligibility for appointment as a special commercial administrator shall be limited to persons responsive to the following requirements:

1. higher education and professional experience in management of energy companies;
2. no conviction, after reaching majority, of a premeditated offence at public law, unless rehabilitated;
3. no relations with the licensee give grounds for reasonable doubt as to the impartiality of the said persons.

(12) (New, SG No. 103/2017, effective 1.01.2018) The circumstances under Item 2 of Paragraph (11) shall be established ex officio by the Commission.

**Article 57.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) In cases where a licensee requests termination of the licence prior to expiry of the term of validity thereof and if cessation of the licensed activity could lead to disturbance of the security of supply of electricity, heat or natural gas to customers, or a risk to national security or public order could arise, the said licence shall be obligated to continue to perform the licensed activity until issuance of a new license to another person according to the procedure established by Article 56 (3) herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) If no new licensee is selected according to the procedure established by Paragraph (1) during the period of the notice whereby the licensee has requested termination of the licence, Article 56 (4), (5), (6), (7), (9) and (11) herein shall apply, mutatis mutandis.

**Article 58.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Upon submission of an application requesting termination of a licence issued after a tendering procedure, the Commission shall evaluate the request in view of the needs of the national overall forecast energy balance and the secure and reliable supply of energy and natural gas to customers.

(2) The holder of a licence selected by tendering procedure may submit a request for termination of the said licence in case that the said holder has transferred the construction work in progress to a third party, under the terms established by Article 53 (1) herein.

**Article 59.** (1) After a written warning fixing a time limit, the Commission shall withdraw the licence:

1. where the licensee fails to perform or violates the obligations thereof under Chapters Six and Seven herein;

2. where the licensee fails to perform or violates the obligations there under the licence as issued;

3. where the licensee fails to perform within the prescribed time limit or breaches any prescriptions of the control authorities of the Commission or coercive administrative measures imposed by the Commission;

4. where the licensee has submitted untrue information which has served as grounds for issuance of the licence.

(2) The licence shall furthermore be withdrawn where a licence for operation of a nuclear facility, issued under the Safe Use of Nuclear Energy Act, has been withdrawn from the licensee by an effective administrative act.

(3) (Amended, SG No. 74/2006) The Commission may withdraw a licence for distribution of natural gas, issued after a tendering procedure, if the licensee fails to construct the relevant natural gas distribution network indicated in the tender thereof within the time limit fixed in the licence. In such a case, a new tendering procedure shall be held according to the procedure established by this Act for the area vacated.

(4) The decision to withdraw a licence shall fix a time period during which the person may not apply for issuance of a new licence for the same activity. The said time period may not be shorter than two years.

(5) Withdrawal of a licence shall not override the enforcement of administrative or criminal liability for a violation committed, if the preconditions for this exist.

(6) (Amended, SG No. 77/2018, effective 1.01.2019) By a decision to withdraw a licence, the Commission shall appoints a special administrator vested with powers according to Article 56

(4) until the final judgment of the Court, in the event of appeal.

**Article 60.** (Amended and supplemented, SG No. 54/2012, effective 17.07.2012, SG No. 38/2018, effective 8.05.2018) The terms and procedure for the issuance, modification, supplementation, termination and withdrawal of licences, for the issuance of authorizations under this Chapter, for approval of the general conditions of contracts under this Act, for approval of the rules for operation with consumers of energy services, for supply of electricity, heat and natural gas to consumers, as well as for amicable settlement of disputes under Article 22 herein, as well as the terms and procedure for exercising control over the implementation of Regulation (EU) No. 1227/2011, shall be stipulated by an ordinance adopted by the Commission.

**Article 61.** The relations associated with the insolvency and bankruptcy of an energy company which has obtained a licence for transmission of electricity, heat and natural gas, for distribution of electricity or natural gas, as well as the persons which have obtained licences for public delivery or public supply of electricity or natural gas using works on the list of energy works of strategic national importance, as approved by the Council of Ministers, shall be regulated by a special law.

## **Chapter Five**

### **REAL RIGHTS**

#### **Section I**

## **Building Right and Ownership Right. Alienation (Title supplemented, SG No. 83/2018)**

**Article 62.** (Amended, SG No. 74/2006) (1) (Amended, SG No. 54/2010, effective 16.07.2010, supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 83/2018) Where site energy works, ground or underground hydro-technological electricity generation facilities or parts thereof, as well as production related equipment and sites for disposal of production waste are constructed or expanded on a corporeal immovable constituting state property, the competent state authorities shall create an onerous building right to the land tract without an auction or tender in favour of the person to build and operate the energy works under the procedure established by the State Property Act.

(2) (New, SG No. 54/2010, effective 16.07.2010, supplemented, SG No. 54/2012, effective 17.07.2012) Where the works referred to in Paragraph (1) are constructed or expanded on a corporeal immovable constituting municipal property, the competent municipal authorities shall create an onerous building right to the land tract without an auction or tender in favour of the person to build and operate the energy works under the procedure established by the Municipal Property Act.

(3) (Renumbered from Paragraph 2, amended, SG No. 54/2010, effective 16.07.2010, repealed, SG No. 54/2012, effective 17.07.2012).

(4) (Renumbered from Paragraph 3, SG No. 54/2010, effective 16.07.2010, amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) Where site works, as well as ground and underground hydro-technological electricity generation facilities or parts thereof have to be constructed or expanded on an immovable property constituting private property, the person under paragraph 1 must acquire in advance and onerously a right of ownership or a building right to the land tract required for construction of the works.

(5) (New, SG No. 83/2018) In the cases under paragraph 4 a right of ownership may be acquired also on parts of a property with size less than 3 decares for fields, 2 decares for meadows, 1 decare for perennial crops and 1 decare for forest with the owner's consent.

(6) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 5, SG No. 83/2018) The person under paragraph 1 shall submit a proposal in writing to the holder of real rights and shall state the legal and factual grounds to substantiate the proposal, including the property, type of energy works and/or facilities and manner in which they reflect on the use of the property, type of real right, which is necessary to be acquired, the area and the proposed compensation, and it shall give a suitable period not less than one month for response to the proposal. That period may be changed by mutual agreement of the persons.

(7) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 5, supplemented, SG No. 83/2018) When creating limited real rights under Paragraph 1 on property with public ownership, in relation to national projects and projects of national significance, the procedure for private state ownership or private municipal ownership shall apply respectively, to the extent it is not otherwise provided for by law.

(8) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 7, amended, SG No. 83/2018) The persons under paragraph 1 shall be employers in relation to the construction of these projects within the meaning of Article 161, Paragraph 1 of the Spatial Development Act, as well as interested parties within the meaning of Article 124a, paragraph 5 of the Spatial Development Act.

**Article 63.** (1) (Amended, SG No. 74/2006, SG No. 54/2010, effective 16.07.2010, SG No.



54/2012, effective 17.07.2012, SG No. 83/2018) In case of refusal or of impossibility to implement the activities under Article 62 (4) herein for reasons beyond the control of the person under Article 62, paragraph 1, the property shall be alienated in favour of the state. A refusal shall be understood to be the explicit refusal, as well as failure to accept the proposal or to achieve agreement under Article 62, paragraph 6.

(2) Any alienation referred to in Paragraph (1) shall be effected under the terms and according to the procedure established by the State Property Act.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The person under Article 62, Paragraph 1 may use the corporeal immovable solely for the purposes of the alienation.

## **Section Ia**

### **(New, SG No. 41/2009)**

## **Alienation of properties for the needs of energy resources extraction.**

**Article 63a.** (New, SG No. 41/2009) (1) An energy enterprise which is a concessionaire within the meaning of the Subsurface Resources Act and undertakes activities related to the extraction of natural resources may propose to the owners and the holders of other real rights to sign an agreement, by virtue of which the energy enterprise acquires the ownership of or another type of real right to the real estate included in the area under concession.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) In the event that a concessionaire cannot establish or find the holders of rights over the land or their addresses, he shall be entitled to request co-operation from the Minister of Energy. If such co-operation is requested, the Minister of Energy shall require that the information necessary is provided by the competent state or municipal authorities, which shall not have the right to refuse to provide it.

**Article 63b.** (New, SG No. 41/2009) (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Where the extraction of energy resources is for satisfying a need of the state, in the event that no agreement has been reached with the owners of the real estate or part thereof or the holders of other real rights to it, the energy enterprise shall be entitled to request the Minister of Energy to undertake actions for the alienation of the property according to the procedure described in the State Property Act.

(2) In the request referred to in paragraph 1 the nature, type, location and size of the property shall be identified and information about the owners, respectively the holders of other real rights shall be provided. The following shall be enclosed with the request:

1. evidence that:

a) the property is included within the boundaries of the area under concession and is necessary for or is a hindrance to the activities included in the overall design project for extraction of the energy resource;

b) the concessionaire has offered the owner, respectively the holder of a right, to purchase the real estate at a price, not lower than the price which would have been determined in accordance with the procedure of Chapter Three of the State Property Act in the event of alienation of the property for the needs of the state;

c) within one month of receiving the offer the owner, respectively the holder of a right, has tacitly or explicitly refused it;

2. effective detailed development plan.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Within one month

of receiving the request referred to in paragraph 1 the Minister of Energy shall undertake actions for alienation of the property for satisfying the needs of the state in accordance with the procedure described in Chapter Three of the State Property Act.

(4) Where a property falling within the boundaries of the area under concession is public municipal property, only the evidence listed in paragraph 2, sub-paragraph 1 shall be enclosed with the request referred to in paragraph 1.

(5) The cost of the alienation shall be borne by the concessionaire.

**Article 63c.** (New, SG No. 41/2009) (1) The alienated properties as well as other properties - state property, falling within the boundaries of the area under concession, shall be granted to the concessionaire by a Decision of the Council of Ministers as a belonging in the meaning of the Concessions Act.

(2) Upon termination of the concession agreement the properties granted to the concessionaire as a belonging shall be returned to the state in the condition and under the terms and procedure specified in the concession agreement.

## **Section II**

### **Easements**

**Article 64.** (1) (Amended and supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) In case of extension of existing, and in case of construction of new, linear energy works easements will arise in favour of the persons who will construct and operate the energy project.

(2) There shall be the following easements under this Act:

1. (amended, SG No. 54/2012, effective 17.07.2012) a rights of passage of persons and machinery in favour of the persons under Paragraph 1;

2. (amended and supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) right of laying of linear energy works in favour of persons under paragraph 1;

3. (amended, SG No. 83/2018) limitation of use of the land properties concerned.

(3) Upon exercise of easements:

1. (amended and supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) the easement holder shall acquire the right:

(a) (amended, SG No. 83/2018) of laying and constructing linear energy works;

(b) (amended, SG No. 83/2018) for its representatives to enter into and pass through the properties concerned and to perform activities therein in connection with the building and/or operation of energy works, including a right of passage of machinery through the land properties concerned in connection with the construction and maintenance of overhead and underground lines;

(c) (amended, SG No. 83/2018) to perform trimming and cutting of trees and bushes within the easement strips of linear energy works for elimination of accidents and duly notifying the management bodies of forestry estates and national parks;

2. (amended, SG No. 83/2018) the following shall not be allowed in the land properties concerned:

(a) (supplemented, SG No. 83/2018) building development or planting of perennial plants in the easement strip, designated in the ordinance referred to in Paragraph 9;

(b) (supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 83/2018) laying of lines of other physical infrastructure networks, except in the cases where this is

permissible under a statutory instrument, complying with the relevant technical and other requirements and after a contract setting out the respective terms and conditions and price;

3. (amended, SG No. 83/2018) change of the ownership of the property concerned and of the linear energy project shall not end the effect of easements under paragraph 1;

4. (amended, SG No. 83/2018) easements shall be inseparable rights; they may be exercised entirely in favour of the persons under paragraph 1 and shall entirely encumber each part of the properties concerned, even where the properties can be separated;

5. (amended, SG No. 83/2018) easement may be used only by the persons under paragraph 1 for construction and operation of the linear energy works;

6. (amended, SG No. 83/2018) the owner of the property concerned shall have no right to move the easement.

(4) Easements under Paragraph (2) shall arise when:

1. (amended, SG No. 83/2018) there is a detailed development plan in effect, which determines the location and dimensions of easement zones of the linear energy works in the properties concerned, and

2. (amended, SG No. 54/2012, effective 17.07.2012, amended and supplemented, SG No. 83/2018) the easement holder shall pay or deposit one-off compensation according to the procedure under paragraph 6 at disposal of the property owner, and of the holders of other real rights over the property concerned.

(5) (Repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 79/2019, effective 8.10.2019) The easements arisen under paragraph 2, item 2, shall serve as grounds for the issuance of a construction permit under Article 148 of the Spatial Development Act.

(6) (Supplemented, SG No. 74/2006, amended, SG No. 83/2018) Determining the amount and the manner of payment of the compensations for the easement of energy works shall be done pursuant to Articles 210 and 211 of the Spatial Development Act or by mutual consent of the parties based on an evaluation by an independent evaluator. Appeal of the amount of compensation by interested parties shall not interfere with exercising of easement rights by the persons under paragraph 1.

(7) (Amended, SG No. 54/2012, effective 17.07.2012) The easement holder shall exercise the easement right conforming to the technical requirements established by the ordinance referred to in Paragraph (9).

(8) (Amended, SG No. 54/2012, effective 17.07.2012, amended and supplemented, SG No. 83/2018) In case the easement zone falls within an immovable property in respect of which a building right has been created in favour of the easement holder, the easement on the said property shall be stipulated in the act creating a building right. Where the easement zone does not fall within the property where onsite energy works will be built, easements shall be created for these works.

(9) (Amended, SG No. 36/2008, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014, SG No. 14/2015, SG No. 58/2017, effective 18.07.2017) The size, location and special exercise regime of easements shall be specific to the different types of energy works and shall be determined according to a procedure and in a manner provided for in an ordinance of the Minister of Energy, the Minister of Agriculture, Food and Forestry and the Minister of Regional

Development and Public Works.

(10) (New, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 83/2018) When creating limited real rights under Paragraph 1 on property with public ownership, in relation to national projects and projects of national significance, the procedure for private state ownership or private municipal ownership shall apply respectively, to the extent it is not otherwise provided for by law.

**Article 64a.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 83/2018) An effective statutory instrument by a competent authority for approval of a detailed development plan under Article 64, paragraph 4, item 1 with an attached extract from the graphical and text materials regarding the property concerned, the easement holder, and the owner/holder of real right over that property, and a document substantiating one-off compensation paid or deposited with a commercial bank at the disposal of the owners and holders of other real rights over the property concerned, representing the price of the easement right, shall be registered in the property register at the easement holder's request.

(2) (Amended, SG No. 83/2018) Until initiation of proceedings for creation of a property register under Article 70, Paragraph 1 of the Cadastre and Property Register Act, registration of acts and documents under paragraph 1 shall be performed into the file of the owner of the property concerned in accordance with the Rules of Registrations (Izvestia (Official Notices) No. 101/1951; amended, No. 30/1955, SG No. 30/1955, SG No. 82/1996, SG No. 86/1997, No. 14/2000, Nos. 5 and 16/2001, No. 69/2004, No. 67/2005, and No. 22/2008).

**Article 65.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The amount of the compensation referred to in Article 64 Paragraph 4, item 2) herein shall be determined applying the following criteria:

1. the surface area of others' lots incorporated within the easement boundaries;
2. the types of limitations on use;
3. the period of the limitation;
4. the assessed fair market value of the corporeal immovable or of the part thereof which falls within the easement boundaries.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Notwithstanding any compensation referred to in Paragraph (1), the easement holder shall be obligated to repair all damages caused to the corporeal immovable or to pay a respective pecuniary compensation.

**Article 66.** (Amended, SG No. 83/2018) The type and location of the energy works and of the surface areas of the land properties concerned, incorporated within the easement boundaries under this Act, shall be determined in master plans and detailed plans.

**Article 67.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) Any representatives of the persons who operate the energy works and any officials who exercise control under this Act may enter into and pass through others' immovable properties and perform activities therein in connection with the operation of the energy works or for control over the said facilities.

(2) (Amended and supplemented, SG No. 74/2006, SG No. 43/2008, amended, SG No. 41/2009, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) Any persons who construct or operate the energy works shall have the right to use for no consideration bridges, roads, streets, pavements and other infrastructure - public property, with the exception of land properties in forest areas, for construction, laying, connection, passing and maintenance of linear energy works, as they shall ensure technical safety and take measures for prevention of any damages.

(3) (Amended and supplemented, SG No. 54/2012, effective 17.07.2012) The operators of transmission and distribution networks shall use gratuitously parts of buildings and their

adjoining grounds for installation of metering devices and other equipment related to delivery of electricity, heat and natural gas.

(4) Owners of the corporeal immovables covered under Paragraphs (1) to (3) shall be entitled to compensation for any detriment sustained.

**Article 68.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Where an owner, user or lessee of the corporeal immovable performs unauthorized building development, enclosure, planting or any other violation of the easement exercise regime, the energy company shall have the right to approach the competent authorities with a request for removal of the illegal construction works for the account of the said owner, user or lessee, unless the said owner, user or lessee removes the said works within a time limit set by the easement holder.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) In the cases under Paragraph (1), the easement holder shall not owe any compensation for the damage sustained.

## **Chapter Six**

### **PUBLIC OBLIGATIONS**

**Article 69.** (Amended and supplemented, SG No. 54/2012, effective 17.07.2012) Energy companies shall be obligated to perform the operation thereof in the interest of the public and of the individual customers and in accordance with the requirements established by this Act and the other statutory instruments, ensuring the security of supply, including protection of the works, which constitute critical infrastructure in the energy sector, the non-interruption and the quality of electricity, heat and natural gas, the efficient utilization of fuels and energy, the protection of the environment, the life, health and property of citizens.

**Article 69a.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Energy companies for which obligations arise in accordance with the National Investment Plan for the period 2013 - 2020 shall be obliged to fulfill the obligations envisaged in that plan and to report to the Minister of Energy.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 17/2015, effective 6.03.2015) Organization of and control on implementation of the National Investment Plan for the period 2013 - 2020, including the mechanism for providing and manner of spending of the funds for its fulfilment shall be implemented under conditions and in accordance with procedure determined by ordinance of the Council of Ministers by proposal of the Minister of Energy and the Energy and Water Regulatory Commission.

(3) (New, SG No. 17/2015, effective 6.03.2015) The enterprises under Paragraph (1), which do not make investments at their sites, shall be obligated to make monthly instalments into the account of the National Investment Plan of the Ministry of Energy.

(4) (New, SG No. 17/2015, effective 6.03.2015) The instalments under Paragraph (3) shall be defined in the amount of one twelfth (1/12) of the calculated annual instalment, which is determined for each calendar year as the product of the reference price per ton of emissions and the free quotas planned for the operator for that same year. The instalment shall be revised in the case of a change in the reference price per ton of emissions.

(5) (New, SG No. 17/2015, effective 6.03.2015) The instalments under Paragraph (3) shall be made by the 15th of the current month. Legitimate interest is due on those instalments which have not been made on time.

(6) (New, SG No. 17/2015, effective 6.03.2015) The instalments under Paragraph (3) are public state receivables. The instalments not made on time shall be subject to compulsory enforcement by a public executive magistrate according to the procedure of the Tax and

Insurance Procedures Code. The act for establishing the receivable shall be issued by the Minister of Energy or by an official authorized by the Minister of Energy.

**Article 70.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy may impose additional public service obligations on energy companies.

(2) Additional obligations referred to in Paragraph (1) shall be imposed, where related to:

1. non-interruption of deliveries of electricity, heat and natural gas, and

2. protection of the environment: in consultation with the Minister of Environment and Water;

3. (new, SG No. 54/2012, effective 17.07.2012) protection of the works, which constitute critical infrastructure in the energy sector.

(3) The additional obligations referred to in Paragraph (1) shall be imposed by an order stating:

1. the person whereon the obligation is imposed;

2. the content of the obligation;

3. the time limit and terms under which the obligation must be performed;

4. other terms and conditions.

(4) Any supplementary costs incurred by the energy companies under Paragraph (3) shall be allowed as expenses under Article 35 herein.

**Article 71.** (Supplemented, SG No. 74/2006, on the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01. 2007, amended, SG No. 54/2012, effective 17.07.2012) The energy companies, carrying out transmission of electricity, heat and natural gas or for distribution of electricity and natural gas, which provide a service of public interest and which have a dominant position on the market within the meaning given by the Protection of Competition Act, shall be subject to the provisions of the said Act insofar as this does not prevent them, de facto or de jure, from performing the obligations assigned thereto.

## **Chapter Seven**

### **SCHEDULED OUTAGE REGIME, TEMPORARY INTERRUPTION OR LIMITATION**

**Article 72.** (1) A scheduled outage regime for the supply of electricity, heat or natural gas may be introduced whenever the said supply has to be limited or interrupted for a duration exceeding 48 hours within the entire national territory or any part thereof as a result of:

1. force majeure;

2. occurrence, or for prevention, of breakdowns of facilities for generation and transmission of electricity, heat or natural gas and for distribution of electricity and natural gas;

2a. (new, SG No. 54/2012, effective 17.07.2012) overloading of electricity networks;

3. a sustained shortage of power generation facilities or energy resources;

4. measures ordered by state bodies regarding an alert status or in case of hostilities;

5. (supplemented, SG No. 54/2012, effective 17.07.2012) terrorist acts or encroachment against energy works.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy or a Deputy Minister empowered thereby shall be the authority competent to make decisions on introduction of a scheduled outage regime within the national territory.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The mayors shall

designate a scheduled outage regime for heat and natural gas within the territory of the municipality after consultation with the Minister of Energy, in accordance with the ordinance referred to in Article 74 (1) herein.

(4) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall notify about the introduction of a rationing regime or of restrictive conditions under paras 1 - 3 of the Commission, the European Commission in the cases provided for in the ordinance under Article 9, Paragraph 4 and shall announce it through the mass media.

**Article 72a.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy, after consultations with the natural gas companies and organizations representing the interests of the household and non-household customers supplied with gas, and with the Commission shall introduce on a national level:

1. prevention action plan, including measures necessary for elimination or limitation of the impact of the identified risks in accordance with the risk assessment performed;

2. action plan for emergency situations, including measures, which should be taken for removal or mitigation of the impact resulting from interruption of the deliveries of natural gas.

(2) (Amended, SG No. 41/2019, effective 21.05.2019) Risk assessment under Paragraph 1, item 1 shall be performed on the basis of elements indicated in Regulation (EU) No. 2017/1938.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Upon adoption of the plans under Paragraph 1 the Minister of Energy shall co-operate with the competent authorities of the region and with the European Commission aiming at ensuring their compatibility with the plans of other Member States of the European Union, in the region and aiming at development of regional action plans.

**Article 73.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The operator of the electricity transmission network, of the heat transmission network, of the natural gas transmission network, or the relevant distribution network operator may order temporary suspension or limitation of the generation or supply of electricity, heat or natural gas without prior notification to producers and customers:

1. upon occurrence, or for prevention, of breakdowns;

2. where human health or life is endangered;

3. where the integrity of the electric power grid, the heat transmission system or the natural gas transmission system is endangered;

4. (amended, SG No. 54/2012, effective 17.07.2012) in case the system, respectively the network or the customers, risk sustaining substantial physical damage;

5. in case of risk of excessive environmental pollution, on a motion by the competent authorities within the meaning given by Article 10 (1) of the Environmental Protection Act;

6. (amended, SG No. 54/2012, effective 17.07.2012) upon limitation of deliveries of natural gas for reasons beyond the control of the operator of the natural gas transmission network;

7. (new, SG No. 54/2012, effective 17.07.2012, amended, SG No. 59/2013, effective 5.07.2013) in case of impossibility to maintain the balance between generation and consumption in the electric power grid or in case of any deviation from the intersystem schedules for exchange with neighbouring operators above the allowable limits specified in the rules under Article 83, paragraph 1, item 4 of the European Network of Transmission System Operators for electricity (ENTSO for electricity).

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The operators covered under Paragraph (1) shall be obligated to notify in advance producers and customers of the time and duration of the interruption or limitation upon performance of repair works, operating

switchovers, commissioning of new facilities and other such schedulable activities.

(3) The duration of an interruption or limitation under Paragraph (1) may not exceed 48 hours.

**Article 74.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The procedure for introduction of a scheduled outage regime, temporary interruption or limitation of generation or supply of electricity, heat and natural gas shall be established by an ordinance of the Minister of Energy.

(2) Energy companies shall not be liable to pay compensation for any damages inflicted as a result of a scheduled outage regime, temporary interruption or limitation of generation or supply of electricity, heat or natural gas with the exception of the cases where the breakdowns or sustained shortage has occurred through the fault of the said companies.

## **Chapter Seven "a"**

**(New, SG No. 38/2018, effective 8.05.2018)**

# **CONTROL OVER THE IMPLEMENTATION OF REGULATION (EU) No. 1227/2011**

**Article 74a.** (New, SG No. 38/2018, effective 8.05.2018) (1) The Commission can be alerted of a violation of Articles 3 and 5 of Regulation (EU) No. 1227/2011 by:

1. a market participant or a parent company or a related company within the meaning of Regulation (EU) No. 1227/2011;

2. a person which makes transactions in a professional capacity within the meaning of Regulation (EU) No. 1227/2011;

3. a person whose interests have been infringed upon or jeopardised by the violation;

4. a regulatory body of a member state of the European Union or by ACPE;

5. a state body;

6. a prosecutor.

(2) On the basis of an incoming request by a person under Paragraph 1, the Chairperson of the Commission shall designate by a specific order officials who are to carry out a preliminary investigation as to the existence of a justified suspicion of a violation committed.

(3) The preliminary investigation as to the existence of a justified suspicion of a violation committed can also start officially on the basis of an order of the Chairperson of the Commission.

(4) The officials referred to in Paragraph 2 shall prepare a report on the preliminary investigation performed. A joint report on the investigation shall be drawn up in the case of joint investigation with the participation of other regulatory bodies.

(5) The Chairperson of the Commission shall schedule a closed meeting, at which the Commission shall consider the report under Paragraph 4 and shall adopt a decision for:

1. instituting proceedings for ascertaining a violation of Articles 3 and 5 of Regulation (EU) No. 1227/2011 and shall notify ACPE thereof; the decision shall not be subject to appeal;

2. termination of the preliminary investigation.

(6) In the cases under Paragraph 5, Item 1, the Chairperson of the Commission shall designate by a specific order the officials who shall conduct an audit for ascertaining a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011.

(7) The audited person shall be notified that proceedings have been instituted for ascertaining a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011 after their institution or in the case of on-the-spot audit.



(8) The decisions and the minutes from the meetings of the Commission related to the preliminary investigation and ascertainment of a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011 shall not be published on the internet page of the Commission.

**Article 74b.** (New, SG No. 38/2018, effective 8.05.2018) (1) When conducting the audit for ascertaining a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011, the officials under Article 74a (6) shall have the right to:

1. request information and/or documents, tangible, written, digital and electronic evidence, regardless of the type of storage device whereon it is stored and to receive a copy thereof;

2. hear oral or written explanations by all the persons having a bearing on the case, including by those who participate consistently in transmitting the orders or in performing the respective operations, as well as their employers and, if necessary, to summons and hold a hearing of any such person or employer;

3. perform on-the-spot inspections;

4. propose to the Commission to commission an external expert to make an expert assessment;

5. propose to the Commission to apply the measure under Article 74k;

6. request, through the Chairperson of the Commission, information or assistance from another regulatory body of a member state of the European Union and/or from ACPE.

(2) When conducting the inspection, the person who is being inspected, including its parent company or related company within the meaning of Regulation (EU) No. 1227/2011, as well as the state and municipal authorities and their administrations shall be obligated to render assistance to the officials under Article 74a (6).

**Article 74c.** (New, SG No. 38/2018, effective 8.05.2018) (1) The persons, whom information and/or documents have been required from, cannot refuse to provide them invoking a manufacturing, commercial or other secret protected by the law.

(2) The information and/or documents requested shall be submitted within the time limit stipulated by the officials under Article 74a (6). The information, which is being provided, must be full, accurate, truthful and non-misleading.

(3) When the person, whom information and/or documents are requested from, obstructs their gathering, the Commission can assume that the facts that the information and/or documents pertain to have been proven.

(4) When the documents contain data, which gives rise to justified doubts as to other violations under Regulation (EU) No. 1227/2011 as well, they shall be seized and the Commission can initiate new proceedings on the basis thereof.

(5) The information and/or documents gathered in the course of performing the inspection for ascertaining a violation shall be used only for the control purposes stipulated in this Chapter.

**Article 74d.** (New, SG No. 38/2018, effective 8.05.2018) (1) The oral explanations shall be heard and recorded in the minutes by at least two officials designated by the order under Article 74a (6).

(2) The minutes shall be signed by the person who heard the explanations and by the officials under Article 74a (6).

**Article 74e.** (New, SG No. 38/2018, effective 8.05.2018) When there are sufficient grounds to believe that the revealing of the identity of a person, who has given explanations or provided information and/or documents on a violation under Regulation (EU) No. 1227/2011, would lead to serious adverse business or personal consequences for such person, the Commission shall take measures to keep such person's identity secret in accordance with a procedure provided for in ordinance under Article 60.

**Article 74f.** (New, SG No. 38/2018, effective 8.05.2018) (1) The Commission can perform on-the-spot inspections of the person, including of its parent company or related company within the meaning of Regulation (EU) No. 1227/2011, after obtaining permission under Article 74g.

(2) In the case of an on-the-spot inspection, the officials under Article 74a (6) shall have the right to:

1. enter premises, motor vehicles and sites of the persons under Paragraph 1;
2. examine documents and records related to the activities of the persons under Paragraph 1, including commercial or accounting documents, regardless of the storage device on which they are stored;
3. seize or obtain, whether in hard copy, or on a digital or electronic storage device, all kinds of copies or transcripts of documents, as well as existing recordings of phone conversations and data transmission, regardless of the type of storage device whereon they are stored, and in case that is impossible, seize the originals as well as other evidence;
4. seize or obtain electronic evidence, as well as data about the traffic from all kinds of computer data storage devices, computer systems and other media, as well as seize information transmission devices;
5. gain access to all kinds of information storage devices, including servers, which may be accessed through computer systems or other facilities located on the premises being inspected;
6. seal, for a certain time period, premises motor vehicles and other sites used by the persons under Paragraph 1;
7. hear or read oral or written explanations by a representative or by a member of a management body or by the staff of the persons under Paragraph 1 on circumstances related to the subject matter and objective of the on-the-spot inspection.

(3) When on-the-spot inspections are performed, the police authorities shall assist the officials under Article 74a (6) in accordance with their powers provided for in the Ministry of the Interior Act. The procedure for organising and conducting joint actions shall be determined by an instruction issued by the Minister of Interior and the Chairperson of the Commission.

**Article 74g.** (New, SG No. 38/2018, effective 8.05.2018) (1) The on-the-spot inspection shall be performed with the permission of a judge from the Administrative Court of the City of Sofia at the request by the Chairperson of the Commission, which shall contain:

1. the objective of the on-the-spot inspection, the start date and the end date of performing the inspection and the name of the person, including its parent company or related company within the meaning of Regulation (EU) No. 1227/2011, regarding which permission is sought;
2. the nature of the suspected violation;
3. justification of the reasons for which such on-the-spot inspection is needed.

(2) The decision of the Commission under Article 74a, Paragraph 5, Item 1 and the order under Article 74a (6) shall be attached to the request for permission.

(3) The Administrative Court in Sofia shall rule on the request under Paragraph 1 on the day when it is received in a closed hearing with a well-founded pronouncement. The court shall specify in the pronouncement the person regarding which/whom permission is requested. The permission shall be valid for all premises, vehicles and other assets used by the person being inspected. The court shall inform the inspected person of the pronouncement by virtue of which the on-the-spot inspection is permitted to be held, on the day following the start date of the inspection according to the procedure of the Administrative Procedures Code.

(4) When the on-the-spot inspection can be performed simultaneously in respect of the several persons, the Chairperson of the Commission can submit a single joint request. In this case, the court shall pass judgement by separate pronouncement regarding each of the persons for

which/whom permission is sought.

(5) The pronouncement under Paragraphs 3 and 4 shall be subject to appeal before a 3-member jury of the Supreme Administrative Court within a 3-day time limit from its notification to the Commission and to the inspected person(s) respectively. Any such appeal shall not stay the execution. The Supreme Administrative Court shall pass judgement on the appeal in a closed hearing with a well-founded pronouncement within a 3-day time limit from the receipt thereof.

(6) In the case of a pronouncement of the court which has entered into force and by virtue of which permission for performing the on-the-spot inspection is denied, the evidence collected in the course of the on-the-spot inspection shall be returned to the inspected person and shall not be taken into consideration during the proceedings.

**Article 74h.** (New, SG No. 38/2018, effective 8.05.2018) (1) In the on-the-spot inspection, evidence shall be gathered by the officials under Article 74a (6) in the presence of the inspected person, employees thereof or another person who is authorized to be present in the premises or vehicles or who was found therein during the inspection.

(2) The copies of the seized document shall be certified by the official under Article 74a (6) and by the inspected person or by a person authorized by the inspected person. In the case of refusal by the inspected person or by the person authorized by the inspected person to certify the documents, the certification shall be effected by the official and the refusal shall be made note of in the minutes under Paragraph 7.

(3) The electronic copies of the documents and of the digital and electronic evidence seized by means of a special software shall be sealed in an appropriate way.

(4) The original documents shall be seized in the condition in which they have been found during the inspection and shall be returned to the inspected person after the decision of the Commission under Article 74m enters into force.

(5) The seized original documents shall be returned prior to the entry into force of the decision of the Commission under Article 74m:

1. when the exercising of rights under such original documents is associated with their actual possession;
2. at the request of the inspected person.

(6) In the cases referred to in Paragraph 5, the Commission shall use copies of the original documents, which shall be certified by the Commissions' official and by the inspected person or a person authorized by the inspected person.

(7) Regarding the evidence seized as per Paragraph 2, an on-the-spot record shall be drawn, which shall fully and accurately inventorize what has been seized. The record shall be drawn up in two counterparts, shall be signed by the persons under Paragraph 2, where the one counterpart thereof shall be provided to the inspected person.

**Article 74i.** (New, SG No. 38/2018, effective 8.05.2018) (1) When special knowledge is needed for the purpose of clarification of the circumstances pertaining to the proceedings, the Commission can commission, by virtue of a decision, one or more external experts to perform an expert examination. The decision shall specify the expert, the objective of the expert examination, as well as the deadline by which a report with the expert findings shall be presented, where the decision shall be notified to the inspected person.

(2) No person directly or indirectly interested in the outcome of the proceedings may be appointed expert.

(3) Within a 3-day time limit from the notification under Paragraph 1, the inspected person can request recusal of the expert designated in the decision, by submitting evidence in connection

with Paragraph 2.

(4) When the request is well-grounded, the Commission shall commission another external expert to perform the expert examination.

(5) The expert conclusion shall not be binding on the Commission but shall rather be discussed together with the other pieces of evidence collected in the course of the proceedings.

**Article 74j.** (New, SG No. 38/2018, effective 8.05.2018) (1) The inspected person shall have the right of access to all the pieces of evidence collected in the course of the inspection, with the exception of the materials containing a manufacturing, commercial or other secret protected by the law. No access shall be given to internal documents of the Commission, including correspondence with the ACPE and other regulatory authorities of the European Union Member States.

(2) Each entity providing information to the Commission in the course of the proceedings shall identify the materials which, according to such entity, contain industrial, trade or other secrets protected by law and should be regarded by the Commission as confidential. In such cases the entity shall support such claims with evidence and shall present such materials in a version wherein the data which such entity regards as confidential has been deleted.

**Article 74k.** (New, SG No. 38/2018, effective 8.05.2018) (1) (Supplemented, SG No. 79/2019, effective 8.10.2019) In case there are sufficient indications of a committed violation in the instituted proceedings for ascertaining a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011, in certain urgent cases, because of a risk of serious and irreparable damages to the electricity or natural gas market, the Commission can order immediate cessation by the inspected person and/or by its parent company and/or related company within the meaning of Regulation (EU) No. 1227/2011 of the practices which contradict that same Regulation, the delegated acts or the acts of enforcement adopted on the basis of this Regulation.

(2) The measure referred to in Paragraph 1 can be applied at any time in the course of the proceedings, by virtue of the decision of the Commission which is subject to immediate execution.

(3) (Supplemented, SG No. 77/2018, effective 1.01.2019) The decision referred to in Paragraph 2 can be appealed before the Administrative Court - Sofia Region within a 14-day time limit of the date when it is communicated as per the procedure prescribed by the Administrative Procedures Code. The appeal of the decision shall not stay its enforcement.

**Article 74l.** (New, SG No. 38/2018, effective 8.05.2018) (1) After the completion of the inspection, the officials under Article 74a (6) shall submit a report to the Commission.

(2) The Chairperson shall schedule a closed meeting, at which the Commission can:

1. give compulsory instructions for conducting a supplementary investigation, while stipulating a time limit for compliance with them;

2. shall accept the report and, when the report contains a manufacturing, commercial or other secret protected by the law, a summary thereof.

(3) In the cases under Paragraph 2, Item 1, the officials under Article 74a (6) shall conduct a supplementary investigation and shall submit a report thereof, while the procedure under Paragraph 2 shall be applied.

(4) The report or the summary of the report respectively shall be sent to the inspected person for submitting an opinion within a time limit stipulated by the Commission but not shorter than 1 (one) month.

(5) Within the time limit referred to in Paragraph 4, the inspected person shall be entitled to access to the materials collected in the course of the proceedings instituted, with the exception of those containing a manufacturing, commercial or other secret protected by the law.

(6) The Commission can schedule an open meeting under closed doors for hearing the testimony of the inspected person.

**Article 74m.** (New, SG No. 38/2018, effective 8.05.2018) (1) In a closed meeting, the Commission shall adopt a decision, by virtue of which:

1. it shall ascertain that no violation has been committed or that no actions for committing a violation under Article 3 and 5 of Regulation (EU) No. 1227/2011 have been undertaken, and it shall terminate the proceedings;

2. it shall ascertain that a violation has been committed or that actions for committing a violation under Articles 3 and 5 of Regulation (EU) No. 1227/2011 have been undertaken. By virtue of a decision, the Commission shall impose the fine or the pecuniary sanction under Article 224d and can apply the measure under Article 74k.

(2) (Supplemented, SG No. 77/2018, effective 1.01.2019) The decision can be appealed against before the Administrative Court - Sofia Region according to the procedure of the Administrative Procedures Code, where the appeal shall stay the execution, with the exception of that part of the decision by virtue of which the measure under Article 74k is applied.

**Article 74n.** (New, SG No. 38/2018, effective 8.05.2018) (1) The Commission shall exercise preventive, contemporaneous and subsequent control over the compliance with the obligations under Articles 4, 8, 9 and 15 of Regulation (EU) No. 1227/2011.

(2) In exercising the control referred to in Paragraph 1, the Commission shall conduct inspections through officials designated by an order of the Chairperson of the Commission. Article 78, Paragraphs 2 and 3 shall apply to the inspections.

(3) The officials shall draw up a record of findings and shall attach thereto the collected evidence regarding the inspection conducted.

(4) The violations under Articles 4, 8, 9 and 15 of Regulation (EU) No. 1227/2011 shall be established by an act for ascertaining an administrative violation, which shall be drawn up by officials designated by an order of the Chairperson of the Commission.

**Article 74o.** (New, SG No. 38/2018, effective 8.05.2018) When performing its activity under this chapter, the Commission shall collaborate with the Ministry of Interior, Ministry of Finance, Financial Supervision Commission, Competition Protection Commission, Consumer Protection Commission and the competent authorities of the judiciary. The interaction and collaboration of the Commission with the Competition Protection Commission and with the Financial Supervision Commission shall be implemented on the basis of joint rules adopted by the respective commissions.

**Article 74p.** (New, SG No. 38/2018, effective 8.05.2018) (1) The Commission shall collaborate with ACPE and with regulatory bodies of other member states of the European Union, by receiving and providing assistance and by exchanging information according to the procedure of Regulation (EU) No. 1227/2011.

(2) The information exchanged shall be used while ensuring the same degree of protection as the one ensured by the regulatory body of the member state of the European Union or by ACPE, which have provided it.

## **Chapter Eight**

# **CONTROL IN THE ENERGY SECTOR**

**Article 75.** (1) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall exercise preventive, current and follow-up control over:

1. (amended, SG No. 74/2006) the technical condition and the operation of the energy

works;

2. application of the procedure and technical terms for heat supply, disconnection of heat delivery and application of share allocation of heat;

3. fulfilment of the obligation to build and store stocks of fuels required for secure and uninterrupted energy supply;

4. (amended, SG No. 35/2009, effective 12.05.2009) the readiness of the energy works to operate in disaster and in wartime;

5. (amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) fulfilment of the obligations under this Act to provide information to the Ministry of Energy;

6. (new, SG No. 54/2012, effective 17.07.2012) the implementation of the National Investment Plan for the period 2013 - 2020.

(2) The Commission shall exercise control over:

1. compliance with the terms of the licences as issued;

2. application of the prices referred to in Article 30 (1) herein;

3. (repealed, SG No. 74/2006).

(3) (New, SG No. 41/2019, effective 21.05.2019) The Fund shall exercise control of the correctness and completeness of the supplied information, based on which the Fund's resources are accrued and collected.

**Article 76.** (1) The Commission shall control the conformity of the licensed activities performed with the conditions of the licences as issued.

(2) The Commission shall exercise preventive, current and follow-up control.

(3) The Commission shall exercise preventive control over the procedures for issuance of licences under this Act.

(4) The Commission shall exercise current control over the conformity of the performance of the licensed activity with the licence conditions, including:

1. compliance with the requirements for security of deliveries of electricity, heat and natural gas and for efficient use of energy and energy resources;

2. (supplemented, SG No. 54/2012, effective 17.07.2012) fulfilment of the obligations to provide access to the networks, to the storage facilities and services for temporary natural gas storage, as well as the correct implementation of the conditions for providing of access;

3. application of the prices endorsed by the Commission;

4. fulfilment or readiness to fulfil additional obligations for cessation of the licensed activity after expiry of the term of validity of the licence or upon termination of the said licence, as well as for decommissioning of energy works;

5. fulfilment of the obligations to insure the property whereby the licensed activity is performed or to fulfil the financial security obligations;

6. (supplemented, SG No. 54/2012, effective 17.07.2012) fulfilment of the obligations to keep and provide information to the Commission;

7. (amended, SG No. 54/2012, effective 17.07.2012) fulfilment of the obligations to provide information to the relevant transmission network operator;

7a. (new, SG No. 54/2012, effective 17.07.2012) compliance with the long-term contracts and terms and conditions of contracts for interruptible services as well as their conformity with the European Union law and their conformity with the policies of the European Union;

8. (amended, SG No. 54/2012, effective 17.07.2012) checking the justifiability of complaints and alerts against energy companies, including breaches of contracts, non-fulfilment of obligations for connection of producers and customers to the networks, or interruption of energy or natural gas supply;

9. (new, SG No. 54/2012, effective 17.07.2012) presence of restrictive contractual practices and exclusivity provisions, which may prevent non-household customers from concluding contracts simultaneously with more than one provider or to limit their choice of providers;

10. (new, SG No. 54/2012, effective 17.07.2012) the time within which the operators of electricity transmission/distribution and natural gas transmission/distribution networks perform connections to the networks, repairs, and intersystem connections.

11. (new, SG No. 54/2012, effective 17.07.2012) compliance with rules of operation with users of energy services;

12. (new, SG No. 54/2012, effective 17.07.2012) compliance with the requirements determined in Regulation (EC) No. 714/2009 and Regulation (EC) No. 715/2009;

13. (renumbered from Item 9, SG No. 54/2012, effective 17.07.2012) other conditions specified in the licence.

(5) The Commission shall exercise follow-up control over the implementation of recommendations and prescriptions issued to licensees.

(6) (New, SG No. 54/2010, effective 16.07.2010, supplemented, SG No. 54/2012, effective 17.07.2012) The Commission shall exercise control over the activities referred to in Article 39, Paragraph 1 herein, as well as over the discharge of the obligation to secure access to one's own fixture and/or equipment and to natural gas extraction pipeline network, as well as ensuring access to their use in the cases provided for in this Act.

**Article 77.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) In exercise of the control powers thereof, the Minister of Energy shall:

1. conduct inspections through persons authorized thereby;
2. notify the specialized control authorities with a view to taking measures within the scope of the competence of the said authorities;
3. impose coercive administrative measures and administrative sanctions provided for by this Act.

(2) In exercise of the control powers thereof, the Commission shall:

1. conduct inspections through persons authorized thereby;
2. notify the specialized control authorities with a view to taking measures within the scope of the competence of the said authorities;
3. suspend the operation, modify or withdraw a licence as issued;
4. impose coercive administrative measures and administrative sanctions provided for by this Act.

(3) (New, SG No. 41/2019, effective 21.05.2019) In exercise of the control powers thereof, the fund shall:

1. conduct inspections through persons authorized thereby;
2. notify the specialized control authorities with a view to taking measures within the scope of the competence of the said authorities.

(4) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, renumbered from Paragraph 3, amended, SG No. 41/2019, effective 21.05.2019) The Minister of Energy, the Commission or the fund respectively, as the case may be, shall have the right to demand from persons inspected to provide information regarding the operation thereof, the documents required in connection with the exercise of control and, where necessary, to approach the specialized control authorities for assistance.

**Article 78.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, supplemented, SG No. 41/2019, effective 21.05.2019) Persons who conduct inspections and who draw up statements ascertaining violations committed shall be designated by an order of the Minister of Energy, the Chairperson of the fund's management Board, or by the Chairperson of the Commission depending on the competence vested therein under this Act.

(2) The persons referred to in Paragraph (1), hereinafter referred to as the "control authorities," shall have the right:

1. to unimpeded access to the persons and works controlled thereby for inspection;
2. to demand from the relevant officials to produce the required data, information, explanations, operating and other information, including the performance or the commissioning of performance of expert assessments, measurements and tests in order to clarify the technical conditions and the service conditions of the work, including the licensed competence of the personnel, as well as any other information relevant to ensuring compliance with the conditions of the licence;
3. to conduct cross-checks and to demand from third parties to provide information and documents required for conduct of such cross-checks;
4. (amended, SG No. 54/2012, effective 17.07.2012) to issue mandatory prescriptions;
5. to make proposals for imposition of coercive administrative measures and administrative sanctions.

(3) The person inspected shall be obligated to ensure all conditions required for the normal conduct of the inspection and to cooperate with the control authorities and, to this end:

1. (amended, SG No. 41/2019, effective 21.05.2019) provide a place for conduct of the inspection or present himself or herself at the building of the Ministry, respectively of the Commission or the Fund, as the case may be;
2. designate an employee thereof to liaise with and render assistance to the officials who conduct the inspection;
3. provide access to official premises;
4. produce all accounting, business and other documents required for establishment of facts and circumstances relevant to the scope of the inspection;
5. provide written explanations at the request of the control authority.

(4) The prescriptions issued by control authorities in exercise of the powers vested therein under this Act shall be mandatory.

**Article 79.** (1) The control authorities shall be obligated to safeguard any official, production and commercial secrets that have come to the knowledge thereof in the course of or in connection with the implementation of control activities.

(2) The control authorities shall perform the activity thereof independently or, where necessary, jointly with other specialized control authorities.

**Article 80.** (1) The control authorities shall draft a memorandum on the results of each inspection, attaching thereto the data, documents and explanations collected.

(2) Any such memorandum shall be signed by the drafter and the person inspected or, should the latter refuse to sign, by two witnesses of the refusal.

(3) (New, SG No. 54/2012, effective 17.07.2012) No statement of findings shall be prepared in the cases where the control authorities have found violations of this Act and of the secondary legislation for its implementation on the basis of official documents, and well as in case of failure to fulfil the obligation for providing documents and information provided for in this Act and in secondary legislation for its implementation.

(4) (Renumbered from Paragraph 3, amended, SG No. 54/2012, effective 17.07.2012) On



the basis of the results of the inspection, the control authorities may:

1. issue mandatory prescriptions to the persons inspected;
2. draw up statements ascertaining administrative violations, and
3. propose imposing of enforcement administrative measures;

(5) (Renumbered from Paragraph 4, SG No. 54/2012, effective 17.07.2012) The persons who are issued mandatory prescriptions shall notify the control authorities of the compliance with the said prescriptions within the time limit appointed thereto.

**Article 80a.** (New, SG No. 17/2015, effective 6.03.2015) (1) The authorities of the Public Financial Inspection Agency shall exercise follow-up control over the energy enterprises performing activities at regulated prices, including at preferential prices of electricity. The control shall encompass their financial, economic and reporting activity at regulated prices, including at preferential prices.

(2) (Repealed, SG No. 35/2015, effective 15.05.2015).

(3) The energy enterprises under Paragraph (1), to which the Public Financial Inspection Act is applied, shall be subject on an annual basis to control by the authorities of the Public Financial Inspection Agency within the boundaries of financial inspection.

(4) The energy enterprises under Paragraph (1), to which the Public Financial Inspection Act is not applied, shall be subject on an annual basis to control by the authorities of the Public Financial Inspection Agency through follow-up audits.

(5) (New, SG No. 35/2015, effective 15.05.2015) Electricity producers possessing a plant with total installed capacity of below 1 MW shall not be subject to control on an annual basis under Paragraph (4). Such producers shall be subject to a check by the authorities of the Public Financial Inspection Agency according to an endorsed annual plan on the basis of risk assessment under the following criteria:

1. commissioning date;
2. amount of the feed-in tariff for mandatory purchase of the electricity produced;
3. date of conclusion of the purchase contract with the end supplier;
4. type of the energy source and production technology.

(6) (Renumbered from Paragraph (5), SG No. 35/2015, effective 15.05.2015) The order for performance of an audit by the authorities of the Public Financial Inspection Agency shall be issued by the director of the agency or by officials authorized by the director of the agency and shall not be subject to appeal.

(7) (Renumbered from Paragraph (6), SG No. 35/2015, effective 15.05.2015) The Minister of Energy may request from the Public Financial Inspection Agency to perform a financial inspection or a follow-up audit in specific cases.

(8) (Renumbered from Paragraph (7), SG No. 35/2015, effective 15.05.2015) When performing the audits under Paragraph (4), the authorities of the Public Financial Inspection Agency shall have the right:

1. to free access to the audited site;
2. to audit the entire documentation pertaining to the financial, economic and reporting activity at regulated prices, including at preferential prices;
3. to demand from the officials at the audited sites documents, evidence and information in connection with the audit.

(9) (Renumbered from Paragraph (8), SG No. 35/2015, effective 15.05.2015) The persons at the audited sites shall be obligated to render assistance to the authorities of the Public Financial Inspection Agency, to provide unobstructed access to the office premises and to the entire documentation, as well as to provide within the deadlines set the necessary documents, evidence

and information pertaining to the audit. The documents in a foreign language shall be provided together with a certified translation in Bulgarian. The persons shall not have the right to refuse access to information, with the excuse that this is their own or someone else's trade or bank secret, as well as that this is information classified as state or official secret, in compliance with the Classified Information Protection Act.

(10) (Renumbered from Paragraph (9), SG No. 35/2015, effective 15.05.2015) When performing the audits, the authorities of the Public Financial Inspection Agency shall be obligated to:

1. identify themselves by means of a official badge or by means of an order for performing the audit;
2. record precisely the results from the audit activity;
3. not to disclose and not to divulge information that became known to them in the process of performing the audit.

(11) (Renumbered from Paragraph (10), SG No. 35/2015, effective 15.05.2015) The Public Financial Inspection Agency shall prepare a report on the results from the performed audit, which shall contain the findings made supported by evidence.

(12) (Renumbered from Paragraph (11), amended, SG No. 35/2015, effective 15.05.2015) The report under Paragraph (11) shall be served on the person who represents the energy enterprise. After the serving of the report, this person may give a written opinion within a 14-day time limit from the serving of the report. The authorities of the Public Financial Inspection Agency shall rule with a reasoned written conclusion within a 7-day time limit of receiving the opinion.

(13) (Renumbered from Paragraph (12), SG No. 35/2015, effective 15.05.2015) If there are indication of a crime committed, the materials from the audit shall be forwarded to the prosecutor's office.

(14) (Renumbered from Paragraph (13), amended, SG No. 35/2015, effective 15.05.2015) The reports under Paragraph (11), together with the reasoned written conclusion and the written opinion under Paragraph (12), shall be sent, within a 7-day time limit from its preparation, to the Minister of Energy and to the Commission.

(15) (Renumbered from Paragraph (14), amended, SG No. 35/2015, effective 15.05.2015) The report under Paragraph (11), together with the reasoned written conclusion and the report on the performed financial inspection under Paragraph (3), together with the reasoned written conclusion, shall be published on the web page of the Public Financial Inspection Agency within a 7-day time limit from the preparation of the conclusion.

**Article 81.** The State and municipal bodies and the administrations thereof, as well as any persons obligated under the law, shall be obligated to cooperate with the control authorities bodies in the exercise of the powers vested therein.

## **Chapter Eight "a"**

**(New, SG No. 54/2012, effective 17.07.2012)**

# **CERTIFICATION OF TRANSMISSION NETWORK OPERATORS. RULES FOR IMPLEMENTATION OF INVESTMENTS. INDEPENDENCE OF TRANSMISSION OPERATORS**

## **Section I**

### **(New, SG No. 54/2012, effective 17.07.2012)**

# **Certification of operators of transmission networks. Rules for implementation of investments**

**Article 81a.** (New, SG No. 54/2012, effective 17.07.2012) (1) The Commission shall certify each operator of transmission network for compliance with the requirements for independence and shall monitor their compliance by the certified operator.

(2) The Commission shall establish certification procedures under paragraph 1 at its own initiative, upon a request of the transmission operator or upon a reasoned request of the European Commission.

(3) The Commission shall adopt a draft decision for certification or shall refuse certification within 4 months from the date of submission of the request for certification or from filing of proceedings under its initiative or at request of the European Commission. In case that within the stated time-limit the Commission fails to explicitly issue a decision, the draft certification decision shall be deemed adopted.

(4) The draft decision under paragraph 3 together with all information related to it shall be notified immediately to the European Commission.

(5) The transmission network operator and the companies performing any function related to electricity generation, extraction of natural gas, or delivery of electricity or natural gas, production of natural gas from renewable sources shall provide at request of the Commission or of the European Commission any information related to fulfillment of obligations for operator's independence.

(6) The decision for determining of an operator shall be notified to the European Commission and shall be published in the Official Journal of the European Union. When determining an independent system operator, Article 81k, Paragraph 10 shall apply.

(7) The conditions and procedure for certification of transmission network operators shall be determined by the ordinance under Article 60.

**Article 81b.** (New, SG No. 54/2012, effective 3.03.2013) (1) Where the certification has been requested by an owner or operator of a transmission network, which are controlled by a person or persons from a third country or countries, the Commission shall inform the European Commission.

(2) The Commission shall immediately notify the European Commission about any circumstance, which may lead to acquiring of control over a transmission network or a transmission network operator by persons from third countries.

(3) Transmission network operators shall notify the Commission about any circumstance, which may lead to acquiring of control over a transmission network or a transmission network operator by persons from third countries.

(4) The draft of decision of the Commission for certification of a transmission network operator, which is or whose owner is controlled by persons from third countries, respectively the draft of refusal for certification shall be adopted within 4 months from the date of receiving of the request under paragraph 1.

(5) Certification requested by the persons under paragraph 1 shall be refused where it has not been proven that:

1. the respective person complies with the requirements for transmission network operator

independence and

2. certification shall not pose any risk for the security of electricity and natural gas supply of the Republic of Bulgaria and of the European Union, taking into account:

a) rights and obligations of the European Union in relation to a third country, which result from the international law, including any agreement concluded with one or more third countries, the European Union is a party to, and which deals with the matters of security of supply of electricity and natural gas;

b) rights and obligations of the Republic of Bulgaria in relation to third country, which result under agreements concluded with it, to the extent they are in line with the legislation of the European Union and

c) other specific facts and circumstances with relevance to the case and the respective third country.

(6) Except in the cases under Paragraph 5, certification shall be also refused where:

1. it may lead to violation of security of supply in the Republic of Bulgaria or the security of deliveries in another Member State of the European Union;

2. a threat to the national security and public order may arise;

3. The European Commission has given a negative opinion concerning certification.

(7) The Council of Ministers shall adopt decision whereby it shall make a judgment as to the presence of circumstances under Paragraph 5, item 2 and Paragraph 6, items 1 and 2, at request of the Commission, which shall be accompanied by the whole relevant information. The decision of the Council of Ministers shall be binding for the Commission.

(8) The draft of the decision under Article 4 concerning certification of transmission network operator, which is, or whose owner is controlled by person or persons of third country or countries, together with all the information related to it shall be immediately submitted to the European Commission for opinion as to whether the requirements for independence of transmission network have been complied with and whether the certification shall not pose any risk for the security of supply of electricity and natural gas for the European Union.

(9) The Commission shall adopt final decision concerning certification of transmission network operator which is, or whose owner is controlled by persons of third countries in accordance with the opinion of the European Commission within two months after its receipt or from the expiry of the term for receiving of such opinion.

(10) The term for receiving of opinion of the European Commission shall be two months and in case the European Commission has requested for opinion of ACER - 4 months, and it shall start from the submission of the draft of the decision under Article 8 and of the respective information.

(11) The decision under Article 9 shall be submitted to the European Commission together with all relevant information and shall be published together with the opinion of the European Commission, and where the decision deviates from that opinion - the arguments on which the decision is based.

(12) The conditions and procedure of certification shall be determined by the ordinance under Article 60 and guidelines of the European Commission concerning the certification procedure under paras 1 through 11.

**Article 81c.** (New, SG No. 54/2012, effective 17.07.2012) Control over any transmission network operator, which is also an owner of the transmission network, may not be gained either directly or indirectly, nor any rights may be exercised by companies performing any of the following activities: electricity generation, production of gas from renewable sources, extraction of natural gas or delivery of electricity or of natural gas.

**Article 81d.** (New, SG No. 54/2012, effective 17.07.2012) (1) The transmission network operator shall develop, consult with all parties concerned and provide on annual basis to the Commission by 30 April a 10-year plan, which shall:

1. show to market participants the main transmission infrastructure, which is scheduled for construction, extension, and modernization in the following 10 years;
2. include all investments, for which a decision has already been made and determine the new investments, which should be made in the following three years;
3. envisage a schedule for all investment projects.

(2) When preparing the 10-year plan for development of the transmission network, the transmission network operator shall take into account the available information concerning any forthcoming changes in the production, deliveries, consumption and exchange with other countries, including studies, plans and forecasts under Article 87, Paragraph 3, taking into consideration also the investment plans for regional networks and networks in the territory of the European Union. When preparing the 10-year plan for development of the transmission network, the operator shall also take into account the investment plans for natural gas storage facilities.

(3) The Commission shall consult with all present or potential users of the network in relation to the 10-year plan for development of the transmission network in an open and transparent manner. The persons or companies claiming to be potential users of the network may be required to substantiate their assertions. The results of the consultation process, including possible needs of investments shall be published on the website of the Commission.

(4) The Commission shall investigate whether the 10-year plan for development of the transmission network covers all needs of investments established in the consultation process, and whether it is in conformity with the 10-year plans for development of the transmission networks in the European Union.

(5) The Commission shall monitor and evaluate the implementation of the 10-year plan for development of the transmission network.

(6) Unless there are pressing reasons beyond his control, where any independent transmission operator fails to make an investment, which in accordance with the 10-year plan for development of the transmission network should have been performed in the following three years, the Commission shall impose an obligation on the operator to make the necessary investments, if these are still needed to be made, as well as to ensure recovery of the cost of such investments through the prices of the network services.

## **Section II**

**(New, SG No. 54/2012, effective 17.07.2012)**

### **Independent Transmission Operator**

**Article 81e.** (New, SG No. 54/2012, effective 17.07.2012) (1) An independent transmission operator of electricity or natural gas transmission network - that is part of a vertically integrated company shall be a shareholding company with two-tier management system.

(2) The management board of the independent transmission operator shall make decisions in relation to current activities of the transmission network operator, the management of the transmission network and the activities necessary for preparation of the 10-year plan for the development of the network.

(3) Members of the management board of the independent transmission operator shall be elected and dismissed by the supervisory board. The supervisory board shall promptly send to the

Commission the selection decision, as well as information about the conditions providing for the terms of reference, its duration, and termination, conditions of work, including remuneration, respectively the decisions on early dismissal, together with their reasoning. The decisions shall take effect, if within a three-week period from notification, but not less than the appeal term under Paragraph 7, the Commission does not object against them.

(4) The Commission shall be informed about the decisions on:

1. selection of a member of the management board of the independent transmission operator

2. early dismissal of a member of the management board of the independent transmission operator after its receipt by the person subject to dismissal.

(5) Members of the management board of the independent transmission operator:

1. shall not take any professional position or responsible job, shall not have, directly or indirectly, any economic interests or business relation with any other part of the vertically integrated company or with its shareholders, holding the controlling interest;

2. shall not have any interests or shall not receive any financial benefits, directly or indirectly, in any part of the vertically integrated company;

3. shall receive remuneration, which is not dependent on the activities or the performance of the vertically integrated company, other than these of the transmission network operator.

(6) The majority of the members of the management board of the independent transmission operator shall be persons, who, three years prior to their appointment, have not taken any professional position or responsible job, have not had any interests or business relations, directly or indirectly, in the vertically integrated company or in any other part of it other than the transmission network operator, or with its shareholders, holding the controlling interest. The other members of the management board shall be persons, who, during a period of at least 6 months prior to their appointment have not exercised any management or other similar activity in the vertically integrated company.

(7) The members of the management board of the independent transmission operator shall have the right to appeal the decision of the supervisory board concerning early termination of the management contracts before the Commission in accordance with the procedure of Article 22, Paragraph 1, item 4, within 7 days from receipt of the decision.

(8) After termination of their terms of reference, the members of the management board of the independent transmission operator shall not take any professional position or responsible job, shall not have any interests or business relations, directly or indirectly, with any other part of the vertically integrated company, other than the transmission network operator, or with its shareholders, holding the controlling interest, for a period not less than 4 years.

(9) The provisions of Paragraph 5, Paragraph 6, first sentence, and Paragraph 8 shall also apply to the persons reporting directly to the members of the management board of the independent transmission operator on matters related to the operation, maintenance and development of the network.

(10) Upon termination of their permanent employment contracts, the persons under Paragraph 9 may appeal against termination before the Commission in accordance with the procedure under Article 22, Paragraph 1, item 4, within 7 days from receiving of the document of termination, and Paragraph 3 shall apply, respectively.

(11) The Commission may object against a decision on:

1. election of a member of the management board of the independent transmission operator, if any doubts concerning his/her professional independence arise;

2. early dismissal of member of the management board of the independent transmission

operator, if there are any doubts concerning the grounds for his/her dismissal.

**Article 81f.** (New, SG No. 54/2012, effective 17.07.2012) (1) The supervisory board of the independent transmission operator shall adopt decisions, which may materially impact the value of the assets of the transmission network operator, including decisions related to approval of the annual financial plans, the level of indebtedness of the transmission network operator and decisions that are binding for the general meeting of the shareholders of the operator in relation to the amount of dividend to be distributed among the shareholders.

(2) (Amended, SG No. 83/2018) Members of the supervisory board of the independent transmission operator shall be elected by the general meeting of shareholders. The supervisory board shall consist of 3 to 7 members, representing the vertically integrated company and members representing third party shareholders, where such shareholders exist, and the Commission shall be notified of the election. The decision of the general meeting of shareholders shall take effect if the Commission does not object against the election of the half minus one of the members of the supervisory board on the grounds stated in Article 81e, Paragraph 11, item 1.

(3) The provisions of Article 81e, Paragraph 7 and Paragraph 11, item 2 shall apply to all members of the supervisory board of the independent transmission operator, and Article 81e, paragraphs 3, 4, 5, Paragraph 6, first sentence, and paragraph 8 shall apply respectively to at least half minus one of the members of the supervisory board.

**Article 81g.** (New, SG No. 54/2012, effective 17.07.2012) (1) The independent transmission operator of an electricity or natural gas transmission network shall have at its disposal all human, physical, and financial resources necessary for fulfillment of the obligations for performance of the activities of electricity or natural gas transmission.

(2) The operator under paragraph 1 shall be an owner of the assets necessary for the activities for electricity or natural gas transmission, including of the transmission network, and shall have its own legal identity, separate headquarters, personnel and shall use independently the necessary equipment, and legal, accounting, and information services.

(3) Without prejudice to the decisions of the supervisory body in accordance with Article 81f, Paragraph 1, the independent transmission operator shall have the right to make decisions independently of the vertically integrated company in relation to assets necessary for performance, maintenance or development of the transmission network, and shall also have powers to propose decisions binding for the general meeting of shareholders on raising of funds in the equity market through a loan or by increase of the capital.

(4) The independent transmission operator shall appoint the necessary personnel, and it may not employ and provide personnel from and for other parts of the vertically integrated company.

(5) It is forbidden to provide services to the independent transmission operator of:

1. an electricity transmission network by other parts of the vertically integrated company, performing activities for delivery or generation of electricity;

2. gas transmission network of other parts of the vertically integrated company, performing activities for delivery or production of natural gas.

(6) The independent transmission operator may provide services to the vertically integrated company, provided the provision of such services;

1. shall not lead to discrimination between various users of the network;

2. shall be accessible to all network users under the same conditions and procedure;

3. shall not limit, shall not violate, and shall not prevent competition in the production or deliveries.

(7) The Commission shall approve the conditions and procedure for provision of the

services under Paragraph 6.

(8) The independent transmission operator shall not disclose any information, which is a trade secret to the other parts of the integrated company, unless necessary for concluding a trade deal. In case of deals of sales to or purchases from related companies, the operators may not misuse information, which is a trade secret obtained from third parties in the process of ensuring or negotiating access to the system.

(9) The independent transmission operator, through its corporate identity, communications and trade marks and works shall not create any confusion in relation to the separate identity of the vertically integrated company or to any part thereof.

(10) The independent transmission operator and any part of the vertically integrated company, performing activities for delivery or production of electricity or natural gas shall use independent information technology systems or equipment, premises, and security systems in relation to the access thereto, as well as various consultants or external contractors of IT systems or equipment and security systems in relation to access.

(11) The independent transmission operator shall notify the Commission about planned transactions, which may require revision of its compliance with the requirement for independence.

(12) An audit by an independent auditor other than the one of the vertically integrated company and the companies integrated in it shall be performed to the independent transmission operator.

(13) The requirement of paragraph 2 shall be deemed fulfilled where two or more companies possessing transmission networks have established a joint venture acting as transmission network operator in the Republic of Bulgaria and in other Member State(s) of the European Union. No other company may be part of the joint venture unless approved as an independent transmission operator or as an independent system operator of a transmission network.

**Article 81h.** (New, SG No. 54/2012, effective 17.07.2012) (1) A vertically integrated company may not perform activities preventing or harming the independent transmission operator when the latter performs its obligation under the law, and the independent transmission operator shall not ask permission from the vertically integrated company for performing its obligations under this section.

(2) Without prejudice to the decision of the supervisory body in accordance with Article 81f, paragraph 1, the vertically integrated company shall provide to the independent transmission operator sufficient financial resources for future investment projects and/or for replacement of existing assets upon a substantiated and economically feasible request by the operator.

**Article 81i.** (New, SG No. 54/2012, effective 17.07.2012) (1) Subsidiaries of the vertically integrated company performing the functions for production or delivery shall have no direct or indirect interest in the capital of the independent transmission operator. The operator shall have no interest, direct or indirect, in the capital of any subsidiary of the vertically integrated company performing the functions for production or delivery, nor shall it receive any dividend or other financial benefit from that subsidiary.

(2) The entire management structure and statute of the independent transmission operator shall guarantee its effective independence. The vertically integrated company shall not determine directly or indirectly the competitive behaviour of the operator in relation to its current activities and management of the network or in relation to the activities necessary for preparation of the 10-year plan for development of the network, elaborated in accordance with Article 81d.

(3) All commercial and financial relations between the vertically integrated company and



the independent transmission operator, including loans granted by the operator to the vertically integrated company shall be implemented under market conditions. The operator shall keep detailed documentation for these commercial and financial relations and upon request shall provide to the Commission access to it.

(4) The independent transmission operator shall submit for approval to the Commission all commercial and financial agreements of the vertically integrated company.

(5) The independent transmission operator shall inform the Commission about financial resources provided under Article 81h, Paragraph 2.

**Article 81j.** (New, SG No. 54/2012, effective 17.07.2012) (1) The independent transmission operator shall develop and implement a conformity programme stating all measures for not allowing discriminatory behaviour of the operator, as well as the specific obligations of the employees of the operator for achieving that goal, The conformity programme shall come into effect after approval by the Commission.

(2) The control of the implementation of the conformity programme shall be entrusted to a person selected as a compliance officer by the supervisory board of the independent transmission operator. The selection of a compliance officer shall be approved by the Commission, which may refuse the approval on the grounds of lack of independence or lack of professional competence. The requirements for independence and the procedure of selection, notification of the Commission and dismissal under Article 81e, paragraphs 3 through 8 and 10 shall also apply to the compliance officer.

(3) In fulfillment of his/her powers the compliance officer shall:

1. monitor the implementation of the conformity programme and shall submit to the Commission quarterly reports on its implementation;

2. prepare on annual basis and submit to the Commission an annual report, where it shall state the measures taken for implementation of the programme for conformity;

3. prepare and submit to the supervisory board a report and give recommendations under the conformity programme and for its implementation;

4. notify the Commission about significant violations in the implementation of the conformity programme and about all commercial and financial relations between the vertically integrated company and the operator;

5. notify the Commission about the proposed decisions concerning the network development plan or about separate investments of the operator prior to submission of these plans and decisions by the management board to the supervisory board;

6. notify the Commission about decisions of the general meeting of the vertically integrated company or about voting of the members of the supervisory board of the operator by which the implementation of investments envisaged for the first three years in accordance with the 10-year plan for network development has been failed or delayed;

7. control the compliance with Article 81g, paragraph 8;

8. report to the Commission and shall have the right to report to the supervisory board of the operator.

(4) The compliance officer shall have the right to permanent access, without preliminary notice, to all necessary information and to the operator's premises, to the extent it is needed for fulfillment of his obligations.

(5) The compliance officer may attend all sessions of the general meeting, of the management and supervisory boards of the operator and shall mandatorily attend the meetings at which the following matters are considered:

1. conditions for access to the networks determined in Regulation (EC) No. 714/2009 and

(EC) Regulation No. 715/2009;

2. investments and project related to operation, maintenance and development of the transmission networks, including the inter-system connections;

3. purchase of electricity necessary for technological consumption for the electricity transmission network, respectively for the operation of the gas transmission network.

(6) The compliance officer shall be obliged not to disclose the official, production and trade secrets, which have become known to him in implementation of his obligations or in relation to them.

(7) After preliminary approval by the Commission, the supervisory board may dismiss from his position the compliance officer. It may dismiss the compliance officer on the grounds of lack of independence or lack of professional competence at the request of the Commission.

### **Section III**

#### **(New, SG No. 54/2012, effective 17.07.2012)**

#### **Independent System Operator**

**Article 81k.** (New, SG No. 54/2012, effective 17.07.2012) (1) All or certain tasks of the independent transmission operator shall be assigned to an Independent System Operator at the request of the Commission in case of systematic violation of the obligations of the independent transmission operator related to the requirements for independence in accordance with Section II of this chapter, including in the case of discriminatory behaviour in favour of the vertically integrated company.

(2) A person shall be determined to be an independent system operator if the person is proposed by the owner of a transmission network and approved by the Commission and with regard to which the following requirements have been met:

1. one and the same person/s shall have no right to:

a) exercise directly or indirectly control over a company performing any of the activities for production or delivery of electricity or natural gas, and at the same time to exercise directly or indirectly control or have rights over transmission network operators or over a transmission network;

b) exercise directly or indirectly control over a transmission network operator or over a transmission network and at the same time to exercise directly or indirectly control or have rights over a company, performing any of the activities for production or delivery of electricity or natural gas;

c) determine members of the supervisory board or of management bodies of the transmission network operator and to exercise directly or indirectly control or have rights over a company, performing any of the activities for production or delivery of electricity or natural gas, respectively;

d) be members of the supervisory board or of the management bodies of a company, performing any of the activities for production or delivery of electricity or natural gas, and at the same time, of a transmission network operator or of a transmission network owner;

2. have at their disposal all human, physical, and financial resources necessary for fulfillment of the obligations for performance of the activities of electricity or natural gas transmission;

3. has taken up an obligation to observe the plan for development of the transmission network under Article 81d;

4. the candidate for operator has proven its ability to perform the obligations in accordance with Regulation (EC) No. 714/2009 and Regulation (EC) No. 715/2009, including the co-operation between transmission network operators at European and regional levels.

(3) Within the meaning of paragraph 2, item 1, "a", "b", and "c", rights over a company shall be the right to vote, to determine members of the supervisory board or of management bodies of the company or to own a majority share.

(4) The certification of an independent transmission operator shall be performed in accordance with the procedure of Article 81a or 81b, if the provisions of paragraph 2 have been met and the transmission network owner proves its ability to perform the obligations under paragraph 5, for which all drafts of contractual agreements between the owner and the company - candidate for independent system operator and other relevant agreements shall be submitted.

(5) Where an independent system operator is determined,- the owner of a transmission network shall:

1. co-operate with the independent system operator in the implementation of its tasks, including by providing all the necessary information;

2. finance the investments, which the independent system operator has decided to make and which have been approved by the Commission, or shall give its consent the same to be financed by any interested party, including by the independent system operator;

3. provide the coverage of responsibility related to the assets of the network, with the exception of the responsibility related to the tasks of the independent system operator;

4. provide the guarantees necessary for facilitation of the financing of all extensions of the independent system operator, with the exception of the investments, for which, in accordance with item 2, it has given its consent to be financed by any interested party, including by the independent system operator.

(6) The financial agreements under paragraph 5, item 2 shall be approved by the Commission after consultations with the owner of the transmission network and with other interested parties.

(7) The independent system operator shall be responsible for granting and managing the access of third parties, including for collection of all transmission-related receivables, as well as for the operation, maintenance and development of the network and for ensuring its long-term ability to meet the reasonable demand by means of investment planning. When it develops network development plans, the independent system operator shall be responsible for planning including for procedures for obtaining of licenses, construction and commissioning into operation of the new infrastructure. The network owner shall not be responsible for providing and management of the third parties' access, nor for investment planning.

(8) Fulfillment of the obligations of the transmission network owner under paragraph 5 shall be controlled by the Commission on Protection of Competition in co-operation with the Commission.

(9) When the person indicated in paragraph 2, item 1, is the Bulgarian state or a public body, they shall not be deemed one and same person, or persons of two public bodies, one of which exercises control over a transmission network operator, and the other one - over a company exercising any of the functions relating to production, extraction, or delivery.

(10) The decision for determining of an independent system operator shall be made after completion of the procedure under paragraph 4, shall be subject to approval by the European Commission, and shall be published in the Official Journal of the European Union by a decision of the European Commission.

**Article 81l.** (New, SG No. 54/2012, effective 17.07.2012) (1) When determining an

independent system operator of electricity transmission network, the network owner, which is part of a vertically integrated company, shall be independent as regards the form of legal organization, organization and decision-making from the other activities of the vertically integrated company, which are not related to electricity transmission.

(2) In order to ensure the independence of the electricity transmission network owner under paragraph 1, the persons responsible for management:

1. shall not participate in company structures of the integrated energy company, responsible directly or indirectly for everyday functioning of production, distribution, public delivery and trading;

2. shall independently make decisions in fulfillment of the obligations entrusted to them under this Act, and suitable measures have been taken in relation to them, taking into account their professional interests, in order to enable them to act independently;

3. shall be obligated not to allow discriminatory behaviour when fulfilling the obligations entrusted to them by this Act.

(3) The electricity transmission network owner shall prepare a programme, in which it shall specify measures for implementation of paragraphs 1 and 2 containing specific obligations of the employees for its achievement, by designating a person responsible for control over the program implementation.

(4) The electricity transmission network owner shall be obligated to keep confidential the information, which is a trade secret, obtained during its activities and in relation to them and which may result in commercial advantages, The information shall be provided under the conditions of equal treatment.

(5) The person under paragraph 3 shall submit to the Commission an annual report on the measures under paragraph 3, which shall be published on the website of the electricity transmission network owner.

**Article 81m.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 83/2018) The owner of the network, where an independent gas transmission network operator is determined, and the natural gas storage facility operator, where they are part of a vertically integrated company, shall be independent in relation to the form of legal organization, organization and decision-making from other activities of the vertically integrated company, which are not related to natural gas transmission, distribution and storage.

(2) In order to ensure the independence of the gas transmission owner and of the natural gas storage facility operator under paragraph 1, the persons responsible for the management:

1. shall not participate in company structures of the integrated energy company, responsible directly or indirectly for the everyday implementation of the activities for extraction of natural gas, production of gas from renewable sources, public delivery and trading in natural gas;

2. shall independently make decisions in fulfillment of the obligations entrusted to them under this Act, and suitable measures have been taken in relation to them, taking into account their professional interests, in order to enable them to act independently;

3. shall be obliged not to allow discriminatory behaviour when fulfilling the obligations entrusted to them by this Act.

(3) The gas transmission network owner and gas storage facility operator shall be obliged to prepare a programme, which shall specify measures for implementation of paragraphs 1 and 2 including specific obligations of the employees for its achievement, by designating a person responsible for control over the program implementation.

(4) The person under paragraph 3 shall submit to the Commission an annual report on the measures under paragraph 3, which shall be published on the website of the gas transmission

network operator.

(5) The gas transmission network owner shall be obligated to keep confidential the information, which is a trade secret, obtained during its activities and in relation to them and may result in commercial advantages. The information shall be provided under the conditions of equal treatment.

(6) (Supplemented, SG No. 83/2018) The company owned by the operator of the natural gas storage facility shall not give orders in relation to its current activities and shall not make decisions concerning construction or modernizing of natural gas storage facility outside the approved business plans. The operator of the natural gas storage facility shall own effective, independent from the vertically integrated natural gas company rights to make decisions regarding the assets needed for the operation, maintenance or development of the storage facility.

## **Section IV**

**(New, SG No. 54/2012, effective 17.07.2012)**

### **Transmission Network Operators Separated by Ownership**

**Article 81p.** (New, SG No. 54/2012, effective 17.07.2012) (1) Each company, which acquires a transmission network after certification shall function as a transmission network operator.

(2) The company under Paragraph 1 shall not perform activities for electricity generation, production of gas from renewable sources, extraction of natural gas or delivery of electricity or of natural gas and shall not be part of a vertically integrated company, in which such activities are performed.

(3) The operator under paragraph 1 shall meet the requirements of Article 81g, paragraph 1 and Article 81k, paragraph 2, items 1 and 2. Article 81g, paragraphs 11 and 13, Article 81k, paragraphs 3 and 9 and Article 81l paragraph 4, and Article 81m, paragraph 5, shall apply respectively.

(4) The transmission network operator, which has been part of a vertically integrated company shall be obliged to keep confidential the information, which is a trade secret and has been obtained during its activities and in relation to them.

(5) (New, SG No. 83/2018) The staff of an operator, which used to be part of a vertically integrated company, shall not be transferred to companies performing any of the production and supply functions.

(6) (Renumbered from Paragraph 5, SG No. 83/2018) The requirement under paragraph 1 shall be deemed fulfilled, where two or more companies which own transmission networks have created a joint venture, acting as an operator of the transmission networks in the Republic of Bulgaria and in another Member State of the European Union in relation to the respective transmission networks. Another company may not be part of the joint venture, unless approved as an independent transmission operator or independent system operator.

## **Chapter Nine**

### **ELECTRICITY INDUSTRY**

#### **Section I**

#### **Electric Power Grid**

**Article 82.** (1) All electricity works within the national territory shall be connected and shall function with an integral electric power grid with a common mode of operation and uninterrupted process of electricity generation, conversion, transmission, distribution and consumption.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The electric power grid shall comprise the energy works for generation of electricity, the electricity transmission network, the individual electricity distribution networks, and the electric fixtures of the customers.

(3) (Supplemented, SG No. 74/2006) The parallel operation of Bulgaria's electric power grid with other power grids and pools of grids shall be implemented in accordance with the effective international electricity industry instruments and in compliance with the technical standards and reliable and safe operation requirements.

**Article 83.** (1) (Amended, SG No. 18/2004, SG No. 54/2012, effective 17.07.2012) The power grid shall be structured and operated according to standards provided for in:

1. an ordinance on the structure of electric fixtures and electricity transmission lines, which shall regulate the technical standards for design and construction of electric fixtures and electricity transmission lines;

2. an ordinance on the operation of electric power plants and networks, which shall regulate the terms and procedure for organization and operation of: electric power plants and networks, of power plants for generation of electricity and/or heat, of heat transmission networks, of the hydro-engineering facilities of power plants and the mechanical parts thereof (and the management and operation of electric power plants and networks);

3. an ordinance on the operation of power equipment, which shall regulate the rules for maintenance of the serviceability and the rules for safe operation of the electric fixtures and facilities of the companies connected to the electricity transmission and/or electricity distribution networks;

4. (supplemented, SG No. 35/2015, effective 15.05.2015) rules for operation of the electric power grid, which shall regulate the rights and obligations of the electricity transmission network operator, and the persons connected to the electricity transmission network in relation to planning of the development of the electricity transmission network, the planning and management of the mode of operation of the electric power grid, the procedures for mandatory data exchange, the procedure for early warning and exchange of information, the development and implementation of a protection plan and a recovery plan for the electric power grid, terms and procedure for conduct of system wide tests and for provision of additional services; for the conditions and procedure of access to the electricity transmission network, for transmission of electricity through the electricity transmission network, including the access and dispatch priorities, for applying the standards of security and quality of electricity supply transmitted through the electricity transmission network and of provided services;

5. (supplemented, SG No. 35/2015, effective 15.05.2015, SG No. 21/2021) rules for management of electricity distribution networks, which regulate the rights and obligations of the electricity distribution network operator, closed electricity distribution network operator and the persons connected to the relevant network in connection with planning of the development of the network, planning and management of the mode of operation of the electricity distribution network, the procedures for mandatory data exchange, the procedure for early warning and exchange of information, the development and implementation of a local protection plan and for provision of additional services; for the conditions and procedure of access to the electricity transmission network, for transmission of electricity through the electricity transmission networks, including the access and dispatch priorities, for applying the standards of security and

quality of electricity supply transmitted through the electricity transmission network and of provided services;

6. (amended, SG No. 38/2018, effective 8.05.2018, SG No. 41/2019, effective 21.05.2019) rules for measuring the electricity amount stipulating the principles of measurement, the methods and points of measurement, including the procedure and methods for re-calculation of the quantity of electricity in case of finding electricity which has not been measured, which has been measured incorrectly and/or inaccurately or regarding which there are readings in a non-visualized register of the commercial measuring device, as well as creation, maintenance and access to the databases registered by these devices.

(2) (Supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The ordinances referred to in Items 1 to 3 of Paragraph (1) shall be issued by the Minister of Energy. The rules referred to in Items 4 to 6 of Paragraph (1) shall be adopted by the Commission on a motion by the energy companies and shall be published by the energy companies and the Commission on their websites.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014, SG No. 14/2015) The technical rules and standard specifications for design, construction and use of facilities and installations for electricity generation, conversion, transmission and distribution shall be established by an ordinance of the Minister of Regional Development and Public Works and the Minister of Energy.

## **Section II**

### **Electricity Generation**

**Article 84.** (1) (Previous text of Article 84, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 17/2015, effective 6.03.2015) Electricity may be generated by energy companies licensed for generation according to the procedure established by this Act, except in the cases under Items 1 and 5 of Article 39 (4) herein.

(2) (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 9/2021, effective 2.02.2021) The producers of electricity shall be obligated to conclude contracts for access with the electricity transmission network operator and or/with electricity distribution network operator, where the rights and obligations of the parties in relation to dispatching and providing additional services shall be provided for.

(3) (New, SG No. 54/2012, effective 17.07.2012) The contracts under Paragraph 2 shall be a condition for fulfillment of the contracts for selling of electricity, including for fulfillment of the contracts under Article 93a and Article 94a, Paragraph 3.

(4) (New, SG No. 54/2012, effective 17.07.2012) Electricity producers shall be obligated to comply with the standards of quality and reliability of generated electricity in accordance with the rules under Article 83, paragraph 1, items 4 and 5, in view of guaranteeing the security of the electric power grid.

(5) (New, SG No. 54/2012, effective 17.07.2012) Producers, which do not observe the standards of quality and reliability under Article 83, paragraph 1, items 4 and 5, may be disconnected from the system by the respective network operator until eliminating the nonconformities.

(6) (New, SG No. 54/2012, effective 17.07.2012) Producers of electricity from electricity and heat co-generation power plants shall be obligated:

1. to maintain electricity generation capacity with achieved high efficiency indicators,

matching the useful heat load, unless the purchase of higher capacity is agreed upon as a result of contracts concluded in accordance with the procedure under Chapter Nine, Section VII, or unless otherwise directed by the network operator;

2. (supplemented, SG No. 17/2015, effective 6.03.2015) to provide a possibility to the electricity transmission network operator and/or to the electricity distribution network operator for operating control, through transmission of real time data on the generation of heat and electricity, over the electricity generation by high-efficiency cogeneration, cogenerated electricity without achieving indicators of high-efficiency cogeneration, and of quantity of non-cogenerated electricity, necessary for ensuring operating reliability of the main facilities.

(7) (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 17/2015, effective 6.03.2015) The conditions and manner of fulfillment of the obligations under paragraph 6 shall be established by an ordinance of the Minister of Energy.

**Article 85.** (1) (Supplemented, SG No. 74/2006) Electricity producers shall be obligated to maintain stocks of fuels, including local hard fuels, in quantities guaranteeing sustained and reliable generation.

(2) (Amended, SG No. 74/2006, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The terms and procedure for the building, maintenance of stocks of fuel and control shall be established by an ordinance of the Minister of Energy.

### **Section III**

## **Electricity Transmission**

**(Title amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012)**

**Article 86.** (1) (Amended and supplemented, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) The transmission of electricity shall be implemented by the electricity transmission network operator which has been licensed for transmission of electricity and certified in accordance with the procedure under Chapter Eight "a", Section I.

(2) Transmission and transformation of electricity shall be a service of public interest, which shall be dispatched by the electricity transmission network.

(3) The activity concerning electricity transmission shall also include:

1. representation of the electricity transmission network operator and contacts with third parties, with the regulators of other Member States of the European Union, as well as representation within the framework of the European Network of Transmission System Operators for electricity (ENTSO for electricity);

2. collection of all receivables, related to transmission, including access, equalising payments for additional services, such as purchasing of services (balancing costs, energy for covering of losses), as well as for overloading under the mechanism for compensation between the transmission system operators in accordance with Article 13 of Regulation (EC) No. 714/2009;

3. operation, maintenance, and development of secure, efficient and economic electricity



transmission network aiming at ensuring an open market compliant with the requirements for environmental protection, energy efficiency, and effective use of energy;

4. investment planning, which should ensure the long-term capacity of the network to cover reasonable demand, and to ensure security of deliveries;

5. establishing of suitable joint ventures, including with one or more electricity transmission network operators, energy exchanges, and other respective participants, aiming at development of regional markets or facilitation of the liberalization process, and

6. all corporate services, including legal services, accounting and IT related services.

(4) At all times an electricity transmission operator shall act in such a way, as to ensure the availability of necessary resources for implementation of the activity of transmission in a suitable and effective manner and for development and maintenance of effective, secure, and economical transmission network.

**Article 87.** (1) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall ensure the expansion, reconstruction, and modernisation of the transmission network, in accordance with the long-term electric power industry development forecasts and plans.

(2) (Renumbered from Paragraph 1, amended, SG No. 74/2006, on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall ensure:

1. integrated management of the electric power grid and reliable functioning of the electricity transmission network, including availability of all necessary additional services;

2. transmission of electricity through the electricity transmission network; granting and management of the access of third parties on non-discriminatory basis between the network users or groups of network users;

3. maintenance of the facilities and installations of the electricity transmission network in accordance with technical requirements and with safe operation requirements;

4. coordinated development and operating compatibility of the electricity transmission network with interconnected electricity transmission networks;

5. maintenance and development of auxiliary networks;

6. electricity metering in the electricity transmission network.

(3) (Renumbered from Paragraph 2, amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) For preparation of the national electric energy balance, the electricity transmission network operator shall:

1. elaborate short-term and long-term forecasts of changes in consumption of electricity in Bulgaria;

2. (amended, SG No. 54/2012, effective 17.07.2012) organize the conduct of assessments of the feasibility of expansion and modernization of the electricity transmission network with a view to commissioning of new generating capacities, decommissioning of existing generating capacities, connecting new customers to the electricity transmission network, the expected increase in the quantity of electricity transmitted, implementation of new technologies ensuring better quality and security of the services provided and efficiency of the operation; the said assessments shall be accompanied by a feasibility study and an environmental impact analysis;

3. (amended, SG No. 54/2012, effective 17.07.2012) prepare short-term, medium-term and

long-term forecasts and plans for expansion and modernization of the electricity transmission network and for development of auxiliary networks, including with the aim to improve the security of deliveries;

4. prepare short-term and long-term plans for development of the electric power grid with a view to ensuring the electric energy balance;

5. (amended and supplemented, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) on the basis of the assessments, forecasts and plans, prepare a draft national electric energy balance and a draft list of the sources, including new generating capacities and intersystem electric power lines, required to meet national demand, and submit the said draft to the Minister of Energy.

## **Section IV**

### **Electricity Distribution**

**Article 88.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) (1) The distribution of electricity and the operation of electricity distribution networks shall be implemented by operators of electricity distribution networks - owners of such networks within a self-contained area, licensed for distribution of electricity within the relevant area.

(2) Electricity distribution shall be a service of public interest.

**Article 88a.** (New, SG No. 21/2021) (1) The distribution of electricity and the operation of closed electricity distribution networks shall be implemented by operators of closed electricity distribution networks, licensed for distribution of electricity in closed electricity distribution networks.

(2) The operator of a closed electricity distribution network has the rights and obligations of an operator of electricity distribution network with the exception of the rights and obligations under Article 90 and Article 104a, Paragraph 3.

(3) The operator of a closed electricity distribution network shall have no right to distribute electricity for household customers, with exception the case of non-systematic use of the network of small number of household customers, working under employment or other relationship for user of the closed electricity distribution network and which are located on the territory of the closed electricity distribution network.

(4) The exploitation of the closed distribution networks shall be performed under the rules of Article 83, Paragraph 1, Item 5.

(5) The closed distribution networks shall be considered as distribution networks.

**Article 89.** (Amended, SG No. 54/2012, effective 17.07.2012) The electricity distribution network operator shall ensure for the licensed area covered by the electricity distribution network:

1. distribution of the electricity entering the electricity distribution network;
2. non-interruption of electricity supply and high quality of the electricity delivered;
3. management of the electricity distribution network;
4. maintenance of the electricity distribution network, the facilities and installations and the auxiliary networks in accordance with technical requirements;
5. extension, reconstruction and modernization of the electricity distribution network and auxiliary networks taking into account the requirements for environmental protection, energy efficiency, and efficient use of electricity;

6. metering of electricity in the electricity distribution network;
7. other services related to the licensed activity.

**Article 90.** (Amended, SG No. 54/2012, effective 17.07.2012) The operator of the electricity distribution network shall:

1. assess the prospects for economic development and changes in electricity consumption within the relevant area;
2. (amended, SG No. 54/2012, effective 17.07.2012) prepare short-term and long-term plans for development of the electricity distribution network;
3. (amended, SG No. 54/2012, effective 17.07.2012) submit the results of the assessments and the plans as prepared under Items 1 and 2 to the electricity transmission network operator.

## **Section V**

### **Commercial Relationships. Parties to Electricity Transactions**

**Article 91.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Transactions in electricity may be concluded at prices regulated by the Commission, at prices freely negotiated between the parties, and on an electricity exchange market, as well as balancing market of electricity.

(2) (Supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 38/2018, effective 8.05.2018) Transactions in electricity shall be effected in compliance with the provisions of this Act and the electricity trading rules. The rules shall be published by the energy companies and the Commission on their websites.

(3) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 38/2018, effective 8.05.2018) The rules referred to in Paragraph (2) shall establish the rules for supply from end suppliers and providers of last resort, the procedure for registration on the market and for removal from the market of a trading participant, rules for data exchange, the manner of transaction administration, announcement of hourly time schedules, organization and operation of the commodities market and operation of the balancing energy market, and the market for providing of transmission ability, mechanisms for setting of prices of an imbalance, as well as the registration of the individual types of balancing groups and the activities of balancing group coordinators.

(4) (New, SG No. 74/2006, amended and supplemented, SG No. 38/2018, effective 8.05.2018) The Commission, taking into account all results achieved from the electric power grid and the electricity market operation, as well as all procedures regulated in the electricity trading rules, after proposal by the energy companies or at its own initiative, shall amend or accept new electricity trading rules, observing the equal-treatment and all-party interest balance principles.

**Article 92.** (Amended and supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Parties to electricity transactions shall be:

1. the public provider of electricity;
2. end electricity supplier;
3. the electricity producers;
4. the end customer;
5. the electricity transmission network operator;
6. the electricity distribution network operator;
- 6a. (new, SG No. 21/2021) the closed electricity distribution network operator;
7. the electricity trader;

8. the provider of last resort;
9. the balancing group coordinator;
10. (new, SG No. 17/2015, effective 6.03.2015) operator on electricity exchange market.

**Article 92a.** (New, SG No. 83/2018) (1) Operators of publicly available charging points shall be parties to transactions in electricity as end customers in relation to services provided by them for charging of electric vehicles.

(2) Users of services of charging electric vehicles shall not be parties to the transactions in electricity.

(3) The supply of electricity for a charging point located in a property supplied as end customer's works, may be subject of a transaction, a party to which is an energy company other than the one supplying electricity to the property.

(4) Transactions in electricity under paragraphs 1 and 3 and the relations for provision of services of charging electric vehicles shall be regulated according to the rules under Article 91, paragraph 2.

**Article 93.** (Supplemented, SG No. 74/2006, repealed, SG No. 55/2007, effective 1.07.2007).

**Article 93a.** (New, SG No. 74/2006, effective 1.07.2007) (1) (Amended, SG No. 35/2011, effective 3.05.2011, SG No. 54/2012, effective 17.07.2012, SG No. 38/2018, effective 1.07.2018) The public provider shall purchase electricity:

1. (amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) from power plants interconnected to the electricity transmission grid with a total installed electric capacity of less than 500 kW, generated from renewable sources or from high-efficiency combined generation of electricity and heat;

2. under contracts for long-term purchasing of availability and electricity;

3. in the amount stipulated according to the procedure of Article 4, Paragraph 2, Item 8.

(2) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013) The public provider shall purchase electricity, defined within the availability under Article 21, Paragraph 1, Item 21, in order to provide electricity to end suppliers.

(3) (New, SG No. 54/2012, effective 17.07.2012) In the cases under paragraph 2 the public provider shall determine hourly quantities for each separate day for each of the power plants taking into account the production characteristics of their units, the forecast modes of operation and the forecasts of the end suppliers, and the quantities so determined shall be obligatory for the producers.

(4) (New, SG No. 56/2015, effective 24.07.2015) The commercial time schedules of the producers of high-efficiency cogeneration electricity can be amended only according to the procedure laid down in Article 73.

**Article 94.** (Repealed, SG No. 55/2007, effective 1.07.2007, new, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 56/2015, effective 24.07.2015) The end suppliers shall sell to the public provider the amounts of electricity purchased by them under Article 162 and under Article 31 of the Energy from Renewable Sources Act at the price at which they have purchased it. The end suppliers shall certify, by a record from the metering and by an invoice, the amounts of electricity purchase from each producer.

**Article 94a.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 57/2020, effective 1.10.2020) The end supplier shall ensure supply of electricity to energy works of household end customers connected to the electricity distribution grid at low voltage level within the respective area covered by its license, where these customers are not supplied by another provider.

(2) (Amended and supplemented, SG No. 54/2012, effective 17.07.2012) Electricity supply under Paragraph 1 shall be a service of public interest under this Act, provided on the basis of equal-treatment in accordance with the rules under Article 27, paragraph 1, item 10.

(3) (Amended, SG No. 35/2011, effective 3.05.2011, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 38/2018, effective 1.07.2018) The end supplier shall purchase electricity produced using renewable sources and using high-efficiency combined electricity and heat generation from producers under Article 162 and under Article 31 of the Energy from Renewable Sources Act connected to the electricity distribution network.

**Article 95.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 79/2019, effective 8.10.2019) Each customer shall have the right to choose a provider of electricity, regardless in which state the provider is registered to the extent the provider complies with the rules under Article 91, paragraph 2.

(2) The network operator shall perform the change of the provider in accordance with the rules under Article 91, paragraph 2 within three weeks from receiving of the customer's request in writing.

(3) The change of the provider in compliance with the contractual conditions shall not be accompanied by additional obligations for the customer.

(4) In case of selection of another provider, each provider shall prepare and shall send a final equalizing bill within 6 weeks after the change of the provider.

(5) Where a delivery under paragraph 1 is refused by a provider in another Member State of the European Union due to the fact that the customer has no right to choose a provider in the other state, at the customer's request the Commission shall notify the regulator of such other state, and also the European Commission, if needed, with regard to taking actions for withdrawing the refusal.

(6) (New, SG No. 57/2020, effective 26.06.2020) In the initial registration on the electricity market, with the supply contract the customer shall authorise the supplier to conclude on its behalf and for its account contracts with the respective network operator and with the provider of last resort, and to submit an application for initial registration. The contracts may also be concluded electronically with an electronic signature.

**Article 95a.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Supplemented, SG No. 21/2021) The provider of last resort shall provide the electricity supply to end customers, which cannot be customers of the end supplier under Article 94a, Paragraph 1, including to end customers that are supplied on the licensed for the activity of distribution of electricity in closed electricity distribution network territory and which territory has been excluded from the territory of the end supplier until the choice of another provider or the provider chosen does not perform delivery due to reason beyond the control of the end customer.

(2) The electricity supply under paragraph 1 shall be a service of public interest within the meaning of this Act, which shall be provided pursuant to a contract under general conditions based on equal treatment in accordance with the rules under Article 91, paragraph 2.

**Article 96.** (Amended, SG No. 74/2006, effective 1.07.2007, SG No. 38/2018, effective 8.05.2018) Electricity traders shall be persons licensed for the operation thereof, responsive to the requirements for financial security of the electricity transactions concluded thereby as established in the rules under Article 24, paragraph 3 herein.

**Article 96a.** (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) (1) Balancing group coordinator shall be a person, having licence issued for any activity under Article 39, Paragraph 1, Items 1 - 3, 5 - 7, 10 or 13, meeting financial guarantee requirements for any transactions executed by this person, the requirements set forth in the rules for trading in

electricity, and which is registered by the electricity transmission operator.

(2) Licensees of electricity transmission and electricity distribution activities may combine in a special balancing group under the provisions and procedure set forth in the rules for trading in electricity.

## **Section VI**

### **Transactions at Regulated Prices**

**Article 97.** (Amended, SG No. 18/2004, amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 55/2007, effective 1.07.2007, SG No. 54/2012, effective 17.07.2012) (1) Transactions in electricity at prices regulated Commission shall be concluded between:

1. (repealed, SG No. 38/2018, effective 1.07.2018);
2. the producers and end suppliers or the public provider for quantities of electricity determined by the Commission within the availability under Article 21, paragraph 1, item 21;
3. the public provider and end suppliers for quantities of electricity determined by the Commission pursuant to Article 21, paragraph 1, item 21;
4. (amended, SG No. 57/2020, effective 1.10.2020) the end suppliers and household end customers for energy works connected to the electricity distribution network at the low voltage level, where these customers have not chosen another provider.

(2) The electricity transmission network operator shall conclude transactions with the neighbouring systems for mutual compensation of the impact of cross-border flows of electricity.

**Article 98.** (Repealed, SG No. 55/2007, effective 1.07.2007, new, SG No. 56/2015, effective 24.07.2015) (1) The contracts under Article 97, Paragraph 1, Item 2 shall be publicly available.

(2) Within a 14-day time limit from the conclusion of the contracts under Paragraph 1, the parties shall be obligated to submit them to the commission. The contracts, together with all the amendments and supplementations, regardless of the titles thereof, shall be disclosed on the internet site of the commission within a 7-day time limit of their receipt.

(3) The information in the contracts, which constitutes a trade secret, as well as the information, which is protected by a law, shall be deleted.

**Article 98a.** (New, SG No. 74/2006, effective 1.07.2007) (1) The end supplier shall sell electricity under publicly known general conditions.

- (2) These general conditions shall include:
1. information, provided by the supplier;
  2. (supplemented, SG No. 54/2012, effective 17.07.2012) the agreement term and rights and obligations of the parties to the agreement;
  3. the supply termination or suspension terms;
  4. (new, SG No. 54/2012, effective 17.07.2012) procedure and payment terms including possibility for payment in monthly installments;
  5. (renumbered from Item 4, SG No. 54/2012, effective 17.07.2012) the energy company liability upon failure to meet the general terms;
  6. (new, SG No. 54/2012, effective 17.07.2012) procedure for notifying the customer when performing bill adjustment in accordance with the rules under Article 83, paragraph 1, item 6:
    - a) in favour of the end supplier for electricity consumed in the cases of unmetered, improperly and/or inaccurately metered electricity due to unlawful connection, change in the connection scheme, or unlawful tampering with instruments, facilities or devices under Article

120, paragraph 3;

b) in favour of the customer for electricity consumed in the cases of unmetered, improperly and/or inaccurately metered electricity due to breakdown of instruments, facilities or devices under Article 120, paragraph 3;

7. (new, SG No. 17/2019) the types of personal data that the end supplier is required to process, including but not limited to:

a) names;

b) Standard Public Registry Personal Number;

c) address.

(3) The end electricity supplier shall publish its general conditions in at least one national and one local daily publication.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The general conditions become effective for the customers of the end supplier, without the need of express written acceptance.

(5) (Amended, SG No. 54/2012, effective 17.07.2012) Within 30 days after the general conditions become effective, customers, who do not agree with them, shall have the right to submit to their respective end electricity supplier a request proposing special conditions. The special conditions, accepted by the end electricity supplier, which differ from the published general conditions, shall be reflected in additional written annexes.

**Article 98b.** (New, SG No. 74/2006, effective 1.07.2007, amended, SG No. 55/2007, effective 1.07.2007, repealed, SG No. 54/2012, effective 17.07.2012).

**Article 98c.** (New, SG No. 55/2007, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) The relationships between the end supplier, respectively the provider of last resort, or trader and the electricity distribution network operator in connection with the electricity supply for the customers connected to the electricity distribution networks shall be regulated by the rules for trade in electricity.

**Article 99.** (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007)

(1) (Amended, SG No. 54/2012, effective 17.07.2012) For the purposes of balancing electricity production and consumption, the electricity transmission network operator shall organize a balancing market for electricity in accordance with the rules referred to in Article 91, paragraph (2) herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall be party to all balancing transactions in electricity.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall execute balancing transactions in electricity with domestic or foreign suppliers to balance the electric power grid.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall execute transactions for settlement of imbalances with balancing group coordinators with persons, who due to their non-participation in balancing groups shall be independently responsible for their own imbalances.

(5) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall settle all transactions and mutual obligations between the balancing energy market participants in accordance with the rules under Article 91, Paragraph 2.

## **Section VII**

### **Transactions at Freely Negotiated Prices**

**Article 100.** (Amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) (1) (Supplemented, SG No. 17/2015, effective 6.03.2015, SG No. 56/2015, effective 24.07.2015, amended, SG No. 38/2018, effective 1.07.2018, amended and supplemented, SG No. 21/2021) Transactions with electricity at freely-negotiated prices can be concluded by the producers, including the producers of energy from renewable sources for the amounts under Article 31, Paragraph 5, Item 2 of the Energy from Renewable Sources Act, the electricity traders, the suppliers of last resort, the operator of the electricity commodity market, the coordinators of balancing groups, the end customers and the operators of the electricity transmission grid, the electricity distribution grids and the closed electricity distribution networks for compensating the technological expenses for transmission and distribution respectively.

(2) (Supplemented, SG No. 56/2015, effective 24.07.2015) The public electricity provider may sell any electricity purchased under Article 93a, paragraph 1 and Article 94 at freely negotiated prices.

(3) (New, SG No. 38/2018, effective 1.07.2018) The public provider can purchase electricity at freely-negotiated prices in the case of a shortage of the electricity amounts, in accordance with which the public provider shall conclude transactions with the end suppliers

(4) (New, SG No. 102/2017, effective 1.01.2018, renumbered from Paragraph 3, amended and supplemented, SG No. 38/2018, effective 1.07.2018, supplemented, SG No. 91/2018, amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) The transactions under Paragraph 1, which are concluded by electricity producers with works with total installed capacity of 500 kW and over 500 kW, by the operators of the electricity transmission grid and of the electricity distribution grids for compensating the technological expenses for transmission and distribution respectively, where the transactions under Paragraphs 2 and 3 shall be executed on an organized commodity market of electricity.

(5) (New, SG No. 102/2017, effective 1.01.2018, renumbered from Paragraph 4, amended, SG No. 38/2018, effective 1.07.2018, supplemented, SG No. 91/2018) Paragraph 4 shall not apply to transactions in electricity concluded under the conditions and according to the procedure of Article 119, paragraphs 1 and 2, and to transactions concluded by producers of electricity from renewable sources with works commissioned into operation after 1 January 2019.

(6) (New, SG No. 59/2013, effective 5.07.2013, amended, SG No. 56/2015, effective 24.07.2015, renumbered from Paragraph 3, SG No. 102/2017, effective 1.01.2018, renumbered from Paragraph 5, amended, SG No. 38/2018, effective 1.07.2018, SG No. 41/2019, effective 1.07.2019, supplemented, SG No. 79/2019, effective 8.10.2019, amended, SG No. 9/2021, effective 2.02.2021) Producers under Article 162a and producers having works with a total installed capacity of 500 kW and over 500 kW under the Energy from Renewable Sources Act may sell all or part of the electricity they produce through a coordinator of a balancing group. In this case, the coordinator shall register with the independent transmission operator the respective producers as a sub-group in the balancing group and shall obligatorily sell the electricity purchase from them through a separate registration on an organized commodity exchange for electricity.

(7) (New, SG No. 59/2013, effective 5.07.2013, supplemented, SG No. 56/2015, effective 24.07.2015, renumbered from Paragraph 4, SG No. 102/2017, effective 1.01.2018, renumbered from Paragraph 6, amended, SG No. 38/2018, effective 1.07.2018, supplemented, SG No. 79/2019, effective 8.10.2019) The coordinator referred to in Paragraph 6 shall prepare a monthly



information summary regarding the electricity sold on an organized commodity exchange for electricity by producers and shall submit this information summary to the Commission and to the Fund by the 10th of the month following the month that it pertains to.

**Article 101.** (1) (Repealed, SG No. 54/2012, effective 17.07.2012).

(2) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 21/2021) The electricity transmission network operator shall receive validated data on the metered quantities of electricity by the electricity distribution network operators and the closed electricity distribution network operators under the procedures and within the timeframes regulated in the rules under Article 83, Paragraph 1, Item 6 and Article 91, Paragraph 2.

**Article 102.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 17/2015, effective 6.03.2015) Producers, traders, the public provider, the end suppliers, the providers of last resort, the operator on electricity exchange market and the customers of electricity may conclude electricity transactions with resident persons of an EU member State, when:

1. (amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 17/2015, effective 6.03.2015) electricity producers, traders, the public provider, the end suppliers, the operator on electricity exchange market and the customers of electricity are granted the right to free trade in electricity according to the legislation of the other State, and

2. (amended, SG No. 54/2012, effective 17.07.2012) on conditions of reciprocity, the legislation of the other State provides for an opportunity for free trade in electricity for customers of the said State;

3. (amended, SG No. 54/2012, effective 17.07.2012) provided that the customers under Article 94a, paragraph 1 have been provided with the electricity they need at certain quality indicators and transparent and reasonable prices;

4. (new, SG No. 17/2015, effective 6.03.2015, supplemented, SG No. 79/2019, effective 8.10.2019) they inform the participants of the transactions concluded on the organized market for electricity.

**Article 103.** (1) (Supplemented, SG No. 54/2012, effective 17.07.2012) Transactions in the organized electricity exchange market shall be concluded according to the electricity trading rules referred to in Article 91 (2) herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) An electricity exchange market shall be organized by a person licensed under of Article 39, paragraph 1 Item 6 herein, which shall:

1. (supplemented, SG No. 79/2019, effective 8.10.2019) publish rules for operation of the organized exchange market for electricity;

2. organize receiving of offers for sale and purchase of electricity;

3. match the offers for sale and purchase for the relevant period until the demand is met;

4. (supplemented, SG No. 79/2019, effective 8.10.2019) Inform the participants of transactions concluded in the organized market for electricity and take into consideration the conditions and changes dictated by limitations of the transmission capacities or by emergency situations in the networks;

5. set the price of traded electricity for each period;

6. publish the information required in accordance with the rules for trading in electricity under Article 91, paragraph 2.

(3) (Repealed, SG No. 74/2006, effective 1.07.2007).

**Section VIII**  
**Transmission, Access and Additional Services Transactions**  
**(Title amended, SG No. 74/2006, effective from the date of**  
**entry into**  
**into the Commercial Registry of the decision to transform**  
**National Electric Company EAD, but not later than**  
**1.01.2007, SG No. 9/2021, effective 2.02.2021)**

**Article 104.** (Amended, SG No. 74/2006, effective 1.07.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 21/2021) Users of the relevant network, excluding the end customers, shall settle by transaction the relationships with the electricity transmission and/or electricity distribution network or the closed electricity distribution network operators concerning their network usage, access to the network, and the transmission of any quantities of electricity fed to the network or consumed by it.

(2) (Repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 41/2019, effective 1.07.2019, supplemented, SG No. 21/2021) The prices for access and/or transmission shall be owed by electricity producers, electricity distribution network operators and closed electricity distribution networks operators for the quantity of electricity for covering technological costs for the transmission and also from the end consumers connected to the electricity system, except in the cases under Article 119, paragraph 1, item 2 and paragraph 2.

(3) (Amended, SG No. 55/2007, SG No. 54/2012, effective 17.07.2012) The terms, the procedure, and the ratio for the payment of all prices under Paragraph 1 by users of relevant networks shall be set forth in the rules for trade in electricity.

**Article 104a.** (New, SG No. 54/2012, effective 17.07.2012) (1) The end customers shall use the electricity transmission or the respective electricity distribution network, to which they are connected under publicly known general conditions.

(2) The general conditions shall mandatory include:

1. information, which shall be provided by the electricity transmission or the respective electricity distribution network operator;

2. conditions for termination or interruption of the supply;

3. conditions of quality and reliability of the supply;

4. operator's responsibility in case of unregulated interruption and poor quality of supply;

5. procedure for notifying the customer in case of making a bill adjustment in accordance with the rules under Article 83, paragraph 1, item 6:

a) in favour of the end supplier for electricity consumed in the cases of unmetered, improperly and/or inaccurately metered electricity due to unlawful connection, change in the connection scheme, or unlawful tampering with instruments, facilities or devices under Article 120, paragraph 3;

b) in favour of the customer for electricity consumed in the cases of unmetered, improperly and/or inaccurately metered electricity due to breakdown of instruments, facilities or devices under Article 120, paragraph 3;

6. (new, SG No. 17/2019) the types of personal data that the electricity transmission or the respective electricity distribution network operator is required to process, including but not

limited to:

- a) names;
- b) Standard Public Registry Personal Number;
- c) address.

(3) The operator of the electricity transmission or the respective electricity distribution network shall publish the general conditions in one central and in one local daily paper.

(4) The published general conditions shall come into effect for the end customers without explicit acceptance in writing.

(5) (New, SG No. 83/2018) Operators of publicly available charging points as end customers shall use the electricity transmission or the respective electricity distribution network, to which they are connected, under the general conditions of paragraph 1.

(6) (New, SG No. 83/2018) Users of services for charging electric vehicles shall not be a party to transactions with the electricity transmission and/or electricity distribution network.

**Article 105.** (1) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012, SG No. 9/2021, effective 2.02.2021) For the purpose of guaranteeing the reliable operation of electric power grid, the electricity transmission operator shall conclude additional-services transactions under the terms and according to the procedure established by Article 83, Paragraph 1, Item 4 and Article 91, Paragraph 2 herein with suppliers within or outside the country.

(2) (Amended, SG No. 9/2021, effective 2.02.2021) The electricity transmission network operator shall purchase availability for reserves for primary frequency regulation, automatic secondary regulation and manual secondary regulation of frequency and exchange capacity on the basis of a tender procedure.

(3) (Repealed, SG No. 9/2021, effective 2.02.2021).

(4) (New, SG No. 74/2006, amended, SG No. 9/2021, effective 2.02.2021) The net electricity from activated additional services shall be paid on terms, procedure, and price, set forth in the rules under Article 91, Paragraph 2.

(5) (New, SG No. 59/2013, effective, 5.07.2013, amended, SG No. 14/2015, repealed, SG No. 9/2021, effective 2.02.2021).

(6) (New, SG No. 59/2013, effective 5.07.2013) The electricity producers shall be obliged to offer to the electricity transmission operator for purchasing of availability for additional services in the amount of at least half of the regulating range of the electricity generating units scheduled for operation for each month.

(7) (New, SG No. 59/2013, effective 5.07.2013) The electricity transmission network operator, in view of the needs of the electric power grid and in accordance with the the lowest price criteria, shall determine the amounts under Paragraph 6, which shall be subject to purchase.

(8) (New, SG No. 35/2015, effective 15.05.2015) Producers of energy from high-efficiency cogeneration may provide ancillary services to the transmission network operator in the cases referred to in Paragraph (7), where this is technically and economically feasible with the mode of operation of the generation source.

**Article 106.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Previous text of Article 106, amended, SG No. 35/2015, effective 15.05.2015) For the purpose of guaranteeing the

reliable operation of the electricity distribution networks, the electricity distribution network operators shall conclude additional-services transactions under the terms and according to the procedure established by Item 5 of Article 83 (1) herein.

(2) (New, SG No. 35/2015, effective 15.05.2015) Producers of energy from high-efficiency cogeneration may provide ancillary services to the distribution networks operators in the cases referred to in Paragraph (1), where this is technically and economically feasible with the mode of operation of the generation source.

**Article 107.** (Amended, SG No. 74/2006, SG No. 59/2007, SG No. 54/2012, effective 17.07.2012) The public provider, the end suppliers, the providers of last resort, the electricity transmission network operator and the electricity distribution network operators shall have the option to move for the issuance of an enforcement order under Article 410 (1) of the Code of Civil Procedure for the receivables thereof for electricity provided or transmitted, as well as for the services rendered thereby under this Act, regardless of the amount of the said receivables.

## **Section IX**

### **Operational Management**

**Article 108.** (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) (1) The centralized operational planning, coordination, and management of the electric power grid shall be performed by the electricity transmission network operator and by the operators of each of the electricity e distribution networks.

(2) The operational management and ensuring the reliable functioning of the electric power grid and the electricity distribution networks shall be performed by the electricity distribution network specialized units of the respective operator (operating management units).

**Article 109.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall be obligated to ensure:

1. secure, safe and efficient functioning of the electric power grid;
2. maintenance of the balance between electricity generation and consumption;
3. implementation of the joint operation of the national electric power grid with the electric power grids of other countries in accordance with international treaties;
4. (supplemented, SG No. 54/2012, effective 17.07.2012) non-discriminatory access to electricity transmission in compliance with quality requirements and providing to network users information they need for effective access to the network;
5. secure and efficient functioning of the auxiliary networks.

(2) (Supplemented, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) The directives of the electric power grid operating management unit, related to the operating management shall be mandatory for the electric power grid operating management units, electricity distribution networks, the electricity producers and the customers connected to the electricity transmission network.

(3) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission operator shall set forth a coordinated schedule for planned downtimes of the generation capacities and the transmission network components based on maximum reliability criterion.

**Article 109a.** (New, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012).

**Article 110.** (1) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) For the purposes of metering the quantities of electricity, the electricity transmission network operator and the electricity distribution network operators in accordance with the licenses issued to them shall ensure:

1. (amended, SG No. 54/2012, effective 17.07.2012) technical and metrological support, development and modernization of the commercial metering devices;

2. (amended, SG No. 74/2006, effective from the date of entry into the Commercial Registry of the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) maintenance of data bases of readings taken by commercial metering devices.

(2) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) Owners of commercial metering devices shall provide the data from the readings of the said devices to the electricity transmission operator, needed by the latter to carry out its activities under Article 111.

(3) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) Coordinators of balancing groups, the public provider, end suppliers, last-resort providers, traders and users of networks shall receive information from the data base of readings of the operator of the respective network under the conditions and according to the procedure and rules under Article 91, paragraph 2.

**Article 111.** (1) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall administrate electricity transactions, executed on regulated and freely negotiated prices, and shall organise a balancing market for electricity according to the rules referred to in Article 91, Paragraph 2, and to this end shall:

1. (amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007) keep registers of the persons concluding transactions on the market for electricity;

2. (amended, SG No. 54/2012, effective 17.07.2012) keep registers of schedules;

3. receive, arrange on priority lists according to price and technological criteria, and activate proposals and orders for purchase and/or sale of balancing electricity;

4. apply a method for computation and fix balancing electricity prices for each settlement period;

5. (amended, SG No. 54/2012, effective 17.07.2012) prepare daily and monthly notices of the amounts due for balancing electricity from the participants for each settlement period;

6. control the financial security of balancing transactions in electricity and issue mandatory instructions to market participants in connection with this;

7. have the right, upon occurrence of circumstances endangering the secure operation of the electric power grid or of parts thereof, to suspend the performance of transactions or to change the quantities of electricity contracted thereunder, under terms and in a manner described in the rules referred to in Article 91 (2) herein;

8. (amended, SG No. 54/2012, effective 17.07.2012) provide publicly available information of the operation of the market and other information needed by any commercial participant in

relation to its participation in the market according to the rules of Article 91, paragraph 2.

(2) The costs incurred in connection with the performance of the functions covered under Paragraph (1) shall be allowed as economically justified costs under Item 2 of Article 31 herein.

(3) (New, SG No. 54/2012, effective 17.07.2012) Upon request, the electricity transmission network operator shall provide to commercial participants against payment additional information and reports regarding past periods.

**Article 112.** (1) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall regulate the distribution of the electric load of the electric power grid among the electric power plants under technical and economic criteria.

(2) (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) In the process of distribution of the electric load, the electricity transmission network operator shall ensure compliance with the contracts as concluded, which provide for mandatory purchase of part or all of the electricity generated under this Act, by confirming the schedules of the producers only if they have consistently met their obligations.

1. (amended, SG No. 9/2021, effective, 2.02.2021) for providing additional services under contracts with the electricity transmission network operator;

2. under contracts pursuant to a decision of the Commission under Article 21, paragraph 1, item 21;

3. for performance of deliveries under other contracts.

(3) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012) When dividing the throughput of any network components, the electricity transmission network operator shall observe technical and economic rules to ensure equal access and compliance with its network security and public availability of information obligations.

(4) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended and supplemented, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator shall have the right to sanction any violators of any network-user negotiated technical requirements for the reliable operation of the electric power grid and violation of the rules of operation of the balancing energy market.

**Article 113.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Electricity distribution network operators shall be obligated to ensure:

1. (amended, SG No. 54/2012, effective 17.07.2012) reliable, safe and efficient functioning of the relevant electricity distribution network;

2. reliable and efficient functioning of the auxiliary networks;

3. non-discriminatory access to electricity transmission in compliance with quality requirements;

4. (amended, SG No. 54/2012, effective 17.07.2012) non-discriminatory treatment of the producers and non-discriminatory treatment of the consumers connected to the network.

(2) (Supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) The directions of the electricity distribution network operating management unit in relation to the operating management shall be mandatory for the operational personnel on duty at energy works

of end customers and electricity producers directly connected to the relevant distribution network.

**Article 113a.** (New, SG No. 74/2006) (1) (Amended and supplemented, SG No. 54/2012, effective 17.07.2012) Where the electricity distribution network operator is part of a vertically integrated company, its activities shall be independent in terms of legal organisational form and decision making from the other activities, which are not related to electricity distribution.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) In order to ensure the independence of the electricity distribution network operator under Paragraph 1, any persons responsible for the management, including operational management of the electricity distribution networks:

1. (amended, SG No. 54/2012, effective 17.07.2012) may not take part in the management of the other companies in the vertically integrated company, performing electricity generation, transmission, public delivery, supply by end supplier and trade;

2. (supplemented, SG No. 54/2012, effective 17.07.2012) shall take independent decisions in the course of their duties under this Act and that appropriate measures have been taken with regard to them, which take into account their professional interests, in order to ensure the possibility for acting independently;

3. shall be obligated not to allow discriminatory behavior in performing the duties assigned to them under this Act.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity distribution network operator shall prepare a programme, setting forth measures to achieve the goal under Paragraph 1 and Paragraph 2, containing specific obligations for the employees for its implementation.

(4) (New, SG No. 54/2012, effective 17.07.2012) The electricity distribution network operator shall designate a compliance officer responsible for the control over the implementation of the programme under Paragraph 3, also ensuring its independence, as well as access to information regarding the electricity distribution network operator and all companies related thereto, necessary for the performance of its tasks.

(5) (Renumbered from Paragraph 4, amended, SG No. 54/2012, effective 17.07.2012) The electricity distribution network operator shall prepare an annual report on all measures under Paragraph 3, which shall be presented to the Commission by the compliance officer and shall be published in accordance with Article 15.

(6) (New, SG No. 54/2012, effective 17.07.2012) In its communications and in using its trade mark, the electricity distribution network operator shall not create any ambiguity as regards its autonomous identity separate from that part of the vertically integrated company that supplies the electricity.

(7) (New, SG No. 54/2012, effective 17.07.2012) The electricity distribution network operator should have effective decision-making rights, independently from the integrated electricity company as regards its assets, necessary for the operation, maintenance or development of the network.

(8) (New, SG No. 54/2012, effective 17.07.2012) A company that owns an electricity distribution network operator:

1. shall not give orders regarding its current activities and shall not make decisions regarding any activities of construction, expansion, reconstruction or modernization of the network, where these activities are within the approved business plan;

2. may implement appropriate coordination mechanisms which guarantee the protection of its economic, and management and surveillance rights in the operator company with regard to return on assets, as well as may approve the business plan of the operator and set general limitations on the level of its indebtedness.

**Article 114.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) The

operators of the electricity transmission network and the electricity distribution networks shall be obligated to respect the confidentiality of any information, constituting commercial secret, obtained in the course of or in connection with the fulfilment of the obligations thereof. The operators shall be obligated to provide information on their activities on equal-treatment basis.

**Article 115.** (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The terms and procedure for performance of the activity of management of the electric power grid and the electricity distribution networks as well as the activities of the operational personnel on duty at electricity works and the electric fixtures of end customers, shall be established by an ordinance of the Minister of Energy.

## **Section X**

### **Connecting Producers and Customers to Networks.**

#### **Access to Networks**

**(Title amended, SG No. 54/2012, effective 17.07.2012)**

**Article 116.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The electricity transmission operator, respectively the electricity distribution operator shall be obligated to connect any works of an electricity producer located within the relevant area, for which the producer:

1. has concluded a written contract for connection at a connection price determined in accordance with the relevant ordinance referred to in Article 36, paragraph 3;
2. has fulfilled its obligations under the contract per item 1 and the regulatory requirements for connection to the electricity transmission or electricity distribution network;
3. has electric fixtures built within the boundaries of the said producer's own corporeal immovable or of a corporeal immovable where the said producer enjoys a building right, and the said fixtures conform to technical standards and to safe operation requirements, and
4. has concluded a contract for access under Article 84, paragraph 2.

(2) The electricity transmission network operator, respectively the electricity distribution network operator shall be obligated to determine the technically feasible point of connection, taking into consideration the criteria of secure operation of the electric power grid, and in accordance with the approved plans for the development of electricity networks.

(3) The electricity transmission network operator, respectively the electricity distribution network operator shall be obligated to implement the expansion and redevelopment of the electricity transmission network or the respective electricity distribution network related to connection of producers' works to the interconnection point.

(4) The high-voltage or medium-voltage electric fixtures, used for connection of an electricity producer to the electricity transmission or the respective electricity distribution network, and which are not an element of these networks, shall be built for its own account and it shall own it.

(5) (Supplemented, SG No. 9/2021, effective 2.02.2021) The high-voltage or medium-voltage electric power lines connecting the fixtures under Paragraph 4 to the respective electricity network at the point of connection shall be built by the electricity transmission network operator, respectively the electricity distribution network operator who shall own the said lines. The high-voltage or medium-voltage electric power lines connecting the fixtures under Paragraph 4 to the respective electricity network at the point of connection and which are not an element of the electricity transmission or, respectively, the electricity distribution network, shall



be built by the producer at his expense who shall own the said lines.

(6) The electricity generated shall be metered by commercial metering devices owned by the electricity transmission network operator, respectively the electricity distribution network operator and the requirements that the said devices must satisfy and the location site thereof shall be established by the rules referred to in Item 6 of Article 83 (1) herein.

(7) The terms and procedure for connection to the relevant network, for suspension of the connection or electricity supply, and the property boundaries between the electric facilities shall be established by an ordinance adopted by the Commission.

(8) (New, SG No. 83/2018) The electricity transmission operator shall not have the right to refuse the connection of new works of an electricity producer on the grounds of possible future limitations of the transmission capacity of the network, and shall provide the necessary information of the transmission network in relation to the connection, including the manner and timeframes of connection, in line with the 10-year network development plan.

(9) (New, SG No. 83/2018) The electricity transmission operator shall not have the right to refuse a new connection point for connection of new works of an electricity producer on the grounds that this will result in additional costs, related to increasing the transmission capacity of network elements in the immediate vicinity of the connection point. Changes in the electricity transmission network, required for the connection, shall be reflected in the next 10-year network development plan.

**Article 116a.** (New, SG No. 54/2012, effective 17.07.2012) (1) The electricity transmission network operator shall be obligated to connect energy works of an electricity distribution network operator in relation to the expansion, reconstruction and modernization of the electricity distribution networks, as well as for connecting to them energy works of electricity producers and customers.

(2) The connection under Paragraph 1 shall be done where there is a contract concluded between the electricity transmission network operator and the electricity distribution network operator at connection prices approved by the Commission in accordance with the relevant regulatory framework under Article 36, Paragraph 3.

(3) The conditions and procedure for connection of the energy works under Paragraph 1 to the electricity transmission network and for conclusion of the contracts under Paragraph 2 shall be provided for in the ordinance under Article 116, paragraph 7.

**Article 116b.** (New, SG No. 21/2021) (1) The electricity transmission network operator, respectively the electricity distribution network operator, shall be obligated to connect closed electricity distribution network.

(2) The closed electricity distribution network operator shall be obligated to connect energy works of electricity producers and customers located within the territory of the closed electricity distribution network.

(3) The conditions and procedure for connection of the energy works under Paragraphs 1 and 2 shall be provided for in Article 116a, Paragraphs 2 and 3.

**Article 117.** (Amended and supplemented, SG No. 74 of 2006, amended, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 83/2018) The electricity transmission network operator, respectively the electricity distribution network operator shall be obligated to connect any works of an electricity customer, including a charging point, located within the relevant area which:

1. has electric fixtures built within the boundaries of its real estate, which conform to the technical standards and to safe operation requirements;

2. has satisfied the conditions for connection to the transmission network or distribution

network, respectively, and

3. has concluded a written contract for connection with the electricity transmission network operator, respectively the electricity distribution network operator at a connection price determined according to the relevant ordinance referred to in Article 36 Paragraph 3.

(2) With the permission of the Commission, the electricity distribution network operator may connect an electricity customer located within the area of another electricity distribution network operator, wherever that is technically and economically advisable and in the interest of customers.

(3) The terms and procedure for connection to the electricity transmission or electricity distribution network and for conclusion of the contracts referred to in Paragraph (1) shall be regulated by the ordinance referred to in Article 116, Paragraph 7. The contract for connection of works to the electricity transmission network, respectively the electricity distribution network, shall have a term of connection not longer than the term for commissioning into operation of the works and the equipment for its connection.

(4) (Supplemented, SG No. 83/2018) The refusal of the electricity transmission network operator, respectively the electricity distribution network operator, to make a connection shall have to be reasoned in writing.

(5) (Supplemented, SG No. 9/2021, effective 2.02.2021) High-voltage and medium-voltage electric fixtures, which are used to supply electricity to a single non-household customer, shall be built for the account of the said customer and shall be owned thereby. High-voltage and medium-voltage electric fixtures shall remain the property of the customer also in the case of connection with direct electricity transmission line of electricity producer to the customer's installation for its electricity supply.

(6) In the cases where high-voltage and medium-voltage electric lines through which the fixtures under paragraph 5 are connected to the electricity transmission or the respective electricity distribution network shall not be elements of these networks; they shall be built by the consumers and shall be owned thereby.

(7) Low-voltage electric equipment situated on customer's property and located outside the property boundaries of the equipment shall be built for the customer's account and shall be owned thereby.

(8) Owners of electricity fixtures and equipment, if technically feasible and if there is free capacity for this, shall provide them for use to the electricity transmission network operator, respectively to the electricity distribution network operator for the purposes of electricity conversion and transmission to other customers. Use shall be provided after concluding a contract and at a price determined according to a methodology approved by the Commission. If they fail to come to an agreement, the Commission shall order the use and payment at a price that shall be determined by the Commission according to the said methodology.

(9) Paragraphs 1 - 8 shall not apply to an electricity distribution network operator in the railroad transport.

(10) (New, SG No. 83/2018) When constructing a charging point pursuant to Article 92a, paragraph 3 at a customer's request, it shall be connected to the respective electricity network as separate works with independent metering of electricity supplied from the network under the terms and conditions of the Ordinance pursuant to Article 116, paragraph 7.

**Article 118.** (Amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 01.07.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator and the electricity distribution network operators shall be obligated to provide

access on equal-treatment basis to the electricity transmission and distribution networks for the users of the respective network.

(2) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 83/2018) The electricity transmission network operator, respectively the electricity distribution network operator may, in accordance with criteria set out in the rules under Article 83, paragraph 1, items 4 and 5, temporarily limit or stop the access of any network user who violates the conditions of access, and this could result in disruption of technical parameters and safety of the networks or in deterioration of the conditions of supply for other users.

**Article 119.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Producers may supply electricity to branches, enterprises and works thereof located within the national territory:

1. through the electricity transmission network and/or the electricity distribution networks (high-voltage, medium-voltage and low-voltage) to a relevant work, concluding to this end a contract for transmission with the electricity transmission network operator and/or the electricity distribution network operator, or

2. through direct electric power lines, constructed for the account of the said producers.

(2) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 01.07.2007, amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 17/2015, effective 6.03.2015) Customer's works may be supplied through a direct electric power line by a producer or electricity trader, where the means for commercial measurement shall be built and installed at the expense of the producer or trader and are owned by the producer or trader in this case.

(3) (Renumbered from Paragraph 2, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 01.07.2007, amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator and/or the electricity distribution network operator may refuse to sign contracts for transmission through the relevant network in the cases under Item 1 of Paragraph (1) where:

1. (amended, SG No. 54/2012, effective 17.07.2012) the transmission capacity of the network is insufficient, or

2. (repealed, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union);

3. no technical conditions exist for metering of the quantities of electricity consumed that originate from own generation separately from the quantities of electricity delivered from other sources.

(4) (Renumbered from Paragraph 3, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) The manner of distribution of the electricity originating from own generation or delivered from other sources shall be established by the rules referred to in Article 91 (2) herein.

(5) (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 01.07.2007, amended, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 83/2018).

**Article 120.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 21/2021) The electricity provided to end customers shall be metered by means of commercial metering devices owned by the operator of the electricity transmission network, the operator of the respective

electricity distribution network or closed electricity distribution network, which shall be located next to or on the property boundary of the customer.

(2) The property boundary of electric facilities and the site of commercial metering devices shall be determined according to the requirements established by the ordinance referred to in Article 116 (7) herein and by the rules referred to in Item 6 of Article 83, Paragraph (1) herein.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator or the respective electricity distribution network operator shall determine the type, number and site of the metering devices and equipment and of the appurtenant controls and communication devices.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) Where endorsed tariffs allow customers to choose the method of metering of the quantity of electricity, the electricity transmission network operator or the electricity distribution network operator shall be obligated to install metering devices corresponding to the choice stated by the customer in writing.

(5) (New, SG No. 41/2019, effective 22.08.2019) A customer or electricity producer with works with provided, respectively installed capacity over 50 kW may request from the electricity transmission network operator or the electricity distribution network operator to replace the commercial metering device with one with remote reading of metering data by period of settlement according to the rules under Article 91, paragraph 2. The replacement shall be done within 30 days from the receipt of the request and after payment of the value of the commercial metering device and the expenses for the replacement.

(6) (Amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 5, amended, SG No. 41/2019, effective 22.08.2019) The terms and procedure for replacement of a metering device at the request of a customer in the cases under Paragraphs 4 and 5 shall be established by the rules referred to in Article 83, Paragraph 1, Item 6 herein.

(7) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 6, SG No. 41/2019, effective 22.08.2019) The traction electric power supplied to end customers of the electricity distribution network operator in the railroad transport shall be measured by devices for commercial metering owned by the customer and located in the electric power traction rolling stock.

(8) (New, SG No. 83/2018, renumbered from Paragraph 7, SG No. 41/2019, effective 22.08.2019) Where technically possible and economically viable, the operator of the electricity transmission network or of the respective electricity distribution network, in case of connection of a charging point to the network, as well as in the cases under Article 67, paragraph 4 of the Energy Efficiency Act, shall install smart metering systems in compliance with the requirements of Article 67, paragraph 6 of the same Act.

(9) (New, SG No. 41/2019, effective 22.08.2019) In the cases of an installed commercial metering device with remote reading of metering data by period of settlement according to the rules under Article 91, paragraph 2, the customer or the electricity producer shall apply for on-going remote access to the metering data for an interval not longer than 15 minutes within the relevant settlement period. The electricity transmission network operator or the electricity distribution network operator, respectively, shall be obliged within 30 days from the receipt of the request to provide free of charge such access to the customer or producer.

**Article 120a.** (New, SG No. 74/2006) The electricity customers shall not pay a fee for the commercial metering devices.

**Article 121.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) A customer wishing to install its own stand-by power supply source shall be obligated to notify in writing the electricity transmission network operator, respectively the electricity distribution network operator and to

provide to their representatives access to the stand-by power supply source for performing inspections.

(2) The electricity transmission network operator, respectively the electricity distribution network operator shall determine to customers mandatory technical requirements for installation of customer's own stand-by power supply source according to the ordinance referred to in Article 83, Paragraph (1), item 1 herein.

(3) The operator of the electricity transmission network, respectively electricity distribution network, shall have the right to suspend the electricity supply of the customer if the said customer fails to fulfil the obligations thereof under Paragraphs (1) and (2).

## **Section XI**

### **Suspension of Connection and Electricity Supply**

**Article 122.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator, respectively the electricity distribution network operators shall have the right to temporarily suspend the electricity transmission through the relevant network by written advance notice in the event of planned repair, redevelopment or inspection of facilities of the electricity company requiring the switching off of the said facilities for safety purposes.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator and the electricity distribution network operators shall have the right to suspend electricity transmission through the relevant network without advance notice:

1. for prevention of an imminent risk to human health and security or to the security of facilities;

2. upon failures of the electricity networks and facilities for reasons beyond the control of the electricity company;

3. where electricity is consumed unmetered or is incorrectly metered by means of commercial metering devices;

4. (amended, SG No. 54/2012, effective 17.07.2012) where an uncleared modification of the connection diagram of the customer is detected.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The electricity transmission network operator and the electricity distribution network operators shall have the right to suspend the connection:

1. of persons who have connected to the relevant network without having a right to do so;

2. (amended, SG No. 54/2012, effective 17.07.2012) of customers who have suffered the connection of a third party to their own electric fixtures without the express consent of the energy company;

3. upon failure to perform a prescription issued by a control authority for remedy of a violation within the prescribed time limit;

4. (amended, SG No. 54/2012, effective 17.07.2012) of customers who cause disturbances to the electric power grid.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) Upon suspension of the transmission under paragraph 2 or the connection under Paragraph 3, the electricity providers shall not incur any liability for damages resulting from limitation or suspension of the supply.

**Article 123.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 17/2015, effective 6.03.2015, SG No. 38/2018, effective 8.05.2018) The providers of last resort, the public provider, end suppliers, producers and traders in electricity shall have the right to suspend temporarily the supply of electricity to end customers in case of failure to fulfil any

obligations under the contract for sale of electricity, including failure to perform the obligation of timely payment of all sums due in relation to the electricity supply. The right of temporary suspension of the supply of electricity cannot be exercised on the days-off-work or on holidays, as well as on the day preceding them.

(2) (New, SG No. 38/2018, effective 8.05.2018) After a change in the provider, if the end customer has failed to comply with the obligations under a contract for sale of electricity to its previous provider, the most recent provider shall have the right to suspend temporarily his/her supply of electricity according to a procedure stipulated in the rules under Article 91 (2).

(3) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 2, SG No. 38/2018, effective 8.05.2018) End suppliers shall suspend the supply of electricity to end customers which may not be its customers pursuant to Article 94a, paragraph 1 where they have not selected a provider at freely negotiated prices and have refused a deal with a provider of last resort.

(4) (Renumbered from Paragraph 2, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 3, SG No. 38/2018, effective 8.05.2018) The advance notice periods and the other conditions for suspension of supply shall be regulated by the contracts for purchase of electricity or in the general conditions, as the case may be.

(5) (Renumbered from Paragraph 3, amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 4, amended, SG No. 38/2018, effective 8.05.2018) In the cases under paragraphs 1 and 3, the electricity transmission network operator, respectively the electricity distribution network operators shall be obligated to suspend the transmission of electricity to the end customers at the request of the respective provider.

(6) (Renumbered from Paragraph 4, amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 5, amended, SG No. 38/2018, effective 8.05.2018) Upon fulfillment of the obligation thereof under paragraph 5, the electricity transmission network operator, respectively the electricity distribution network operator shall not be held liable for damages resulting from suspension of the transmission of electricity.

(7) (New, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 6, SG No. 38/2018, effective 8.05.2018) The electricity transmission network operator, respectively the electricity distribution network operator shall have the right to temporarily suspend the transmission of electricity to end customers in case of failure to fulfill any obligations under a contract for transmission of electricity or for access to the network, including in case of failure to meet the obligation to pay in due time all amounts due in relation to the provision of these services.

**Article 123a.** (New, SG No. 74/2006, effective 1.07.2007, repealed, SG No. 54/2012, effective 17.07.2012).

**Article 124.** (Amended, SG No. 54/2012, effective 17.07.2012) The electricity company shall restore the supply and/or connection of customers upon elimination of the reasons that led to the suspension of the said supply and/or connection.

## **Chapter Ten**

### **HEAT SUPPLY**

#### **Section I**

#### **General Provisions**

**Article 125.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Heat supply is the process of generation, transmission, delivery, distribution and consumption of heat with water steam and hot water as a heat-transfer medium for household and non-household needs.

(2) Heat supply shall be implemented by means of facilities and installations for generation, transmission, delivery and distribution connected in a heat supply system.

(3) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The procedure and the technical conditions for heat supply, for operational management of the heat supply system, for connection of producers and customers to the heat transmission network, for distribution, disconnection of heat supply and suspension of heat supply shall be established by an ordinance of the Minister of Energy.

(4) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014, SG No. 14/2015) The technical rules and standard specifications for design, construction and operation of the facilities and installations for generation, transmission and distribution of heat shall be established by an ordinance of the Minister of Regional Development and Public Works and the Minister of Energy.

**Article 125a.** (New, SG No. 54/2012, effective 17.07.2012) The Provisions of this chapter, with the exception of Article 125, paragraph 4, shall not apply to the persons under Article 39, paragraph 4, items 2 and 3.

## **Section II**

### **Heat Generation**

**Article 126.** (1) Heat shall be generated by an energy company licensed for generation according to the procedure established by this Act.

(2) (Amended, SG No. 55/2007) Persons may generate heat even without holding a licence in the cases under Item 2 and 4 of Article 39 (4) herein.

**Article 127.** (1) Heat shall be generated at:

1. combined heat and power plants;
2. heat generation plants;
3. (amended, SG No. 35/2011, effective 3.05.2011) installations for recovery of waste heat and for utilization of renewable sources.

(2) In case of a declared demand for heat, new plants with a capacity exceeding 5 megawatts and using natural gas as fuel shall be constructed for the combined generation of heat and electricity (cogeneration).

(3) (New, SG No. 38/2018, effective 8.05.2018) Paragraph 2 shall not be applied in the case of technical reconstruction or construction of replacement installations for the purpose of ensuring the fulfilment of the obligations for continuity of the quality of the heat supply.

**Article 128.** Producers of heat at heat power plants and/or heat generation plants shall be obligated to maintain stocks of fuels in a quantity guaranteeing reliable generation, determined under the terms and according to the procedure established by the ordinance referred to in Article 85 (2) herein.

## **Section III**

### **Heat Transmission**

**Article 129.** (1) (Amended, SG No. 74/2006) The heat transmission network shall be operated by a heat transmission company.

(2) (Amended, SG No. 74/2006) The heat transmission company may, in addition, perform an activity comprehended in the generation of heat and electricity.

**Article 130.** The heat transmission company shall be obligated:

1. (amended, SG No. 54/2012, effective 17.07.2012) to supply heat to customers connected to the heat transmission network on equal and non-discriminatory terms;
2. to maintain the facilities and installations of the heat transmission network in accordance with technical requirements and safe operation requirements;
3. to develop the heat transmission network in accordance with the plans for development of the areas for which the said company has been issued a licence;
4. to purchase the contracted quantities of heat from producers located within the area for which the said company is licensed.

## **Section IV**

### **Operational Management**

**Article 131.** (1) The operational management of the heat transmission system shall be performed by a heat transmission network operator.

(2) A heat transmission network operator shall be a specialized unit of the heat transmission company.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The directives of the operator shall be mandatory for the heat producers and customers.

**Article 132.** (1) The heat transmission network operator shall be obligated to ensure:

1. a mode of operation of the heat transmission network in accordance with the requirements established by the ordinance referred to in Article 125 (3) herein;
2. maintenance of the balance between generation and consumption;
3. (amended, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, SG No. 54/2012, effective 17.07.2012) coordination with the electricity transmission network operator and/or the electricity distribution network operator in accordance with the contracts as concluded: in cases of combined generation of heat and electricity (cogeneration);
4. coordination with the natural gas transmission network operator and/or the natural gas distribution network operator in accordance with the contracts as concluded: where natural gas is used.

(2) (Amended, SG No. 74/2006) The heat transmission network operator shall regulate the distribution of the heat load among the heat generation plants under criteria determined by the ordinance referred to in Article 125 (3) herein.

## **Section V**

### **Connection to the Heat Transmission Network**

**Article 133.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The heat transmission company shall be obligated to connect to the heat transmission network producers and customers located within the relevant area specified by the licence for transmission of heat.

(2) (Supplemented, SG No. 74/2006, amended, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012) The connection of the installations of the customers in a condominium-project building shall require the written consent of the owners holding at least two thirds of the title to the condominium-project building.



(3) The heat transmission company may refuse to connect a customer to the heat transmission network if the said producer has failed to comply with the requirements under this Act and under the ordinance referred to in Article 125 (3) herein.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The heat transmission company may refuse to connect customers to the heat transmission network:

1. where no heat transmission network has been constructed;
2. upon shortage of generating capacities;
3. upon insufficient transmission capacity of the heat transmission network;

4. (amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) where the systems of customers in a condominium-project buildings are not equipped with the devices and appliances covered under Items 2 and 3 of Article 140 (1) herein.

(5) The heat transmission company shall provide a reasoning in writing for a refusal to connect any customer.

**Article 134.** Producers shall be connected to the heat transmission network by means of connecting heating mains which shall be constructed by and for the account of the producer and shall be owned thereby.

**Article 135.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, SG No. 35/2015, effective 15.05.2015) (1) The building supply systems of customers shall be connected to the heat transmission network by means of a connecting heating main and a subscriber sub-station.

(2) Where a new building is connected, a competitively priced individual heat meter shall be installed in each separate property in the building.

(3) Where an existing building is connected after major renovation and remodelling of the building heat-supply systems from vertical to horizontal distribution, a competitively priced individual heat meter shall be installed in each separate property in the building.

**Article 136.** (1) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Upon connection of a customer of heat for non-household uses, the connecting heating mains and the appurtenant facilities and the subscriber sub-station shall be constructed by and for the account of the customer and shall be owned thereby.

(2) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Connection of a new customer of heat for non-household uses by means of an existing connecting heating mains owned by another customer for non-household uses may be performed if technically practicable, provided the heat transmission company buys out the common use section of the connecting heating main or the owner creates an onerous right of use to the said section in favour of the said company.

**Article 137.** (1) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Upon connection of customers of heat for household uses, the connecting heating main, the appurtenant facilities and the subscriber sub-station shall be constructed by the heat transmission company and shall be owned thereby.

(2) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Construction of the facilities referred to in Paragraph (1) may be performed by the customers after clearance with the heat transmission company. In this case, the heat transmission company shall pay a price to use the customer-constructed facilities under Paragraph 1.

(3) (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Ownership of customer-constructed facilities shall be transferred within three years, and any related relationships thereto shall be settled by the connection contract referred to in Article 138, Paragraph 1.

(4) (Renumbered from Paragraph 3, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Connection of customers from one or more buildings to a subscriber sub-station in another building shall only be permissible where:

1. the owners of the corporeal immovables in the buildings without a subscriber sub-station have concluded a contract for use of the premise of the existing subscriber sub-station, and

2. the said owners have complied with the technical requirements established by the ordinance referred to in Article 125 (3) herein.

(5) (Renumbered from Paragraph 4, amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) The connecting heating main from the existing subscriber sub-station to the building of the customers referred to in Paragraph (4) shall be constructed by and for the account of the connecting customers and shall be owned thereby.

**Article 138.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Producers and customers shall be connected to the heat transmission network on the basis of a written contract with the heat transmission company under the terms and according to the procedure established by the ordinance referred to in Article 125 paragraph 3 herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Producers and customers referred to in Paragraph (1) shall pay the heat transmission company a connection price which shall be formed according to the procedure established by the relevant ordinance referred to in Article 36 (3) herein.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) Customers connected to the heat transmission network shall be obligated to provide the licensed heat transmission company access through their own facilities for the purposes of heat transmission to other customers within the area specified in the licence. The price for the access provided shall be fixed according to a method approved by the Commission.

## **Section VI**

### **Heat Distribution**

**Article 139.** (1) Heat shall be distributed in a condominium project building on the basis of a share distribution system.

(2) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Heat share distribution in a condominium-project building among the customers shall be done by the heat transmission company or by a heat provider, or shall be assigned to a person, listed in the public register under Article 139a.

**Article 139a.** (New, SG No. 74/2006) (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Persons performing the share distribution service shall be registered in a public register with the Ministry of Energy.

(2) A person meeting the following requirements shall be listed in the public register under Paragraph 1:

1. is presenting a commercial registration document and a current status certificate;

2. is a producer of individual heat distribution devices or is a duly authorised representative of such producer, which shall be certified by a statement from the producer person, and for the producer representatives - by a notarised letter of attorney or other document, with which the producer authorises the person to conduct such activities;

3. is offering and/or using individual heat distribution and/or metering devices, meeting the effective standards in the country;

4. is providing warranty and post-warranty service for the share distribution devices offered

and installed;

5. owns the hardware and licensed software needed to conduct its activities;

6. has qualified personnel and an authorised representative at the respective city or village;

7. applies a heat share distribution methodology, compliant with the rules on distribution according to the ordinance under Article 126, Paragraph 3;

8. is not in any liquidation proceedings;

9. is not declared bankrupt, and is not in any bankruptcy proceedings;

10. (repealed, SG No. 17/2019);

11. does not have its right to conduct commercial activities revoked;

12. has no monetary obligations to the state, established by an act of a competent authority, or obligations to social insurance funds, except in cases where the competent authority has allowed the obligation to be rescheduled or deferred.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) In order to obtain registration, the person shall submit an application to the Minister of Energy, attaching thereto any documents certifying the conditions under Paragraph 2. When the share distribution is to be done by a foreign natural or legal person, the application shall be submitted in Bulgarian language, and any foreign-language documents attached thereto shall be also presented in translation.

(4) For all conditions under Paragraph 2, Items 4-6, the person shall attach a statement to the application, stating the number of employees used, and their qualifications.

(5) The conditions under Paragraph 2, Item 3 and Items 8-12 shall be certified by documents from the respective competent administrative or judicial authorities.

(6) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The application shall be reviewed by a Committee, appointed by order of the Minister of Energy, which, within one month after the date the application is submitted, shall prepare a motivated proposal for the Minister.

(7) The Committee under Paragraph 6 shall be entitled, over the course of review of this application, to verify the data stated by the person, to ask for clarifications regarding the conditions and the documents under Paragraph 2, as well as to require written presentation within a given period of additional proof of any conditions stated in the application.

(8) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall make a decision on the application based on the Committee's proposal within 7 days after preparation of the latter. The applicant shall be notified under the procedure of the Code of Civil Procedure.

(9) The authority under Paragraph 8 shall make a decision with a motivated refusal on the application, when the person does not meet any requirements in Paragraph 2, and/or has not provided any documents under Paragraph 4 or Paragraph 5. The refusal may be appealed under the procedure of the Code of Administrative Procedure.

(10) The entry into the register shall be effected within three days after the decision of the authority under Paragraph 8, on which the applicant shall have a certificate issued. The registration shall be considered effective as of the date of presenting the certificate.

(11) Any person, listed in the register under Paragraph 1, shall be de-listed by an act of the authority under Paragraph 8:

1. upon application for de-listing, submitted by the person;

2. upon termination of activity or death of the natural person - sole trader, or upon placement of the latter under full judicial disability, as well as upon termination - for a legal person;

3. when, as a result of any change in conditions, does not meet the requirements under Paragraph 2;

4. when by two or more effective acts by competent state authorities it has been established that the company has been in regular violations of the law.

(12) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Persons, listed in the register under Paragraph 1, shall inform the Minister of Energy on all changes in conditions under Paragraph 2 within 7 days after such changes have occurred;

(13) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) For the application review and the register listing, a fee shall be paid, set forth in a schedule by the Council of Ministers, upon proposal by the Minister of Energy.

(14) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The rules to maintain and store all data in the register shall be defined in an instruction by the Minister of Energy.

**Article 139b.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2012, effective 17.07.2012) Customers in a condominium-project building shall designate a person, registered under the procedure of Article 139a, to perform the share distribution service.

(2) (Amended, SG No. 54/2010, effective 16.07.2010) The designation under Paragraph 1 shall be based on the written consent of the owners holding at least two thirds of the title to the condominium-project building.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) Customers shall notify in writing the heat transmission company or the heat supplier on the result of this designation decision.

**Article 139c.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2012, effective 17.07.2012) When the heat transmission company or the heat supplier have not been registered under Article 139a, they shall execute a written agreement on the performance of the share distribution service with the person designated by customers under Article 139b.

(2) (Supplemented, SG No. 17/2019) The agreement under Paragraph 1 shall be executed on general conditions proposed by the heat transmission company or the heat supplier and approved by the Commission. The general conditions shall also include the types of personal data that the heat transmission company or the heat supplier is required to process, including but not limited to names, Standard Public Registry Personal Number and address.

(3) The agreement under Paragraph 1 shall contain:

1. rights and obligations of the parties;
2. the methodology for heat share distribution;
3. the terms, procedure, timeframes and content of any required information the parties provide each other in order to perform the share distribution;

4. price for the share distribution service, paid by the heat transmission company or the supplier, which compensates any service costs proven before the heat transmission company or the heat supplier and an economically justified rate of return on investment;

5. (amended, SG No. 54/2012, effective 17.07.2012) the obligation of the person designated by customers under Article 139b to read the share distribution meters and to prepare amount equalization for the actual consumed heat quantity in the event of agreement termination;

6. all liabilities and charges upon any violation of the agreement, as well as the control the heat transmission company or the heat supplier has over the correct performance of the share distribution service;

7. the agreement termination terms;

8. (amended, SG No. 54/2012, effective 17.07.2012) the terms, procedure, timeframes, access, and conditions to provide all information needed to prepare the bills for customers in the

condominium-project building by the share distribution performing person, to the heat transmission company or the heat supplier.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) Upon termination of the agreement under Paragraph 1, customers in the condominium-project building, or the association under Article 151, Paragraph 1, shall designate another person registered under Article 139a, with whom the heat transmission company or the heat supplier shall execute an agreement.

**Article 140.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The share distribution of heat among customers in a condominium-project building shall be performed by means of:

1. commercial metering devices for the quantity of heat in the subscriber sub-station;
2. (amended, SG No. 74/2006) heating share distribution devices: individual allocators conforming to the current standards in Bulgaria, or individual heat meters;
3. (amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) household hot-water supply share distribution devices: individual hot water meters installed on all branches from the building hot-water supply system to the properties of the customers;
4. (repealed, SG No. 74/2006).

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Customers connected to the subscriber sub-station in a condominium-project building shall use heating share distribution devices of one and the same model, delivered by one and the same merchant or approved by the said merchant for use in the building.

(3) (Amended, SG No. 74/2006) Building heating and household hot-water supply installations shall be condominium-project property.

(4) (Amended, SG No. 74/2006, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012) The heating units, the appurtenant control fittings, the branches from the heating building systems, as well as the branches from the hot-water supply systems shall be owned by the customers. The heating share distribution devices referred to in Item 2 of Paragraph (1) and the individual hot-water meters referred to in Item 3 of Paragraph (1) shall be owned by the customers or the persons under Article 139b, Paragraph 1 herein in the cases provided for in the ordinance referred to in Article 125, Paragraph 3 herein.

(5) (Repealed, SG No. 74/2006, new, SG No. 54/2010, effective 16.07.2010, amended, SG No. 54/2012, effective 17.07.2012) The person referred to in Article 139b, Paragraph 1 shall offer the customers in a condominium-project building to conclude, either separately or via a legal proxy, a written agreement stipulating:

1. the rights and obligations of the parties;
2. the ownership of the appliances, payment terms and procedure, provision of information in conformity with the Bulgarian state standards for the share distribution devices;
3. the methodology for energy distribution;
4. the regularity and procedure for reading the indications of the share distribution devices and for providing information on the distributed energy;
5. the warranty time limits, guarantee covered and uncovered maintenance;
6. all liabilities and charges upon violation of the agreement;
7. the procedure for consideration of claims;
8. the terms and procedure to pay the share distribution service;
9. the terms for termination of the agreement.

(6) (Repealed, SG No. 74/2006, new, SG No. 35/2015, effective 15.05.2015) Where existing heat cost allocators are replaced, competitively priced individual heat meters shall be installed, in so far as it is technically possible or cost-efficient in relation to the potential energy savings.

(7) (New, SG No. 21/2021, effective 12.03.2021) When installing new devices under

Paragraph 1 they shall have remote reading.

(8) (New, SG No. 21/2021, effective 12.03.2021) The individual hot water meters with remote reading in the properties of the customers, that are connected to the subscriber sub-station in a condominium-project building, shall be delivered by the person under Article 139b or shall be approved by the same person for use in the building.

**Article 140a.** (New, SG No. 74/2006) The total consumed quantity of heat in a condominium-project building, connected to a subscriber sub-station or a separate branch thereto, shall be allocated for hot-water supply and heating.

**Article 141.** (1) The heat for hot-water supply in a condominium project building shall be calculated by means of:

1. the quantity of household hot water supplied and consumed in the building according to the readings of the common water meter;

2. the consumption of heat for heating of 1 cubic metre of water of the quantity referred to in Item 1, determined under the terms and according to the procedure established by the ordinance referred to in Article 125 (3) herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The heat referred to in Paragraph (1) shall be distributed among customers under the terms and according to the procedure established by the ordinance referred to in Article 125 (3) herein.

**Article 142.** (1) (Amended, SG No. 74/2006) The heat for heating of a condominium-project building shall be the difference between the total quantity of heat for allocation in a condominium-project building and the quantity of heat for hot water supply, calculated under Article 141 (1) herein.

(2) The heat for heating of a condominium-project building shall be divided into heat released by the building system, heat for heating of common parts, and heat for heating of the properties.

**Article 143.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, SG No. 35/2015, effective 15.05.2015) (1) Heat customers in a condominium-project building shall choose a method for determination of the quantity of heat off-take of a building supply system where a heat cost allocation system by means of individual heat cost allocators has been implemented according to the ordinance referred to in Article 125 (3) herein.

(2) Where heat customers in a condominium-project building do not choose a method for determination of the quantity of heat, the quantity of heat off-take of a building supply system where a heat cost allocation system by means of individual heat cost allocators has been implemented shall be determined by the person referred to in Article 139b (1) herein according to the methodology under the ordinance referred to in Article 125 (3) herein.

(3) The choice under Paragraph (1) shall be made by resolution of the general meeting of owners or of the association of owners according to the procedure established by the Condominium Ownership Management Act.

(4) The heat for heating the common parts of a condominium-project building with installed heating units, upon application of a heat cost allocation system by means of individual heat cost allocators shall be determined on the basis of:

1. the capacity of the heating units, or

2. the readings of the individual heat cost allocators installed on the said heating units.

(5) In the cases referred to in Paragraphs (1), (2) and (4), the heat shall be allocated among all customers in proportion to the design heated volume of the individual properties.

**Article 144.** (1) The heat for heating of the properties shall be distributed among the individual properties on the basis of share units according to the readings of the individual

allocators installed on the heating units in each property.

(2) The value of one share unit shall be calculated on the basis of readings of the individual allocator, taking into consideration evaluation factors in accordance with the standard of the said allocator.

(3) (Amended, SG No. 35/2015, effective 15.05.2015) The heat per share unit shall be calculated by dividing the heat for heating of the building, less the quantity of heat calculated under Paragraphs (1) and (2) and Item 1 of Paragraph (4) of Article 143 herein, by the sum total of the share units for all heating units in the building.

(4) The heat released by one heating unit shall be the product of the share units as determined according to the readings of the individual allocator installed on the radiator, and the heat per share unit.

(5) (New, SG No. 74/2006) The heat under Paragraph 4 shall not exceed the maximum heat the heating unit is able to emit within a heating period, calculated using methodology in the ordinance under Article 125, Paragraph 3, at the respective building installation operating mode.

(6) (New, SG No. 74/2006) If there are no heating share distribution devices in a particular property and/or on particular premises, the heat for the heating thereof shall be calculated by multiplying the installed capacity of the heating units installed therein by the maximum specific consumption for the building, arrived at according to the procedure established by the ordinance referred to in Article 125 (3) herein.

**Article 145.** (1) The heat for heating of the properties in a condominium-project building, upon application of share distribution through individual heat meters, shall be calculated on the basis of the readings of the heat meters in the individual properties.

(2) The heat released by the building system and the heat for the heating of the common parts, upon application of share distribution through individual heat meters, shall be calculated as the difference between the heat for heating of the building, arrived at under Article 142 (1) herein, and the heat for heating of the properties, calculated under Paragraph (1).

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The heat referred to in Paragraph (2) shall be distributed among all customers in proportion to the heated volume of the individual properties.

**Article 146.** (Repealed, SG No. 74/2006, new, SG No. 21/2021, effective 12.03.2021) In the case of centralised supply of cooling energy from a central source or regional cooling system, the devices for measuring the energy consumed for cooling shall be installed at the supply point:

1. of each individual building when multiple buildings are supplied;
2. of each individual property when the cooling energy is supplied in a condominium-project building.

**Article 147.** (Repealed, SG No. 74/2006).

**Article 148.** (Amended, SG No. 18/2004, repealed, SG No. 74/2006).

## **Section VII**

### **Commercial Relationships**

**Article 149.** (1) Heat shall be sold on the basis of written contracts under general conditions, concluded by and between:

1. a producer and a heat transmission company;
2. (amended, SG No. 54/2012, effective 17.07.2012) a producer and directly connected customers of heat for non-household uses;
3. (amended, SG No. 54/2012, effective 17.07.2012) a heat transmission company and

customers of heat for non-household uses;

4. (amended, SG No. 54/2012, effective 17.07.2012) a heat transmission company and associations of heat customers in a condominium-project building;

5. (new, SG No. 74/2006) a heat transmission company and a heat supplier;

6. (new, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) a heat supplier and customers in condominium-project building.

(2) (Amended and supplemented, SG No. 74/2006) The general conditions of any contracts referred to in under Items 1, 3 and 4 of Paragraph (1) shall be proposed by the heat transmission company, and the general conditions of any contracts referred to in Item 2 of Paragraph (1) shall be submitted by the producer to the Commission for approval.

(3) (New, SG No. 21/2021, effective 12.03.2021) In the case where the legal entity that occupies a separate property in condominium project building does not conclude a contract under Paragraph 1, Item 3 the heat shall be sold under the procedure of Article 150, Paragraph 1.

**Article 149a.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012) Heat customers in a condominium-project building may purchase heat from a supplier, selected by the written consent of the owners holding at least two thirds of the title to the condominium-project building.

(2) Heat suppliers shall be legal persons, registered as companies under Bulgarian law, meeting all financial-guarantee requirements for all transactions they execute with the heat transmission company.

(3) The financial guarantees under Paragraph 2 shall be presented by the supplier to the benefit of the heat transmission company under the terms and procedure set forth in the ordinance under Article 125, Paragraph 3.

**Article 149b.** (New, SG No. 74/2006) (1) (Amended, SG No. 54/2012, effective 17.07.2012) Upon any sale of heat by supplier to customers in a condominium-project building, the written agreement shall define:

1. the rights and obligations of the parties;
2. the price of heat;
3. the procedure to measure, read, distribute and pay for the heat;
4. the procedure to provide access to the heating units and the share distribution devices;
5. the requirements to the quality of the service;
6. the responsibility upon any failure to meet obligations;
7. (amended, SG No. 54/2012, effective 17.07.2012) the procedure to review all customer complaints and claims;
8. the terms and procedure for agreement termination.

(2) Integral part of the agreement under Paragraph 1 shall be:

1. a copy of the agreement with the heat transmission company;
2. the consumed heat share distribution methodology;
3. a protocol from the general meeting of the condominium owners.

(3) In the agreement under Paragraph 1, the share distribution service shall be performed by and at the expense of the supplier separately, or under an agreement the supplier has executed with a person registered under Article 139a.

**Article 150.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Heat shall be sold by the heat transmission company to customers of heat for household uses under publicly known general conditions as proposed by the heat transmission company and as approved by the Commission; the said conditions shall stipulate:

1. (amended, SG No. 54/2012, effective 17.07.2012) the rights and obligations of the heat



transmission company and the customers;

2. the procedure for metering, reading, distribution and payment of the quantity of heat;
3. the liability for non-fulfilment of the obligations;
4. the terms and procedure for connection, suspension and disconnection of heat supply;
5. the procedure for provision of access to the heating units, the commercial metering devices or other control appurtenances;
6. (new, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) the procedure and the timeframes for the customers to provide and receive their individual heat distribution bills in a manner setting forth the time, when the appeal period commences;
7. (new, SG No. 17/2019) the types of personal data that the heat transmission company is required to process, including but not limited to:

- a) names;
- b) Standard Public Registry Personal Number;
- c) address.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Heat transmission companies shall mandatorily publish the general conditions as approved by the Commission in at least one national and one local daily newspaper in the cities where heat supply for household uses is available. Such general conditions shall take effect 30 days after the first publication thereof, without the need of an express written acceptance by customers.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) Within 30 days after the effective date of the general conditions, the customers who disagree with the said conditions shall have the right to submit a statement to the relevant heat transmission company, proposing thereby special conditions. Any special conditions departing from the general conditions as published, which are accepted by the heat transmission companies, shall be entered in supplemental written agreements.

**Article 151.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Heat customers in a condominium-project building may establish an association wherewith the heat transmission company may conclude a contract for sale of heat to be used by the customers in the said building.

(2) Any contract referred to in Paragraph (1) shall stipulate:

1. the rights and obligations of the parties to the contract;
2. the procedure for metering, reading and payment of the quantity of heat according to the readings of the heat meter in the subscriber sub- station;
3. warranties ensuring fulfillment of the obligations of the parties to the contract;
4. the liability for non-fulfilment of the obligations;
5. the procedure for consideration of claims;
6. the terms and procedure for termination of the contract.

(3) Any contract referred to in Paragraph (1) shall be concluded at a preferential price of heat for the association, fixed by the Commission at a proposal by the heat transmission companies.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The contract for sale of heat at a preferential price shall be terminated upon dissolution of the association referred to in Paragraph (1) or upon cessation of a customer's membership in the said association. As of the time of

termination of the contract, the owners or users of the properties in a condominium-project building shall be considered to be the heat customers.

**Article 152.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The association referred to in Article 151 (1) herein shall be a voluntary association of all heat customers in a condominium-project building. The registration of any such association shall be effected according to the procedure established by Chapter One of the Non-profit Legal Persons Act. The court shall record in the register the particulars referred to in Items 1 to 3, 5, 6, 8 and 9 of Article 18 (1) of the Non-profit Legal Persons Act.

(2) The association referred to in Article 151 (1) herein shall be incorporated for enhancement and improvement of the living conditions and environment in a condominium-project buildings and may:

1. purchase heat from the heat transmission company which is to be used in the condominium-project building;
2. take the readings of the metering devices and the heat distribution devices;
3. create new or update existing documentation with data on the heated facilities and on the consumption of hot water;
4. exercise control over the heating units and water meters, including such where to heat delivery and hot-water delivery has been discontinued;
5. perform repair and adjustment of the building systems, whether independently or through other persons, including rehabilitation of the condominium-project building;
6. take care of the building systems and of the condominium project building;
7. perform other activities related to the servicing of the properties in the condominium-project building;
8. carry out economic activity.

(3) The association referred to in Article 151 (1) herein shall be a legal person and shall not distribute profit.

(4) The association shall be dissolved on the grounds and according to the procedure established by the Non-profit Legal Persons Act.

(5) Upon dissolution, the association shall be liquidated. Liquidation shall be carried out by the Manager or by a person designated by the General Meeting. The provisions of the Commerce Act shall apply, mutatis mutandis, to the insolvency or bankruptcy, as the case may be, to the procedure for liquidation and to the powers of the liquidator.

(6) The incorporators shall adopt a Charter which must state:

1. the corporate name of the association;
2. the purposes and the means for attainment thereof;
3. the seat;
4. the amount of initial contributions;
5. the objects of economic activity;
6. the governing bodies;
7. the powers of the bodies of the association;
8. the rules regarding the commencement and cessation of membership, as well as the procedure for settlement of property relations upon cessation of membership;
9. the duration wherefor the association is incorporated, if applicable;
10. the procedure for determination of the amount and the manner of transfer of contributions.

(7) Each member shall have the right to participate in the management of the association, to stand informed of the operation of the association, to benefit from the property thereof and from

the results of the activity according to a procedure established in the Charter. Each member shall be obligated to make contributions in an amount provided for in the Charter. Membership shall cease according to the procedure and in the manner established in the Charter.

(8) Contributions by the members of the association which do not exceed the amount owed by the association under the contract for sale of heat referred to in Article 151 herein shall not form part of the economic activity of the association.

(9) The General Meeting and the Manager shall be the bodies of the association.

(10) (Amended, SG No. 54/2012, effective 17.07.2012) The General Meeting shall be composed of all members of the association who are heat customers.

(11) The General Meeting shall exercise the following powers:

1. amend and supplement the Charter;
2. approve other internal acts;
3. elect and remove a Manager and a Liquidator;
4. admit, release and expel members;
5. pass upon dissolution of the association;
6. adopt the guidelines and a programme of action of the association;
7. adopt the budget of the association;
8. pass upon the dueeness and amount of membership dues and/or of contributions;
9. approve the report on the activities of the association;
10. pass upon any other matters as provided for in the Charter.

(12) Any resolution of the General Meeting shall be subject to judicial review as to the legal conformity thereof and compatibility with the Charter, the said review lying within the competence of the district court exercising jurisdiction over the seat of the association.

(13) The General Meeting shall be called to a session by the Manager on his or her own initiative or on a requisition of one third of the members of the association. Should the Manager fail to transmit a written notice of convocation of the General Meeting within one week, the meeting shall be called by the interested members or by a person authorized thereby.

(14) Any notice of convocation must state the agenda, the date, time and venue of the session of the General meeting, as well as the initiative for convocation.

(15) Any notice of convocation shall be posted on the notice board in the building where the management of the association resides not later than one week prior to the appointed date.

(16) For the valid transaction of business at any session of the General Meeting, more than one half of all members shall have to be present there, save as otherwise provided for by the Charter. Unless the required quorum is present, the session of the General Meeting shall stand adjourned to a time within one hour thereafter at the same venue and with the same agenda and can be held, with the attendance of whatever number of members have presented themselves, save as otherwise provided for in the Chamber.

(17) No member of the General Meeting shall be entitled to vote in determination of any matter affecting the member himself or herself, the spouse thereof, or any lineal relative thereof up to any degree of consanguinity, or any collateral relative thereof up to the fourth degree of consanguinity, or any affine thereof up to the second degree of affinity.

(18) A single person may not represent more than three members of the General Meeting by virtue of a written authorization, unless the Charter provides for a different representation quota or for a meeting of delegates. Re-authorization shall be inadmissible.

(19) Each member of the General Meeting shall be entitled to one vote. The General Meeting shall pass resolutions by a majority of the members attending.

(20) The Manager of the association shall be a natural person who is a member of the

association and who shall perform the following functions:

1. represent the association;
2. ensure implementation of the resolutions of the General Meeting;
3. dispose of the property of the association in compliance with the provisions of the Charter;
4. prepare a draft budget and lay it before the General Meeting;
5. prepare a report on the activities of the association and lay it before the General Meeting;
6. make decisions on any matters which by law or according to the Charter do not lie within the competence of the General Meeting;
7. discharge any other duties provided for in the Charter.

**Article 153.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) All owners and holders of a real right of use in a condominium-project building, who are connected to a subscriber sub-station or to a self-contained branch therefrom, shall be considered heat customers and shall be obligated to install share distribution devices referred to in Item 2 of Article 140 paragraph 1 herein on the heating units in the properties thereof and to a price for heat under the terms and according to the procedure established in the relevant ordinance referred to in Article 36 (3) herein.

(2) (Amended, SG No. 74/2006, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012) Where the owners holding at least two thirds of the title to the condominium-project building, who are connected to a subscriber sub-station or to a self-contained branch thereof, do not wish to be considered customers of heat for heating and/or for hot water supply, the said owners and holder shall be obligated to declare this in writing to the heat transmission company and to request disconnection of the heat supply for heating and/or hot water supply from the said subscriber sub-station or from the self contained branch therefrom.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The persons referred to in Paragraph (2) shall be considered heat customers until the date of disconnection of the heat supply.

(4) The heat transmission company shall be obligated to perform the disconnection as requested under Paragraph (2) within fifteen days after receipt of the application.

(5) (Amended, SG No. 54/2012, effective 17.07.2012) If a heat share distribution system is applied, the customers in a condominium-project building shall have no right to discontinue the delivery of heat to the heating units in the properties thereof by means of physical disconnection of the said heating units from the building system.

(6) (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) Any customers in a condominium-project building, who discontinue the heat delivery to the heating units in the properties thereof, shall continue to be considered customers of the heat released by the building system and by the heating units in the common parts of the building.

**Article 154.** (Amended and supplemented, SG No. 74/2006, amended, SG No. 59/2007, SG No. 54/2012, effective 17.07.2012) In respect of the liabilities of any customers, who are defaulting payers, and of the association referred to in Article 151 (1) herein to the heat transmission company, an enforcement order may be issued under Article 410 (1) of the Code of Civil Procedure, regardless of the amount of the said liabilities. An equalizing bill for the respective year for which the liability applies must have been prepared in respect of the liabilities of any customers with application of a share distribution system, who are defaulting payers.

**Article 155.** (1) (Supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Heat customers in a condominium-project building shall pay for the heat consumed using one of the following options available to them:

1. (amended, SG No. 74/2006, SG No. 35/2015, effective 15.05.2015) in eleven equal

monthly instalments and one equalizing instalments;

2. in monthly installments calculated on the basis of a forecast consumption for the building and one equalizing installment;

3. on the basis of the actual monthly consumption.

(2) (New, SG No. 35/2015, effective 15.05.2015) The heat transmission company or the heat supplier shall bill the quantity of heat used on the basis of the actual consumption at least once a year.

(3) (Amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph (2), SG No. 35/2015, effective 15.05.2015) The rules for calculation of the forecast consumption and equalization of the bills for the quantity of heat actually consumed by each individual customer shall be established by the ordinance referred to in Article 125 (3) herein.

**Article 156.** (1) Heat shall be measured by means of commercial metering devices owned by the heat transmission company and installed on the property boundary of the facilities.

(2) The property boundary of the facilities:

1. between the producer and the heat transmission company shall be the last stop valve of the producer;

2. (amended, SG No. 54/2012, effective 17.07.2012) between the heat transmission company or the producer and the business customers shall be the last stop valve upstream of the connecting mains of the customers;

3. (amended, SG No. 54/2012, effective 17.07.2012) between the heat transmission company and the heat customers in a self-contained building or in a condominium-project building shall be the last stop valve upstream of the distribution network of the building systems.

(3) Where the heat is metered by means of commercial metering devices installed on a site other than the property boundary referred to in Paragraph (2), the manner of heat metering shall be regulated according to the ordinance referred to in Article 125 (3) herein.

## **Chapter Eleven**

### **PROMOTION OF POWER GENERATION COGENERATION**

**(Title amended, SG No. 49/2007)**

#### **Section I**

**(Repealed, SG No. 49/2007)**

### **Generation of Electricity from Renewable Energy Sources**

**Article 157.** (Amended and supplemented, SG No. 74/2006, repealed, SG No. 49/2007).

**Article 158.** (Supplemented, SG No. 74/2006, repealed, SG No. 49/2007).

**Article 159.** (Amended and supplemented, SG No. 74/2006, repealed, SG No. 49/2007).

**Article 160.** (Supplemented, SG No. 74/2006, repealed, SG No. 49/2007).

**Article 161.** (Repealed, SG No. 74/2006).

#### **Section II**

### **Generation of Electricity by Combined Heat and Power Plants Certificates of origin**

## **(Title supplemented, SG No. 105/2016)**

**Article 162.** (1) (Amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 1.01.2012, SG No. 59/2013, effective 5.07.2013, SG No. 17/2015, effective 6.03.2015, SG No. 56/2015, effective 1.01.2016, supplemented, SG No. 105/2016, amended and supplemented, SG No. 38/2018, effective 1.07.2018, amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) The public provider and the end suppliers, respectively, shall be obligated to purchase from producers having works with a total installed electric capacity of less than 500 kW interconnected to the respective grid, the entire quantity of electricity from high-efficiency combined generation of heat and electricity, registered by a monthly certificate of origin, at preferential prices set according to the respective ordinance under Article 36, Paragraph 3, with the exception of the quantity of electricity necessary to ensure the operational reliability of the main facilities, generated in excess of the quantity of electricity from cogeneration and the quantities used by the producer for own needs and for own consumption within the meaning of Article 119, Paragraph 1 or for which the said producer has concluded contracts according to the procedure established by Section VII of Chapter Nine, or quantities with which the said producer participates on the balancing energy market or which is consumed by non-household customers, which are not supported by the government budget, and which are supplied with heating energy by the producer with prevailing heat load for business purposes. The quantities of electricity from high-efficiency combined generation of heat and electricity shall be purchased up to the amount of the quantities specified by a decision of the commission for specifying a preferential price.

(2) (Amended, SG No. 74/2006, SG No. 54/2012, effective 1.01.2012, SG No. 17/2015, effective 6.03.2015, SG No. 38/2018, effective 1.07.2018) The producer can sell the electricity amounts, other than those under Paragraph 1, to the public provider or the end suppliers respectively at the average price for a surplus on the balancing energy market for the respective month.

(3) (Amended, SG No. 74/2006, supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, repealed, SG No. 38/2018, effective 1.07.2018).

(4) (New, SG No. 74/2006, amended, SG No. 56/2015, effective 1.01.2016, repealed, SG No. 105/2016).

(5) (New, SG No. 35/2015, effective 15.05.2015, repealed, SG No. 105/2016).

**Article 162a.** (New, SG No. 38/2018, effective 1.07.2018, amended, SG No. 41/2019, effective 1.07.2019, SG No. 9/2021, effective 2.02.2021) The Electricity System Security Fund shall compensate by a premium the producers, having generating works with a total installed electric capacity of 500 kW and over 500 kW, for the entire quantity of electricity from combined generation of heat and electricity, registered by a monthly certificate of origin, with the exception of the electricity amount needed for ensuring the operational reliability of the main facilities generated in excess of the electricity amount generated from combined generation and the electricity amount used by the producers for its own needs and consumption within the meaning of Article 119, Paragraph 1 or the electricity amount with which the said producer participates on the balancing energy market or which is consumed by non-household customers, which are not supported by the government budget, and which are supplied with heating energy by the producer with prevailing heat load for business purposes. The amounts of electricity from high-efficiency combined generation of heat and electricity shall be compensated up to the amounts specified by

a decision of the commission for specifying a preferential price.

**Article 162b.** (New, SG No. 38/2018, effective 1.07.2018) The method for metering the cogenerated electricity generated depending on the type of the technological cycle, the requirements for the technical metering and recording devices for cogenerated electricity and the criteria for determining cogeneration as highly-efficient shall be specified by an ordinance of the Minister of Energy.

**Article 162c.** (New, SG No. 74/2006, previous Article 162a, SG No. 38/2018, effective 1.07.2018) (1) (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 35/2015, effective 15.05.2015) The electricity transmission network operator and the electricity distribution network operators shall be obligated to perform with priority connection of all power plants generating electricity using high-efficiency combined generation, having installed capacity up to 10 MW, to the transmission, and the distribution network, respectively on less burdensome procedures according to the ordinance referred to in Article 116 (7) herein.

(2) Any costs required to connect the power plant to the respective network up to the border of ownership of the electric works shall be borne by the producer.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) Expansion and reconstruction of the transmission and/or distribution network, related to the connection of the power plant under Paragraph 1, shall be carried out by the electricity transmission network operator, respectively the electricity distribution network operator, upon payment of a connection price.

(4) (Repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 35/2015, effective 15.05.2015) The electricity transmission network operator and the electricity distribution networks operators, complying with the criteria for security of operation established by the rules referred to in Items 4 and 5 of Article 83 (1) of this Act and Items 1, 2 and 4 of Article 18 (1) of the Energy from Renewable Sources Act, shall be obligated to:

1. provide guaranteed access to the relevant network of electricity from high-efficiency cogeneration;
2. guarantee the transmission and distribution of electricity from high-efficiency cogeneration;
3. provide priority dispatch of electricity from high-efficiency cogeneration.

**Article 163.** (Amended, SG No. 74/2006, SG No. 35/2015, effective 15.05.2015) The criteria which the comprehensive assessment, the cost-benefit analysis and the analysis of the national potential for high-efficiency cogeneration, referred to in Item 11 of Article 4 (2) herein must meet, shall be established by an ordinance issued by the Minister of Energy.

**Article 163a.** (New, SG No. 35/2015, effective 15.05.2015) (1) Upon the development of investment projects, a cost-benefit analysis shall be carried out in accordance with the ordinance referred to in Article 163 herein for installations with a total thermal input exceeding 20 MW in the cases of:

1. a new thermal electricity generation installation with a total thermal input exceeding 20 MW is planned, in order to assess the cost and benefits of providing for the operation of the installation as a high-efficiency cogeneration installation;
2. substantial refurbishment of an existing thermal electricity generation installation with a total thermal input exceeding 20 MW, in order to assess the cost and benefits of converting it to high-efficiency cogeneration;
3. substantial refurbishment of an industrial installation with a total thermal input exceeding 20 MW generating waste heat at a useful temperature level, in order to assess the cost and benefits of utilising the waste heat to satisfy economically justified demand, including through cogeneration, and of the connection of that installation to a district heating and cooling

network;

4. planning of a new district heating and cooling network; in an existing district heating or cooling network a new energy production installation with a total thermal input exceeding 20 MW is planned or an existing such installation is to be substantially refurbished, in order to utilise the waste heat from nearby industrial installations.

(2) The companies responsible for the operation of district heating and cooling networks, at the request of the persons carrying out a cost-benefit analysis under Paragraph (1), shall render assistance and provide the requisite information in the cases referred to in Items 3 and 4 of Paragraph (1).

(3) The fitting of equipment to capture carbon dioxide produced by a combustion installation with a view to its being geologically stored shall not be considered as refurbishment in the cases under Items 2, 3 and 4 of Paragraph (1).

**Article 163b.** (New, SG No. 105/2016) (1) The certificate of origin shall be electronic document issued per 1 MWh of electricity to a producer for the net generation of electricity measured at the exit of the power plant and fed to the respective electricity network in strict compliance with the requirements of precision, reliability and precluding of counterfeiting.

(2) The certificate shall contain:

1. the name, location, type and total installed capacity of the power plant;
2. the beginning and ending date of the period in which the electricity was generated;
3. the lower heat value of incineration of the fuel used for generation of electricity;
4. the amount of heat generated contemporaneously with the electricity, as well as the amount of consumed heat;

5. (amended, SG No. 38/2018, effective 1.07.2018) the amount of electricity generated by high-efficiency combined generation of electricity and heat, determined according to the ordinance under Article 162b;

6. (amended, SG No. 38/2018, effective 1.07.2018) the savings of primary energy calculated according to the ordinance under Article 162b;

7. the nominal efficiency of the energy works for combined generation of electricity and heat;

8. the investment aid received for construction of the energy works for combined generation of electricity and heat from national or European financial assistance scheme;

9. any other kind of support provided per 1 unit of energy under a national financial assistance scheme;

10. type of the national financial assistance scheme;

11. the date of commissioning of each of the installations at the energy works;

12. date and country of issuance;

13. unique identification number.

(3) Only a single certificate of origin, which has a term of validity of 12 months from the generation of the respective unit of energy, can be issued for each unit of electricity generated from high-efficiency combined generation of electricity and heat.

(4) The certificate of origin shall be issued at the request of the producer of the electricity generated from high-efficiency combined generation of electricity and heat and shall be used by the producer for proving the fact that the electricity was generated from high-efficiency combined generation of electricity and heat.

(5) (New, SG No. 38/2018, effective 1.07.2018) In relation to the electricity purchased under Article 162, the producers shall declare the issuance of monthly certificates of origin and shall transfer them to the public provider, respectively to the end supplier.



(6) (New, SG No. 38/2018, effective 1.07.2018) In relation to the generated electricity under Article 162a, the producers shall declare the issuance of monthly certificates of origin and shall transfer them to the Electricity System Security Fund.

(7) (New, SG No. 38/2018, effective 1.07.2018) After paying the premium, the Electricity System Security Fund shall transfer to the persons referred to in Article 36g, Paragraph 1, Item 1 the certificates of origin under Paragraph 6 for the corresponding month in proportion to the amount of money from the price and/or price component under Article 30, Paragraph 1, Item 17 payable by such persons for that same month.

**Article 163c.** (New, SG No. 105/2016) (1) The issuing, transferring and revoking of the certificates of origin of the electricity generated from high efficiency combined generation of electricity and heat shall be effected by electronic means;

(2) The certificate of origin shall be deemed to have been revoked after it is used for proving the origin of the energy before the end consumer or upon expiration of the term of validity.

(3) The terms and procedure for issuing, transferring and revoking the certificates of origin of electricity from combined generation of electricity and heat shall be stipulated by an ordinance adopted by the commission.

**Article 163d.** (New, SG No. 105/2016) (1) The commission shall recognize the certificates of origin issued by the competent authorities in the other Member States of the European Union and in the countries that are parties of the European Economic Area Agreement.

(2) The commission can refuse to recognize a certificate of origin under Paragraph 1, when any of the requirements of Article 163b (2) is not met.

(3) The European Commission shall be notified of each and every refusal under Paragraph 2 that has entered into force.

(4) The certificate of origin, which is not recognized by the commission, shall be recognized when the European Commission adopts a decision requiring recognition, after a notification under Paragraph 3.

### **Section III**

### **(New, SG No. 41/2019, effective 21.05.2019)**

### **Auction**

**Article 163e.** (New, SG No. 41/2019, effective 21.05.2019) (1) The Commission shall conduct an auction for granting a feed-in tariff and/or premium for electricity from high efficiency cogeneration (combined heat and power generation) produced at existing or new works, under the following conditions:

1. existing capacity for production of electricity from high efficiency cogeneration (combined heat and power generation) has been decommissioned;

2. providing of aid shall not result in exceeding the budget amount of the support scheme using feed-in tariffs and/or premiums for production of electricity from high efficiency cogeneration (combined heat and power generation) approved by the European Commission;

3. By the time of conducting of the auction, no feed-in tariff and/or premium has been granted for the energy.

(2) No auction shall be conducted in the following cases:

1. when constructing replacing capacities or making reconstruction or modernisation, which require commissioning into operation within the meaning of the Spatial Development Act, on works, for which the producer is granted a feed-in tariff and/or premium;

2. where the Minister of Energy proves to the European Commission that only one or a limited number of works or territories could be eligible.

(3) The conditions and procedure for conducting an auction, as well as the criteria for granting a feed-in tariff and/or premium, shall be set forth in an ordinance to be adopted by the Commission in compliance with the Guidelines on State Aid for environmental protection and energy 2014 - 2020.

(4) The conditions and procedure for proving to the European Commission the circumstances under paragraph 2, item 2 shall be set out in an ordinance issued by the Minister of Energy.

(5) In the cases under paragraph 2, the provision of aid shall not result in exceeding the budget under paragraph 1, item 2.

## **Chapter Twelve**

### **GAS SUPPLY**

#### **Section I**

#### **General Provisions**

**Article 164.** (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 79/2019, effective 8.10.2019) Gas supply is a totality of activities comprehended in the transmission, storage, distribution, trading and delivery of natural gas for the purpose of meeting the demand of customers.

**Article 165.** The facilities and installations for performance of the activities comprehended in the transmission, storage and distribution of natural gas within the national territory, which are interconnected, shall function within an integral natural gas transmission system with a common mode of operation.

#### **Section II**

### **Transmission, Storage and Distribution of Natural Gas, Liquefied Natural Gas**

**(Title amended, SG No. 54/2012, effective 17.07.2012)**

**Article 166.** (Amended, SG No. 54/2012, effective 17.07.2012) Natural gas shall be transmitted and the natural gas transmission network shall be operated by the gas transmission

network operator licensed under Article 39 paragraph 1, item 2 herein.

**Article 167.** (Repealed, SG No. 54/2012, effective 17.07.2012).

**Article 168.** (1) (Previous Article 168 and supplemented, SG No. 54/2012, effective 17.07.2012) Natural gas shall be stored and the storage facilities for natural gas and/or liquefied natural gas shall be operated by a person licensed under Article 39, paragraph 1, item 4 herein.

(2) (New, SG No. 54/2012, effective 17.07.2012) An operator of a natural gas storage facility and/or an operator of a liquefied natural gas storage facility shall:

1. operate, maintain and develop under market conditions secure, reliable and efficient facilities for storage of natural gas and/or liquefied natural gas;

2. provide equal access to users of facilities for storage of natural gas and/or liquefied natural gas;

3. provide to operators of gas transmission networks, operators of other storage facilities and/or operators of other facilities for liquefied natural gas and/or operators of gas distribution networks sufficient information to guarantee that natural gas storage is done in a manner compatible with the secure and efficient operation of the interconnected networks and facilities; and

4. provide to the network and facilities users the information they need for their efficient access.

**Article 168a.** (New, SG No. 54/2012, effective 17.07.2012) Temporary storage of natural gas shall be done by an operator of the gas transmission or the gas distribution network.

(2) The network operator shall disclose on its website information about the temporary natural gas storage services offered, and shall publish on annual basis by the 1st of January the main commercial conditions for provision of such services.

**Article 169.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Previous text of Article 169, SG No. 21/2021) Natural gas shall be distributed and the gas distribution networks shall be operated by the gas distribution network operators licensed under Article 39, paragraph 1, item 3 herein.

(2) (New, SG No. 21/2021) Natural gas shall be distributed and the closed gas distribution networks shall be operated by the closed gas distribution network operators licensed under Article 39, paragraph 1, item 8 herein.

**Article 170.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The gas transmission network operator shall ensure:

1. integrated management of the natural gas transmission network with a view to its reliable, safe and efficient operation;

2. transmission of natural gas through the natural gas transmission network and metering of the said gas;

3. maintenance of the facilities and installations of the natural gas transmission network in accordance with technical requirements and with safe operation requirements;

4. expansion of the gas transmission network in accordance with long-term forecasts and plans for development of gas supply and outside the framework of such plans, where economically justified;

5. maintenance and expansion of the auxiliary networks;

6. provision and control of third party access on non-discriminatory basis between network users or groups of network users in compliance with the quality requirements, and provision to network users of information that they need for efficient access to the network;

7. the coordinated development and operating compatibility of the gas transmission network with interconnected gas transport systems;

8. of operators of other gas transport systems, operators of natural gas storage facilities and/or operators of liquefied natural gas facilities and/or operators of gas distribution networks sufficient information to ensure that transportation and storage are done in a manner consistent with the secure and efficient operation of interconnected networks and facilities;

9. sufficient cross-border capacity with a view to integration of the European gas transmission infrastructure while meeting all economically reasonable and technically feasible requests for capacity and with a view to meeting the requirements for security of gas deliveries;

10. inclusion of gas from renewable sources into the gas transmission network, where this is technically feasible and secure.

(2) The natural gas transmission activities shall also comprise;

1. representation of the gas transmission operator and contacts with third parties, with the regulatory authorities of other EU Member States, as well as representation within the European Network of Transmission System Operators for Gas (ENTSO for gas);

2. collection of all receivables in relation to transmission, including for access, equalising payments for ancillary services such as natural gas processing, purchase of services (costs of balancing, loss compensation energy);

3. operation, maintenance and development of a secure, efficient and economical gas transmission network with a view to guaranteeing an open market and environmental protection;

4. investment planning to ensure that the long-term capacity of the network would reasonably meet demand and to guarantee security of deliveries;

5. establishing appropriate joint ventures, including with one or more gas transmission network operators, energy exchanges and other relevant participants, with a view to the development of regional markets or facilitating the liberalization process; and

6. all corporate services, including legal services, accountancy and IT services.

(3) The gas transmission networks shall be operated according to the rules of gas transmission network management adopted by the Commission upon a proposal by gas transmission network operators.

(4) The gas transmission network operator shall act at any time in a way that would ensure availability of the necessary resources for performance of the transmission activities in an appropriate and efficient manner, and for the development and maintenance of an efficient and secure and economical transmission network.

**Article 171.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The gas transmission network operator shall ensure:

1. management of the gas distribution network with a view to its reliable, safe and efficient operation;

2. distribution of natural gas through the natural gas distribution network and metering of the said gas;

3. maintenance of the facilities and installations of the gas distribution network and ancillary facilities in accordance with technical requirements;

4. extension, reconstruction and modernisation of the gas distribution network consistent with the environmental protection and energy efficiency requirements and in accordance with natural gas consumption forecasts adopted by the Commission, and outside the framework of such forecasts where economically justified;

5. inclusion of gas from renewable sources into the gas distribution network where this is technically possible and safe.

(2) (Amended, SG No. 21/2021) The operation of gas distribution networks and of closed gas distribution networks shall be done in accordance with the rules of management of gas

distribution networks adopted by the Commission upon a proposal by the gas distribution network operators and by the closed gas distribution network operators.

**Article 171a.** (New, SG No. 21/2021) (1) The operator of a closed gas distribution network has the rights and obligations of an operator of gas distribution network with the exception of the rights and obligations under Article 183b.

(2) The operator of a closed gas distribution network shall have no right to distribute natural gas for household customers, with exception the case of non-systematic use of the network of small number of household customers, working under employment or other relationship for user of the closed gas distribution network and which are located on the territory of the closed gas distribution network.

(3) The closed gas distribution networks shall be considered as gas distribution networks.

**Article 172.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The electricity transmission network operator and the electricity distribution network operators shall be obligated to provide access on non-discriminatory terms to their gas transmission network and/or gas distribution networks to persons meeting the conditions set in rules adopted by the Commission and to provide to the network users the information they need for the efficient access to the network.

(2) The access under paragraph 1 may be refused due to lack of capacity or if providing such access would lead to breach of the technical conditions and the security of networks or would prevent the companies from fulfilling their obligations to provide services of public interest, or if provision of access would result in substantial economic and financial difficulties as a result of contracts for delivery concluded with a "take or pay" clause.

(3) Network operators which refuse access due to lack of capacity or lack of connection shall make the necessary improvements, if this is economically feasible or where a potential customer is willing to pay for this.

(4) A gas transmission network operator, natural gas storage facility operator, liquefied natural gas facility operator, respectively a gas distribution network operator shall have the right to refuse access or to temporarily suspend transmission of natural gas or gas from renewable sources in the respective network, respectively the storage in a storage facility or temporary storage, due to:

1. failure of the natural gas provided to the network or to the storage facility of natural gas or gas from renewable sources to meet the quality requirements set by the operator;

2. in case of failure to fulfill any obligations under a contract for transmission or storage or for access to a network or a storage facility, including in case of failure to pay any amounts due in relation to the provision of such services.

**Article 172a.** (New, SG No. 74/2006, effective 1.01.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012) An energy company for natural gas may apply to the Commission for temporary exemption of the gas transmission or gas distribution network operator of its obligation to grant access under Article 172, Paragraph 1 in cases where granting such access would lead to serious economic and financial difficulties resulting from executed "take or pay" agreements.

(2) The application under Paragraph 1 shall be submitted for each separate case before or immediately after the denial of access to the system.

(3) The application under Paragraph 1 shall be accompanied by detailed information on the type and scope of the economic and financial difficulties, and the measures taken to overcome them.

(4) The Commission shall grant the temporary exemption under Paragraph 1 upon lack of

any other economically feasible option to grant access and upon taking into consideration the following criteria:

1. fulfilment of obligations to the public and ensuring the safety of supply;
2. (amended, SG No. 54/2012, effective 17.07.2012) the operator's position in the gas market and the actual state of competition on this market;
3. the degree of economic and financial difficulties;
4. (supplemented, SG No. 54/2012, effective 17.07.2012) the contract terms and conditions, including the degree to which they include any provisions regarding market developments;
5. the measures taken to overcome the difficulties;
6. the degree to which, upon accepting the "take or pay" obligations, the company has been able to predict, under the provisions of this Act, the occurrence of serious difficulties;
7. (amended, SG No. 54/2012, effective 17.07.2012) the level of connectivity of the network to other networks and the degree of interaction of these networks;
8. the consequences of the temporary exemption for the efficient application of the provisions of this Act, related to the development of a competitive market for natural gas.

(5) The Commission decision under Paragraph 4 shall be motivated.

(6) There shall be no serious difficulties under Paragraph 1, when:

1. natural gas sales have not fallen under the level of the minimum contracted quantities on "take or pay" gas purchase contracts;
2. the terms of the respective "take or pay" gas purchase contract may be renegotiated.

(7) (New, SG No. 54/2012, effective 17.07.2012) The operator of the respective network which was not granted temporary exemption from its obligation to provide access under Article 172, paragraph 1, shall neither have the right to refuse access nor to continue refusing access to the network due to obligations under a "take or pay" clause assumed under a contract for purchase of natural gas.

(8) (Renumbered from Paragraph 7, SG No. 54/2012, effective 17.07.2012) The Commission shall notify the European Commission immediately of any effective temporary exemption decision under Paragraph 4 and shall send the required information.

(9) (Renumbered from Paragraph 8, supplemented, SG No. 54/2012, effective 17.07.2012) Upon request by the European Commission, the Commission may, within 28 days from the receipt of the request, to amend or repeal its decision under Paragraph 4, and shall notify the European Commission thereof.

(10) (Renumbered from Paragraph 9, amended, SG No. 54/2012, effective 17.07.2012) The Commission shall notify the European Commission in all cases, where the Commission does not amend or repeal its decision under Paragraph 9. In this case, the decision for the temporary exemption shall be made by the European Commission.

**Article 172b.** (New, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) (1) Gas storage facilities operators and/or liquefied natural gas facilities operators shall grant access to the facilities and the gas transmission network operators - access to services for temporary storage on equal-treatment basis to the persons meeting the requirements set out in the rules under Article 172, paragraph 1.

(2) Natural gas storage facilities operators or liquefied natural gas facilities operators may deny access:

1. for lack of capacity;
2. if granting access would result in compromising the technical conditions and security of the facilities;
3. if granting access would prevent operators from fulfilling their obligations of providing

services of public interest.

(3) Extraction companies shall be obligated to provide access to the extraction gas pipeline network on equal treatment basis to the persons meeting the requirements, as set out in the rules under Article 172, paragraph 1, with the exception of that part of the network which is used for local extraction operations, in compliance with the applicable legislation, including in the area of environmental protection, special planning and extraction of underground resources.

(4) Extraction gas pipeline network operators may refuse access:

1. due to lack of capacity;
2. if providing such access would lead to breach of the technical conditions and the security of facilities;
3. if providing such access would prevent the current or planned extraction of hydrocarbons, as well as if the interests of other users of the extraction gas pipeline network or related processing or handling facilities are affected.
4. in case the rights granted to an extraction company under a special legal act are affected, or in case of failure to meet any regulatory requirements for provision of access.

(5) (New, SG No. 9/2021, effective 2.02.2021) When the beginning of the extraction gas pipeline network is located in a third country and the first entry point to the gas pipeline network of the Member States is located on the territory of the Republic of Bulgaria, the Minister of Energy shall consult with the competent authority of the third country to ensure compliance with the Bulgarian and the European Union legislation in respect of the relevant gas pipeline network in the territory of the Member States.

**Article 172c.** (New, SG No. 74/2006, effective 1.01.2007) (1) (Amended and supplemented, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, amended, SG No. 14/2015) Upon any significant problems for the development of the gas transmission network, the gas distribution networks in a self-contained area under Article 43, Paragraph 5, and in order to promote investment, the Minister of Energy, per request from the interested parties, may submit a request to the European Commission for temporary exemption from the application within this area of any provisions under Article 37 and Article 48, Chapter Four, Article 172, Paragraph 1, and Article 197, Paragraph 2 and from the obligations for the operator's independence under Chapter Eight "a" and the possibilities for construction and operation of direct gas pipelines.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall evaluate the grounds for the request under Paragraph 1 upon taking into account the following criteria:

1. need for infrastructure investment, which in a competitive market environment would not be economically feasible;
2. rate of return of the needed investment;
3. (amended, SG No. 54/2012, effective 17.07.2012) size and age of the gas network at the self-contained area;
4. prospects for the respective gas market development;
5. size, location, features, social-economic and demographic factors at the self-contained area.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) For newly-built gas transmission networks, a temporary exemption may be granted only if within the self-contained area there are no other such networks or if the existing ones have been built no more than 10 years ago. In these cases, the exemption may not be for more than 10 years, commencing on the date of the first delivery of natural gas to the self-contained area.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) For gas distribution networks, a temporary exemption may be granted for a period of no more than 20 years since the first delivery of natural gas to the self-contained area.

(5) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Minister of Energy shall make a decision on the request within three months, and immediately after the act accepting the request as reasonable becomes effective shall submit a request for temporary exemption to the European Commission.

**Article 172d.** (New, SG No. 54/2012, effective 17.07.2012) In case of construction of a large new gas infrastructure, and in case of significantly increased capacity of an existing gas infrastructure, and extension, reconstruction and modernization of such infrastructure, which allow for the development of new sources of gas deliveries, the Commission may grant temporary exemption from the obligation for:

1. operator's independence under Article 81c, Article 81g, paragraph 2 and Article 81k, paragraph 2, item 1;

2. providing access;

3. regulation of prices of services rendered.

(2) The temporary exemption under paragraph 1 shall be allowed where:

1. The investment stimulates competition in the deliveries of natural gas and increases the security of deliveries;

2. The level of risk involved in the investment is such that it would not have been made, if no exemption is granted;

3. The infrastructure is owned by a person independent, at least in terms of its legal form, from the operators in whose systems this infrastructure is developed;

4. The users of the new infrastructure shall pay the price for using it;

5. (amended, SG No. 9/2021, effective 2.02.2021) the exemption shall not be to the detriment of competition in the relevant markets which are likely to be affected by the investment, of efficient functioning of the internal market for natural gas, of efficient functioning of the relevant regulated systems or the security of natural gas supply in the European Union.

(3) The owner or operator of the new infrastructure under paragraph 1 shall apply to the Commission for exemption of the whole or part of the capacity of the new infrastructure to which the following rules of management and distribution of the new infrastructure's capacity shall apply:

1. a requirement that all potential infrastructure users should be invited to express interest in the negotiation of capacity prior to the distribution of the new infrastructure's capacity, including for their own needs;

2. an obligation, in case of overload, to offer the unutilized capacity in the market, the users of the infrastructure having the right to trade in their contracted capacity.

(4) When making decisions regarding exemption, the Commission shall take into consideration the results of the capacity distribution procedure under paragraph 3, item 1 to assess the compliance with the requirements referred to in paragraph 2, items 1, 2 and 5, and shall approve the rules and mechanisms for capacity management and distribution.

(5) When making decisions regarding exemption, the Commission shall take into consideration the need to impose conditions as regards the exemption duration and the non-discriminatory access to the infrastructure, taking into consideration the additional capacity to be developed, or the change in the existing capacity, operation period of the infrastructure and the national specifics.

(6) The Commission shall consider the application under paragraph 3 and shall come up



with a reasoned decision. The decision shall be published on the website of the Commission.

(7) (New, SG No. 9/2021, effective 2.02.2021) Before adopting the decision under Paragraph 6 the Commission shall consult:

1. the regulatory authorities of the Member States whose markets are likely to be affected by the new infrastructure;

2. the relevant competent authorities of third countries, when the infrastructure is connected to the network of the European Union under the jurisdiction of the Republic of Bulgaria and starts or ends in one or more third countries.

(8) (New, SG No. 9/2021, effective 2.02.2021) The Commission may adopt a decision under Paragraph 6 also in the cases when the authorities of the third country, to which a request for consultation has been addressed, do not respond to the request within three months.

**Article 172e.** (New, SG No. 54/2012, effective 17.07.2012) (1) Provided the new gas infrastructure is on the territory of the Republic of Bulgaria and of at least one other EU Member State, the owner or operator of the respective infrastructure shall apply for exemption to the Commission and to the competent regulator of the respective EU Member State.

(2) The Commission shall hold consultations with the competent regulators under paragraph 1 to come to an agreement on the application for exemption within 6-month term from the date of receipt of the application by the last of the regulators. Where within the set term ACER provides to the regulators a consultative opinion on the application, they may substantiate their agreement on the exemption with the recommendations given by ACER. The regulators shall notify ACER about the agreement reached. The Commission shall make a reasoned decision on the exemption in conformity with the arrangement reached in the agreement.

(3) The Commission and the other competent regulator may request from ACER an extension of the term under paragraph 2 by three months at the most.

(4) The Agency for the Cooperation of Energy Regulators shall make a decision for exemption where within the terms under paragraphs 2 and 3 no agreement on the exemption is reached between the regulators, or upon their joint request.

(5) (New, SG No. 9/2021, effective 2.02.2021) Where the respective infrastructure is a transmission gas pipeline between the Republic of Bulgaria and a third country and where the first point of interconnection with the network of the Member States is located on the territory of the Republic of Bulgaria, before adopting the decision under Paragraph 2 in connection with the exemption, the Commission may consult with the competent authority of the third country in order to ensure compliance with Bulgarian legislation regarding the relevant infrastructure on the territory of the Republic of Bulgaria and, where applicable, in the territorial sea of the Republic of Bulgaria.

(6) (New, SG No. 9/2021, effective 2.02.2021) The Commission may adopt a decision under Paragraph 2 also in the cases when the authorities of the third country, to which a request for consultation has been addressed, do not respond to the request within three months.

**Article 172f.** (New, SG No. 54/2012, effective 17.07.2012) The Commission shall notify immediately the European Commission about any filed application for exemption and about the decision under Article 172d, paragraph 6, and Article 172e, paragraph 2. The notification about any exemption decision made shall be accompanied by the full information in relation thereof, including:

1. the grounds for making the decision;
2. analysis of its impact on the competition and efficient operation of the domestic market;
3. reasoning for the term of exemption and the exempted share of the total capacity of the infrastructure;

4. the agreement with the other regulators upon an application for exemption under Article 172e;

5. the contribution of the infrastructure to deliveries diversification.

(2) The Commission shall submit any additional information requested by the European Commission within the time indicated in the request or set by mutual agreement between the Commission and the European Commission, or shall notify the European Commission that it considers the notification under paragraph 1 is complete.

(3) Where the requested information is not provided within the time under paragraph 2, the notification is deemed withdrawn, unless the Commission has stated that it considers the notification is complete.

(4) The Commission shall bring the decision on the exemption in conformity with the opinion of the European Commission. The amendment or withdrawal of the decision on the exemption shall be done within one month, and the European Commission shall be notified thereof.

(5) The exemption decision shall become effective upon the end of the procedures under paragraphs 1 - 4.

(6) The exemption decision shall loose effect two years after the opinion of the European Commission, if within that term the construction of the infrastructure has not yet commenced, or if within a 5-year term from its adoption the infrastructure has not been commissioned into operation, unless the Commission after consultations with the European Commission decides that the delay is due to significant impediments beyond the control of the person granted exemption.

## **Section III**

### **Natural Gas Transactions**

**Article 173.** (1) (Supplemented, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) Transactions in natural gas shall be effected on the basis of written contracts and/or on an organized natural gas exchange market in compliance with the provisions of this Act and of the natural gas trading rules adopted by the Commission. The rules shall be published by the energy companies and the Commission on their websites.

(2) (New, SG No. 79/2019, effective 8.10.2019) Natural gas transactions on an organized natural gas exchange market shall also be effected in compliance with the rules of operation of an organized natural gas exchange market, as adopted by the Commission. The Rules shall be published by the operator of the regulated natural gas exchange market on its website.

(3) (Renumbered from Paragraph 2, amended, SG No. 79/2019, effective 8.10.2019) The rules referred to in Paragraphs (1) and (2) shall specify the manner of administering the corresponding transactions in natural gas.

**Article 174.** (Amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 79/2019, effective 8.10.2019, amended and supplemented, SG No. 21/2021) Transactions in natural gas shall be delivery, transmission through a gas transmission network, gas distribution networks, closed gas distribution networks and storage of natural gas, as well as transactions of transfer of ownership over the natural gas for the purposes of balancing and trade at a physical point or virtual point of trade of the gas transmission networks.

**Article 175.** (1) (Previous text of Article 175, SG No. 79/2019, effective 8.10.2019) The following may be parties to transactions in natural gas:

1. a public provider of natural gas;
2. (repealed, SG No. 74/2006, effective 1.07.2007, new, SG No. 21/2021) closed gas distribution networks operators;
3. gas extraction companies;
4. (amended, SG No. 54/2012, effective 17.07.2012) natural gas storage facilities operators;
- 4a. (new, SG No. 54/2012, effective 17.07.2012) liquefied natural gas facilities operators;
5. (amended, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) a gas transmission network operators;
- 5a. (new, SG No. 74/2006, effective 1.01.2007) a combined operator;
6. (amended, SG No. 54/2012, effective 17.07.2012) a gas distribution network operator;
7. (supplemented, SG No. 9/2021, effective 2.02.2021) natural gas traders or a person who sells compressed natural gas;
8. (amended, SG No. 54/2012, effective 17.07.2012) customers;
9. (repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 79/2019, effective 8.10.2019) a market maker;
10. (new, SG No. 74/2006, effective 1.07.2007) a natural gas end supplier;
11. (new, SG No. 74/2006, effective 1.07.2007, repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 79/2019, effective 8.10.2019) liquidity providers.

(2) (New, SG No. 79/2019, effective 8.10.2019) The operator of the regulated natural gas exchange market shall provide a platform for trade in natural gas transactions between the parties under paragraph 1. The operator may be a party to natural gas transactions.

**Article 176.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) Extraction companies, natural gas traders, end suppliers of natural gas, gas transmission network operators, natural gas storage facilities operators, liquefied natural gas facilities operators, customers connected to the gas transmission network, market makers and liquidity providers shall conclude natural gas transactions at freely negotiated prices.

(2) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) The public provider shall conclude natural gas transactions at freely negotiated prices in its capacity as liquidity provider, natural gas trader and market maker.

(3) (Amended, SG No. 79/2019, effective 1.01.2020) The transactions under paragraphs 1 and 2 in short-term standardized products and in products with delivery times less than or equal to one year, shall be concluded on an organized exchange market of natural gas. Extraction companies shall offer not less than 15 percent of the natural gas extracted by them in the country on the regulated exchange market of natural gas. From 1 January 2025, transactions in products as per the first and second sentences, with the exception of short-term standardized products, may be effected outside the regulated natural gas exchange market.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) Extraction companies and natural gas customers inside and outside Bulgaria may construct direct gas pipelines between each other and may conclude contracts for delivery of natural gas through the said gas pipelines.

(5) (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 79/2019, effective 1.01.2020) The parties under paragraph 1 and the gas transmission network operator shall conclude transactions in natural gas for balancing of the market under conditions and according to a procedure and rules for pricing of natural gas intended for balancing as provided for in the rules under Article 173, paragraph 1.

**Article 176a.** (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 1.12.2019) (1) The public provider shall offer for sale at the regulated natural gas exchange market not less than the following quantities of natural gas:

1. 2,220 GWh in 2020;
2. 4,281 GWh in 2021;
3. 6,342 GWh in 2022;
4. 8,720 GWh in 2023;
5. 11,099 GWh in 2024.

(2) The quantities under paragraph 1 shall be offered for sale under the conditions and according to the procedure of an agreement, approved by the Commission, for implementation of a natural gas release programme, concluded between the operator of the regulated natural gas exchange market and the public provider. The agreement shall provide for the procedure for conducting release auctions, price mechanisms for release, including the reserve price at the auction, the term of validity of the agreement, types of offered products and periods of offering them.

(3) The quantities under paragraph 1 shall be released in accordance with the agreement under paragraph 2 and in compliance with the following conditions:

1. conducting up to two auctions for releasing the quantities under paragraph 1 in order to guarantee the security of domestic supplies, as the quantities are intended for end suppliers or customers connected to the gas transmission system of the Republic of Bulgaria;

2. in setting the reserve prices at the auction, all costs for providing the natural gas to the virtual trade point shall be included;

3. the released quantities shall be purchased by end suppliers or customers connected to the gas transmission system of the Republic of Bulgaria, directly or via a natural gas trader.

(4) Subsequent auctions shall be conducted for the quantities released under paragraph 3 but not purchased, that will be with stepped-up prices according to the pricing mechanisms in the agreement under paragraph 2. The quantities are intended for customers in and/or outside the country. The public provider shall dispose of the quantities not purchased after the last auction conducted.

(5) No persons related to the public provider within the meaning of § 1 of the Additional Provisions of the Commerce Act may participate in the auctions under paragraphs 3 and 4.

(6) The quantities under paragraph 1 are not considered a supply under Article 178b.

(7) The conditions for implementation of the agreement under paragraph 2 shall be reviewed by the Commission at a two-year interval. Where required, the Commission shall give instructions for amendment of the conditions, taking into consideration the liquidity level reached at the natural gas market.

**Article 177.** (1) (Supplemented, SG No. 74/2006, effective 1.01.2007, amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 79/2019, effective 8.10.2019) The public provider of natural gas shall be a legal person registered under the Commerce Act or under the law of a European Union member country, or under the law of another country party to the European Economic Area Agreement, which may conclude natural gas delivery transactions with gas extraction companies, with natural gas traders, with end suppliers and customers. The public provider of natural gas may be a market maker or a liquidity provider.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The public provider of natural gas may conclude natural gas transmission transactions with the gas transmission and gas distribution companies.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The public provider of natural gas may conclude natural gas storage transactions with the natural gas storage facilities operators and/or with liquefied natural gas facilities operators.

(4) (Repealed, SG No. 74/2006, effective 1.07.2007, new, SG No. 79/2019, effective 8.10.2019) The public provider of natural gas shall be a party to the agreement under Article 176a, paragraph 2.

**Article 178.** (Amended and supplemented, SG No. 74/2006, effective 1.01.2007, repealed, SG No. 54/2012, effective 17.07.2012).

**Article 178a.** (New, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) (1) The end supplier shall be any person, licensed for its activity, providing natural gas supply to end customers, connected to the gas distribution network in accordance with the rules under Article 21, Paragraph 1, item 10.

(2) For supply needs under Article 1, the end supplier may conclude natural gas supply deals with public providers, producers of gas from renewables and may conclude natural gas supply deals with extraction companies and traders in natural gas.

**Article 178b.** (New, SG No. 55/2007, amended, SG No. 54/2012, effective 17.07.2012, amended and supplemented, SG No. 79/2019, effective 8.10.2019) The delivery of natural gas by the end suppliers shall be a service of public interest within the meaning given to it under this Act. The supply of natural gas by the public provider shall be a service of public interest in the sale of natural gas to end suppliers and to persons licensed for heat production and transmission.

**Article 179.** (1) A natural gas trader may be any Bulgarian or foreign legal person registered as a trader under the Commerce Act or under the national legislation thereof.

(2) (Amended, SG No. 74/2006, amended and supplemented, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 79/2019, effective 8.10.2019).

**Article 180.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 79/2019, effective 8.10.2019, supplemented, SG No. 21/2021) Any customer connected to a gas transmission and/or gas distribution network or closed gas distribution network shall have the right to select a natural gas provider, irrespective in which state the provider is registered, as long as the provider complies with the rules referred to in Article 173 paragraph 1 herein and the delivery security requirements.

(2) (Amended, SG No. 79/2019, effective 8.10.2019) The network operator, through the respective amendments to the transmission contracts, shall reflect the provider in accordance with the rules referred to in Article 173 paragraph 1 within three weeks after the receipt of a customer's request in writing.

(3) The change of provider in compliance with the contractual conditions shall not involve any additional obligations for the customer.

(4) In case of selection of another provider, each provider shall prepare and forward a final

equalizing bill within a 6-week term after the change of provider.

(5) Where a delivery under paragraph 1 is refused by a provider in another EU Member State because the customer is not entitled to select a provider in the other country, the Commission, upon a request by the customer, shall notify the regulator of such other country, and where necessary - also the European Commission, for taking actions to repeal the refusal.

**Article 181.** Natural gas contracts shall be concluded:

1. (amended, SG No. 54/2012, effective 17.07.2012) at prices regulated by the Commission for services of public interest for natural gas transmission, distribution and delivery;

2. (amended, SG No. 54/2012, effective 17.07.2012) at prices freely negotiated between the parties outside the cases under item 1.

**Article 182.** (Repealed, SG No. 54/2012, effective 17.07.2012).

**Article 183.** (Repealed, SG No. 74/2006, effective 1.07.2007).

**Article 183a.** (New, SG No. 74/2006, effective 1.07.2007) (1) The end supplier shall sell natural gas on publicly known general conditions.

(2) The general conditions shall include:

1. the conditions on supply quality;
2. information, provided by the supplier;
3. term of validity of the contract;
4. the energy company liability for any violation of the general terms.

(3) The end supplier shall publish the general terms in at least one national and one local daily publication.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The published general conditions shall become effective for all customers, buying natural gas from an end supplier, without the need for express written acceptance.

(5) (New, SG No. 54/2012, effective 17.07.2012) Within 30 days after the effectiveness of the general conditions, customers who disagree with them shall have the right to file with the respective end supplier of natural gas an application in which they may propose special conditions. The special conditions accepted by the natural gas end supplier, other than the published general conditions, shall be reflected in additional agreements in writing.

**Article 183b.** (New, SG No. 74/2006, effective 1.07.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012) End supplier's customers shall execute an agreement with the distribution network operator on the transmission through distribution networks of the natural gas consumed by them under publicly known general conditions.

(2) The general conditions shall include:

1. the conditions on supply quality;
2. the terms for supply termination or suspension;
3. liability incurred by the energy company in the event of unwarranted suspension or poor quality of supply.

(3) (Amended, SG No. 54/2012, effective 17.07.2012) The distribution network operator shall publish the general conditions in at least one national and one local daily publication.

(4) (Amended, SG No. 54/2012, effective 17.07.2012) The published general conditions shall become effective for customers, buying natural gas from an end supplier, without the need for express written acceptance.

**Article 184.** (Amended and supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 59/2007, SG No. 54/2012, effective 17.07.2012) The public provider and the end suppliers of natural gas shall have the option to move for the issuance of an enforcement order under Article 410 (1) of the Code of Civil Procedure for the receivables thereof for supply of

natural gas regardless of the amount of the said receivables.

## **Section IV**

### **Operational Management**

**Article 185.** (Supplemented, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) (1) The centralized operational management, the coordination and control of the mode of operation of the natural gas transmission network shall be performed by the gas transmission network operator through an operating management unit.

(2) (Supplemented, SG No. 21/2021) Operational management of each gas distribution network and each closed gas distribution network shall be performed by the gas distribution network operator through an operating management unit.

(3) (Supplemented, SG No. 21/2021) The directions of the natural gas transmission network operator shall be mandatory for the operating management units of the gas distribution network operators, closed gas distribution network operators, the customers, the gas extraction companies, the producers of gas from renewable sources, the natural gas storage facilities operators and the liquefied natural gas facilities operators, connected to the gas transmission network.

(4) (New, SG No. 17/2015, effective 6.03.2015) The customers interconnected to the gas transmission or gas distribution network shall be obligated to provide to authorized representatives of the operator of the gas transmission network access to their proprietary facilities or to operator's facilities installed in their properties, for limiting or terminating the transmission of natural gas, in the cases envisaged in this act or in the contracts for transmission and/or supply of natural gas.

**Article 186.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The gas transmission network operator shall ensure:

1. reliable, safe and efficient functioning of the natural gas transmission network;
2. transmission of natural gas through the natural gas transmission network in compliance with quality requirements;
3. non-discrimination of customers with regard to transmission of natural gas;
4. secure and efficient functioning of auxiliary networks;
5. operational management of the modes of operation of natural gas storage facilities during injection of natural gas under pressure and extraction of natural gas.

(2) The gas transmission network operator shall procure the energy it uses for performing its activities under transparent, non-discriminatory and market-based procedures.

**Article 186a.** (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) For the combined operator Chapter 8a shall apply.

**Article 187.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) For the purposes of metering of natural gas, the gas transmission network operator shall ensure:

1. (amended, SG No. 54/2012, effective 17.07.2012) technical and metrological support, development and modernization of the commercial metering devices for the quantity of natural gas entering and leaving the gas transmission network;
2. maintenance of a data base with the readings of commercial metering devices of the quantity of natural gas referred to in Item 1 and under transactions at freely negotiated prices and on the balancing market.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The owners of natural gas commercial metering devices shall submit to the gas transmission network operator the readings

taken by such devices regarding the transactions at freely negotiated prices and balancing transactions in natural gas.

(3) Parties to natural gas transactions shall have the right to receive information from the data base regarding the quantities of natural gas traded by the said parties under the transactions.

(4) The terms and procedure for maintenance of the commercial metering devices, maintenance of the data base and access thereto shall be regulated by the rules referred to in Article 173 (1) herein.

**Article 188.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) The natural gas transmission network operator shall administrate natural gas transactions at freely negotiated prices and shall organize the balancing of the natural gas market in accordance with the rules referred to in Article 173 (1) herein.

(2) Upon occurrence of circumstances endangering the security of operation of the gas transportation system or of parts thereof, the gas transmission network operator shall have the right to temporarily suspend the performance of transactions or to change the quantities of natural gas contracted thereunder, under terms and in a manner described in the rules referred to in Article 173 paragraph 1.

(3) The gas transmission network operator shall provide information regarding forecast consumption of natural gas, limitations of the gas transportation system, references about natural gas prices upon market balancing in prior periods, and other information as may be required by the participants.

**Article 189.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 79/2019, effective 8.10.2019) The gas transmission network operator shall settle financially the daily imbalances pursuant to Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks (OJ, L 91/15 of 27 March 2014), hereinafter referred to as "Regulation (EU) No. 312/2014".

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The gas transmission network operator shall generate no profit from any transactions referred to in paragraph (1).

(3) The costs of performance of the functions referred to in Article 188 herein shall be allowed as economically justified costs under Item 2 of Article 31 herein.

**Article 190.** (Amended, SG No. 54/2012, effective 17.07.2012) Gas distribution network operators shall ensure:

1. reliable, safe and efficient functioning of the distribution network;
2. distribution of natural gas to customers while in compliance with security and quality requirements;
3. secure and efficient functioning of the auxiliary networks;
4. (amended, SG No. 54/2012, effective 17.07.2012) non-discrimination of customers in the natural gas distribution;
5. (new, SG No. 54/2012, effective 17.07.2012) to the gas transmission network operator, to other gas distribution network operators, operators of natural gas storage facilities, operators of liquefied natural gas facilities sufficient information to ensure that the transportation and storage of natural gas are done in a manner consistent with the secure and efficient operation of the interconnected network.

**Article 190a.** (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) (1) Where a gas distribution network operator is part of a vertically integrated company, its activities shall be independent in terms of legal organisational form and decision making from the other activities, which are not related to distribution.

(2) In order to ensure the gas distribution network operator's independence under Paragraph



1, any persons responsible for the management, including operational management of the gas distribution networks:

1. may not take part in the management of the other companies in the vertically integrated company, performing extraction, transmission, public delivery, public supply and trade in natural gas;

2. shall take independent decisions in the course of their duties under this Act;

3. shall not allow discriminatory actions in the course of their duties under this Act.

(3) The gas distribution network operator shall prepare a programme, setting forth measures to achieve the goal under Paragraph 1 and Paragraph 2, containing specific obligations for the employees for its implementation.

(4) The gas distribution network operator shall designate a compliance officer, responsible for the control over the implementation of the programme under paragraph 3, ensuring his/her independence, as well as providing to him/her access to information regarding the gas distribution network operator and all companies related thereto, that is needed for performance of his/her tasks.

(5) The gas distribution network operator shall prepare an annual report on all measures under Paragraph 3, which shall be presented to the Commission by the designated compliance officer and shall be published in accordance with Article 15.

(6) In its communications and in using its trade mark, the gas distribution network operator shall not create any confusion as regards its autonomous identity, separate from the part(s) of the vertically integrated company making natural gas deliveries.

(7) The provisions of Paragraphs 1 - 6 shall not apply to vertically integrated natural gas companies, where less than 100,000 end customers of natural gas are connected to the respective gas distribution network.

**Article 191.** (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) The operator of the gas transmission network and the operators of the gas distribution networks, operators of natural gas storage facilities and operators of liquefied natural gas facilities shall be obligated to keep confidential any information, which constitutes commercial secret, obtained in the course of or in connection with the fulfilment of the obligations thereof, as well as to provide information related to their activities in a non-discriminatory manner.

**Article 192.** (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 21/2021) The terms and procedure for the performance of the activities of gas transmission and gas distribution network operators, closed gas distribution network operators, operators of natural gas storage facilities and operators of liquefied natural gas facilities shall be established by an ordinance of the Minister of Energy.

## **Section V**

### **Natural Gas Metering**

**Article 193.** Natural gas shall be transmitted through a natural gas transmission network using high-pressure gas pipelines to the outlets of natural gas metering stations or natural gas regulation stations.

**Article 194.** (Amended, SG No. 54/2012, effective 17.07.2012) Natural gas shall be distributed through the natural gas distribution network from the outlets of natural gas metering stations or from outlets of natural gas regulation stations of the transmission network to the customer natural gas metering device.

**Article 195.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) The quantity of natural

gas destined for customers connected to the gas transmission network shall be metered by means of commercial metering devices which are owned by the transmission network operator.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The quantity of natural gas destined for customers connected to the gas distribution network shall be metered by means of commercial metering devices owned by the gas distribution network operators.

(3) (New, SG No. 21/2021) The quantity of natural gas destined for customers connected to the closed gas distribution network shall be metered by means of commercial metering devices owned by the closed gas distribution network operators.

(4) (Amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 3, SG No. 21/2021) The quantity of natural gas destined for storage shall be metered by means of commercial metering devices owned by the company licensed under Article 39, paragraph 1, item 4.

(5) (Amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 4, SG No. 21/2021) Natural gas customers or owners on the properties whereof the commercial metering devices are installed shall be obligated to provide access to the said devices to authorized representatives of the gas transmission or gas distribution network operator for installation and inspection, reading and maintenance of the metering devices.

(6) (Amended, SG No. 54/2012, effective 17.07.2012, renumbered from Paragraph 5, SG No. 21/2021) Gas transmission and gas distribution network operators, operators of natural gas storage facilities and operators of liquefied natural gas facilities shall determine the location and type of the commercial metering devices to be installed.

(7) (New, SG No. 21/2021, effective 12.03.2021) When there is a technical possibility and economic feasibility for potential energy saving the commercial metering devices under Paragraph 2 must reflect the actual consumption of natural gas and shall give information for the actual consumption time.

## **Section VI**

### **Connection to Natural Gas Pipeline Network**

**Article 196.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) Connection to the gas transmission and gas distribution networks shall be established under terms and according to a procedure established by an ordinance adopted by the Commission.

(2) Connection to the natural gas transmission networks and/or to the natural gas distribution networks of extraction gas pipeline networks, natural gas storage facilities, liquefied natural gas facilities, gas distribution networks, facilities for production of gas from renewable sources and end customers shall be established at prices fixed according to the procedure established by the relevant ordinance referred to in Article 36 (3) herein and on the basis of a written contract concluded between the gas transmission network operator, respectively the gas distribution network operators and the connected persons.

**Article 197.** (Amended, SG No. 41/2009, SG No. 54/2012, effective 17.07.2012) (1) (Supplemented, SG No. 21/2021) The gas transmission network operator shall be obligated to connect to its network, at an interconnection point designated thereby, the works of the gas distribution networks, closed gas distribution networks, extraction companies, natural gas storage facilities, liquefied natural gas facilities and facilities for production of gas from renewable sources.

(2) Works of non-household customers of natural gas may also be connected to the transmission network.

(3) The gas transmission network operator shall determine the technically feasible connection location in conformity with the criteria for secure operation of the gas transportation system and in conformity with the plans for the development of the gas transmission network under the conditions and according to the procedure under the ordinance referred to in Article 196, paragraph 1.

(4) The gas transmission network operator shall be obligated to make the extension and reconstruction of the gas transmission network in relation to the connection to the connection location.

(5) (Supplemented, SG No. 83/2018) The gas transmission network operator may refuse, with a reasoned refusal in writing, to establish connection to the network where:

1. (repealed, SG No. 83/2018);
2. there is lack of a link with the network and making improvements to the network is economically unfeasible;
3. there is no technical possibility to connect a facility for production of gas from renewable sources or the gas produced from renewable sources fails to meet the quality requirements set out in the rules under Article 170, paragraph 3.

(6) (Amended, SG No. 83/2018) In case of a refusal under Paragraph 5, item 2, extraction companies, producers of gas from renewable sources, natural gas storage facilities operators, liquefied natural gas facilities operators and non-household customers of natural gas may construct, for their own account, a gas pipeline to the gas transmission network.

(7) The pipeline owner shall be obligated to ensure the servicing, maintenance and repair of the said gas pipeline.

(8) A network operator may, at the request of the owner and against payment, service, maintain and repair the gas pipeline connecting a non-household customer to the respective network.

(9) In case of technical possibility and available capacity, customers connected to the natural gas transmission network shall provide to the relevant licensed natural gas distribution network operator their own facilities for use for the purposes of natural gas transmission to other customers within the area specified in the licence. The use shall be provided after concluding a contract and at a price determined according to a method approved by the Commission. The contract with the licensee shall provide for the conditions of use, including the conditions of operational management and metering of the gas delivered to each customer, including to the person providing such use, for the purpose of ensuring the uniform operational management and metering of the quantities of natural gas delivered to the customers. In case of failure to come to an agreement, the Commission shall order the provision for use, and the payment of a price determined by the Commission in accordance with the methodology.

**Article 197a.** (New, SG No. 21/2021) (1) The gas transmission network operator, respectively the gas distribution network operator, shall be obligated to connect closed gas distribution network.

(2) The closed gas distribution network operator shall be obligated to connect works of customers of natural gas on the territory of the closed gas distribution network.

(3) The connection of the works under Paragraphs 1 and 2 shall be performed under the conditions and procedure of the Ordinance, Article 196, Paragraph 1.

**Article 198.** (Amended, SG No. 54/2012, effective 17.07.2012) The gas distribution network operators shall be obligated to build for their own account their own gas distribution network up to the interconnection point designated by the gas transmission network operator.

**Article 199.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Supplemented, SG No.

21/2021) The gas distribution network operator shall be obligated to connect to the network customers' works, works of closed gas distribution networks operators and customers' facilities for production of gas from renewable sources within the area the company is licensed for to distribute natural gas under non-discriminatory conditions and in compliance with the technical requirements for reliable and safe operation.

(2) The gas distribution network operator may connect to its own network extraction companies' works, natural gas storage facilities and liquefied natural gas facilities.

(3) The gas distribution network operator shall determine the technically feasible point of connection in accordance with the plans for development of the gas distribution network under the conditions and according to the procedure of the ordinance referred to in Article 196, paragraph 1.

(4) The gas distribution network operator shall be obligated to make the extension and reconstruction of the gas distribution network in relation to the connection at the point of connection.

(5) (Supplemented, SG No. 83/2018, amended, SG No. 57/2020, effective 26.06.2020) The gas distribution network operator may, with a reasoned refusal in writing, a copy of which shall be sent to the Commission, refuse connection to the gas distribution network, where the following are lacking:

1. capacity of the network;
2. connection to the network and making improvements to the network is economically unfeasible;
3. technical possibility for connection of a facility for production of gas from renewable sources or the gas produced from renewable sources does not meet the quality requirements set out in the rules under Article 171, paragraph 2.

(6) (Supplemented, SG No. 57/2020, effective 26.06.2020) In case of refusal under paragraph 5, items 1 and 2, Article 197, paragraph 6, shall apply respectively. In case of refusal under paragraph 5, item 1, the gas distribution network operator shall be obliged, within a three-month period from receipt of the customer's refusal, to provide the necessary capacity. The gas distribution network operator may not issue a subsequent refusal to the same customer on the same grounds.

(7) With the Commission's authorization, the gas distribution network operator may connect a customer for natural gas located within the area of another natural gas distribution licensee where this is technically and economically feasible and is in the customers' interest.

(8) The branches and the facilities for connecting customers to the relevant gas distribution network shall be constructed by the gas distribution network operator.

**Article 200.** (1) (Amended, SG No. 95/2005, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The layout and safe operation of the transmission and distribution gas pipelines, of the natural gas facilities, installations and appliances, shall be regulated by an ordinance adopted by the Council of Ministers on a motion by the Minister of Energy and the Chairperson of the State Agency for Metrological and Technical Surveillance.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014, SG No. 14/2015) The technical rules and standard specifications for design, construction and use of the facilities and installations for natural gas transmission, storage, distribution and delivery shall be determined by an ordinance of the Minister of Regional Development and Public Works and the Minister of Energy.

(3) (Amended, SG No. 95/2005, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The layout and safe operation of oil pipelines and petroleum product pipelines within the territory

of the Republic of Bulgaria shall be stipulated in an ordinance adopted by the Council of Ministers on a motion by the Minister of Energy and the Chairperson of the State Agency for Metrological and Technical Surveillance.

## **Section VII**

**(New, SG No. 9/2021, effective 2.02.2021)**

### **Agreements on the operation of gas transmission pipelines or the extraction gas pipeline network**

**Article 200a.** (New, SG No. 9/2021, effective 2.02.2021) (1) The gas transmission network operator may conclude technical agreements related to the operation of gas transmission pipelines to and from third countries, insofar as they do not contravene European Union law.

(2) The gas transmission network operator shall notify the Commission and the regulatory authorities of the interested Member States of the concluded technical agreements on the issues of the operation of gas transmission pipelines from and to third countries.

**Article 200b.** (New, SG No. 9/2021, effective 2.02.2021) (1) Prior to the commencement of intergovernmental negotiations with a third country for the purpose of amending, extending, adapting, renewing or concluding an agreement related to gas transmission pipeline operation with a third country, the Council of Ministers shall designate the competent authority responsible for conducting the negotiations.

(2) Not later than five months before the starting date for negotiations the competent authority under Paragraph 1 shall notify in writing the European Commission, providing the relevant documentation and indicating which are the provisions that are subject to negotiation or renegotiation, the objectives of the negotiations, as well as any other information that is relevant.

(3) While conducting the negotiations the competent authority under Paragraph 1 shall comply with the guidelines given by the European Commission pursuant to Decision (EU) 2017/684 of the European Parliament and of the Council of 5 April 2017 on establishing an information exchange mechanism with regard to intergovernmental agreements and non-binding instruments between Member States and third countries in the field of energy, and repealing Decision No. 994/2012/EU (OJ, L 99/1 of 12 April 2017), hereinafter referred to as "Decision (EU) 2017/684".

(4) The competent authority under Paragraph 1 shall notify the European Commission of the progress and results of the negotiations during their various stages. The European Commission may participate in the negotiations between the Republic of Bulgaria and the third country with status of an observer according to Decision (EU) 2017/684.

(5) Before signing an intergovernmental agreement with a third country, the competent authority under Paragraph 1 shall notify the European Commission of the results of the negotiations and shall present the text of the agreed agreement.

(6) An intergovernmental agreement with a third country shall be signed after obtaining permission from the European Commission.

(7) The competent authority under Paragraph 1 shall notify the European Commission of the signing and entry into force of the agreement, as well as of any subsequent amendment.

## **Chapter Thirteen**

### **COERCIVE ADMINISTRATIVE MEASURES**

**Article 201.** (1) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The Commission or the Minister of Energy shall impose the measures covered under Paragraph (2) if they establish that the legal persons controlled under this Act, the employees thereof or persons who, under contract, perform managerial functions therein or conclude transactions for their account, have committed or are committing any acts whereby:

1. (amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) they violate any provisions of this Act, of the statutory instruments of secondary legislation on the application thereof, of acts issued by the Commission and by the Minister of Energy;

2. (amended and supplemented, SG No. 54/2012, effective 17.07.2012) they endanger or impair the security of the energy system, public interests, or interests of electricity, heat and natural gas customers or of other energy companies;

3. they breach the conditions for performance of the licensed activity;

4. (amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) they obstruct the exercise of control activities by the Commission or by the Minister of Energy.

(2) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) In the cases covered under Paragraph (1), for the purpose of prevention or cessation of the violations, as well as for elimination of the harmful consequences of such violations, the Commission or the Minister of Energy or persons authorized thereby, each acting according to the competence vested therein, shall impose the following coercive administrative measures:

1. (amended, SG No. 54/2012, effective 17.07.2012) They shall order in writing:

(a) to cease the performance of particular actions or to mandatorily undertake such actions within a prescribed time limit;

(b) to conduct expert assessments, inspections, tests of facilities and installations, parts thereof, systems or components;

(c) to change operating conditions of energy works, parts thereof, systems or components;

(d) to modify designs and structures relevant to the safety of persons and networks;

(e) to certify the staff, including testing of knowledge and skills, organizing training and qualification courses;

2. to order the licensee to convene a general meeting and/or to schedule a meeting of the management or supervising bodies with a preset agenda for making decisions on the measures that have to be taken;

3. direct in writing a suspension or limitation of the licensed activity;

4. appoint a special manager in the cases provided for in this Act;

5. (new, SG No. 54/2010, effective 16.07.2010) commission audit of the activities of the persons/entities subject to control under this Act, the costs of which shall be at the expense of the audited person/entity.

(3) The act whereby a coercive administrative measure is imposed shall establish an appropriate time limit for the execution thereof. Coercive administrative measures shall be applied until elimination of the reasons that led to the imposition of such measures.

(4) (New, SG No. 54/2010, effective 16.07.2010) The persons conducting the audit referred to in Item 5 of Paragraph (2) shall be entitled to the rights under Article 78, Paragraph 2, Item 1 to 3 and shall assume the obligations under Article 79 and the parties under audit shall take on the obligations under Article 78, Paragraph 3 herein.

(5) (New, SG No. 54/2010, effective 16.07.2010) The persons to carry out the audit referred to in Item 5 of Paragraph (2), the terms and procedure to assign and conduct the audit shall be established by the ordinance referred to in Article 60 herein.

**Article 202.** (Amended, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No.

59/2013, effective 5.07.2013, SG No. 14/2015) The coercive administrative measures under Article 201 shall be applied based on a statement of findings drawn up by the persons entitled to exercise control under this Act, by a reasoned decision in writing of the Commission or by an order of the Minister of Energy, which shall be notified to the interested party within a 7-day term from the issuance thereof.

(2) The notifications under paragraph 1 may also be effected by means of registered mail with advice of delivery, by telegraph, teleprinter, facsimile machine or by phone. Notifications effected by means of registered mail with advice of delivery or by telegraph shall be certified by an advice of delivery, those effected by means of telephone call - shall be certified by a notification in writing by the official who made the call, and those effected by means of teleprinter or facsimile machine shall be certified by confirmation in writing of a message sent.

(3) (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) Where any notification under paragraph 1 is not received at the address, telephone, telex or facsimile number as named by the persons, the said notification shall be deemed effected by posting thereof in a place expressly provided for this purpose in the building of the Commission or of the Ministry of Energy. Any such posting shall be attested by a memorandum drafted by officials designated by an order of the Chairperson of the Commission or by the Minister of Energy.

**Article 203.** (1) (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015, SG No. 17/2015, effective 6.03.2015, supplemented, SG No. 77/2018, effective 1.01.2019) Any decision referred to in Article 202, paragraph 1 herein, shall be appealable under the procedure of the Code of Administrative Procedure care of the Commission or care of the Minister of Energy before the Administrative Court - Sofia Region within fourteen days after the notification of the said decision.

(2) Any decision or any order imposing a coercive administrative measure shall be subject to immediate execution.

(3) An appeal against any decision imposing a coercive administrative measure shall not stay the execution of the said decision.

**Article 204.** Save insofar as any specific rules are provided for in this Chapter, the provisions of the Administrative Procedure Code shall apply.

## **Chapter Fourteen**

### **ADMINISTRATIVE PENALTY PROVISIONS**

**Article 205.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Any person, who performs or suffer the performance of any activities under this Act without a licence in the case where a licence is required, shall be punishable by a fine of BGN 1000 to BGN 15,000, unless subject to a severer sanction.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Where the violations referred to in paragraph 1 have been committed by a legal person or a sole trader, a pecuniary penalty of BGN 20,000 to BGN 150,000 shall be imposed.

(3) (Amended, SG No. 38/2018, effective 8.05.2018) In the event of a repeated violation, the fine or the pecuniary penalty shall be equivalent to treble the amount of the fine or the pecuniary penalty provided for in Paragraphs 1 and 2 respectively.

**Article 206.** (Amended, SG No. 49/2007, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 17/2015, effective 6.03.2015, SG No. 102/2017, effective 1.01.2018) Any energy company, which breaches the provisions of this Act, the statutory instruments for its implementation, the control over the execution of which is assigned to the Commission, of any

general or individual administrative acts of the Commission, legally binding decisions of ACER, or the conditions of a licence issued thereto, shall be punishable by a pecuniary penalty of BGN 20,000 to BGN 1,000,000.

(2) For violations under paragraph 1, an electricity transmission network operator, gas transmission network operator, combined operator, operating as transmission network operator, or a vertically integrated company shall be punishable by a pecuniary penalty in an amount up to 10 per cent of the annual turnover of the operator, the vertically integrated company, respectively.

(3) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation under paragraph (1) shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 206a.** (New, SG No. 57/2020, effective 26.06.2020) (1) An energy company – gas distribution network operator, which fails to meet its obligation under Article 199, paragraph 6, second sentence, shall be punishable by a pecuniary penalty in the amount from BGN 20,000 to BGN 100,000.

(2) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under paragraph 1.

**Article 207.** (1) Any energy company, which refuses in non conformity with the law:

1. to establish a connection to the relevant energy networks;
2. to conclude a contract for sale of electricity, heat or natural gas;
3. (amended, SG No. 49/2007, supplemented, SG No. 54/2012, effective 17.07.2012) to provide access to electricity and natural gas transmission or distribution networks, access to natural gas storage facilities, or which applies incorrectly the criteria for provision of access shall be punishable by a pecuniary penalty of BGN 20,000 to BGN 1,000,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 207a.** (New, SG No. 54/2012, effective 17.07.2012) (1) An energy company implementing restrictive contractual practices and exclusivity provisions, which may prevent non-household customers from concluding simultaneously contracts with more than one provider, or may limit their choice of providers, shall be punishable by a pecuniary penalty of BGN 50,000 to BGN 1,000,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 207b.** (New, SG No. 54/2012, effective 17.07.2012) (1) (Amended, SG No. 17/2015, effective 6.03.2015, SG No. 35/2015, effective 15.05.2015) An energy company, which breaches the provisions of Articles 37, 38a, paragraph 2, 38b, 38c, paragraph 1, 38d, paragraph 1, 38e, 38f, 38g or 38h shall be punishable by a pecuniary penalty of BGN 50,000 to BGN 200,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 208.** (1) (Amended, SG No. 49/2007, SG No. 54/2012, effective 17.07.2012, SG No. 17/2015, effective 6.03.2015, supplemented, SG No. 41/2019, effective 21.05.2019) Any energy company, which fails to submit information in the cases envisaged in this Act and in the statutory instruments for its implementation, when requested by the Minister of Energy, the Chairperson of the Commission, the Chairperson of the Fund's Management Board, the authorities of the Public Financial Inspection Agency, as well as by the persons under Article 78, Paragraph 1, shall be



punishable by a pecuniary penalty of BGN 5000 to BGN 50,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 209.** (Repealed, SG No. 54/2010, effective 16.07.2010, new, SG No. 17/2015, effective 6.03.2015) (1) (Supplemented, SG No. 41/2019, effective 21.05.2019) Any energy company, which submits false information in the cases envisaged by this Act and by the statutory instruments for its implementation, when requested by the Minister of Energy, the Chairperson of the Commission, the Chairperson of the Management Board of the Fund, the authorities of the Public Financial Inspection Agency, as well as by the persons under Article 78, Paragraph 1, shall be punishable by a pecuniary penalty of BGN 5,000 to BGN 100,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 210.** (1) (Amended, SG No. 49/2007) Any person covered under Article 30 (1) herein, which sells electricity, heat or natural gas at prices subject to regulation without such prices having been endorsed or fixed by the Commission or at prices higher than the prices endorsed or fixed by the Commission according to Article 30 herein, shall be liable to a pecuniary penalty of BGN 20,000 or exceeding this amount but not exceeding BGN 1,000,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under Paragraph 1.

**Article 211.** (1) (Amended, SG No. 49/2007, SG No. 54/2010, effective 16.07.2010) Any energy company, which fails to comply with the standards for building and storage of stocks of fuels by electric power and/or heat generation plants, shall be liable to a pecuniary penalty of BGN 20,000 or exceeding this amount but not exceeding BGN 200,000.

(2) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

**Article 212.** (Amended, SG No. 74/2006, repealed, SG No. 49/2007).

**Article 212a.** (New, SG No. 74/2006) (1) Any legal person or a sole trader, who, in violation of Article 139a, Paragraph 1, performs share distribution activities in violation of the registration regime, shall be liable to a pecuniary penalty between BGN 5,000 and BGN 10,000.

(2) Upon any recurring violation, the pecuniary penalty shall be three times the maximum amount of the penalty under Paragraph 1.

**Article 213.** (1) (Amended, SG No. 74/2006) Any person, who fails to comply with the technical conditions and procedure set for heat supply, for disconnection of heat supply and the rules for share distribution of heat under Article 125 (3) herein, shall be liable to a pecuniary penalty of BGN 10,000 or exceeding this amount but not exceeding BGN 25,000.

(2) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

**Article 213a.** (1) (New, SG No. 54/2010, effective 16.07.2010) Any person under Article 139b, Paragraph 1, who fails to offer the execution of the agreement referred to in Article 140, Paragraph 5, shall be liable to a pecuniary penalty between BGN 1,000 and BGN 5,000.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) Any customers that are legal persons or a sole traders, who fail to conclude the agreement referred to in Article 140, Paragraph 5, shall be punishable by a pecuniary penalty of BGN 100 to BGN 300.

**Article 214.** (Amended, SG No. 74/2006) (1) A fine of BGN 1,000 to BGN 5,000 shall be

imposed on any person, unless subject to a severer sanction:

1. who disrupts the normal electricity supply, heat supply or natural gas supply;
2. who causes the introduction of a scheduled outage regime;
3. who uses heat without the quantities thereof being metered by means of a commercial metering device and/or without having such heat distributed thereto upon share distribution, or who alters the readings of commercial metering and recording devices, or who impedes the proper functioning of such devices.

(2) A repeated violation under Paragraph (1) shall be punishable by a fine equivalent to double the maximum amount of the fine referred to in Paragraph (1).

**Article 215.** (Amended, SG No. 54/2010, effective 16.07.2010) (1) Any person, who obstructs with the performance by officials, control authorities, the persons performing the expert assessments, measurements and tests under Article 78, Paragraph 2, Item 2, as well as the persons conducting the audit under Article 201, Paragraph 2, Item 5 of the obligations thereof under this Act, shall be liable to a fine of BGN 100 to BGN 1,000, unless the act constitutes a criminal offence.

(2) Where the violation under Paragraph (1) has been committed by a legal person or a sole trader, a pecuniary penalty of BGN 1,000 to BGN 2,000 shall be imposed.

(3) Any person, who fails to perform the prescriptions of the officials or of the control authorities or who tolerates non performance of such prescriptions, shall be liable to a fine of BGN 500 to BGN 5,000 or to a pecuniary penalty of BGN 2,000 to BGN 10,000.

(4) Any person, who or which fails to comply with an effective decision of the commission, shall be liable to a fine of BGN 3,000 to BGN 10,000 or to a pecuniary penalty of BGN 20,000 to BGN 60,000.

**Article 216.** (Amended, SG No. 49/2007, SG No. 54/2010, effective 16.07.2010) Any official, control authority, person performing the expert assessments, measurements and tests under Article 78, Paragraph 2, Item 2, and any person conducting the audit under Article 201, Paragraph 2, Item 5 who fails to fulfil the obligations thereof under this Act, shall be liable to a fine of BGN 1,000 to BGN 5,000,.

**Article 217.** (Amended and supplemented, SG No. 38/2018, effective 8.05.2018) A repeated violation under Articles 215 and 216 herein shall be punishable by a fine or pecuniary penalty equivalent to treble the amount of the fine or pecuniary penalty fixed in Articles 215 and 216.

**Article 218.** (1) Any violation under Article 214 herein, which is committed by a legal person or by a sole trader, shall be punishable by a pecuniary penalty of BGN 5,000 to BGN 10,000.

(2) A repeated violation shall be punishable by a pecuniary penalty equivalent to quintuple the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

**Article 219.** (1) (Amended, SG No. 49/2007, supplemented, SG No. 54/2012, effective 17.07.2012) Any official in an energy company, who suffers the commission of any violation covered under Articles 206, 207, 207a, 207b, 210, 211 herein, shall be liable to a fine of BGN 1,000 to BGN 8,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation shall be punishable by a fine equivalent to treble the amount of the fine referred to in Paragraph 1.

**Article 220.** (1) (Supplemented, SG No. 54/2012, effective 17.07.2012, amended, SG No. 21/2021) Any person, who shall fail to act or who shall suffer another to fail to act on a directive of an operator referred to in Article 109, paragraph (2), Article 113, paragraph (2), Article 131, paragraph (3) and Article 185, paragraph (3), or fails to perform an obligation under Article 195, paragraph (5) herein, shall be liable to a fine of BGN 500 to BGN 5000.

(2) Any violation under Paragraph (1), which is committed by a legal person or by a sole trader, shall be punishable by a pecuniary penalty of BGN 10,000 to BGN 20,000.

(3) A repeated violation shall be punishable by a fine or a pecuniary penalty, as the case may be, equivalent to treble the maximum amount of the fine or pecuniary penalty, as the case may be, as fixed under Paragraph (1) or (2).

**Article 221.** (1) Any energy company, the operator of which fails to comply with Article 73, Paragraph (2) herein, shall be liable to a pecuniary penalty of BGN 20,000 to BGN 50,000.

(2) (New, SG No. 42/2016) Any energy company, which fails to fulfil its obligations under Article 84, Paragraph (6), item 2, shall be liable to a pecuniary penalty of BGN 20,000 to BGN 50,000.

(3) (Renumbered from Paragraph 2, supplemented, SG No. 42/2016) A repeated violation under Paragraph (1) and (2) the pecuniary penalty shall be equivalent to treble the maximum amount of the fine under Paragraph (1) and (2).

**Article 222.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) Anyone who fails to fulfil the obligation thereof under Article 117, Paragraph 8, Article 138, Paragraph 3 and Article 197, Paragraph 9 herein, shall be punishable by a fine of BGN 500 to BGN 5,000.

(2) Any violation under Paragraph (1), which is committed by a legal person or by a sole trader, shall be punishable by a pecuniary penalty of BGN 30,000 to BGN 50,000.

(3) (Amended, SG No. 38/2018, effective 8.05.2018) A repeated violation under Paragraphs 1 and 2 shall be punishable by a fine or a pecuniary penalty, as the case may be, equivalent to treble the amount of the fine or pecuniary penalty, as the case may be, as fixed under Paragraph 1 or 2.

**Article 223.** Any person, who violates any mandatory provisions of the statutory instruments on application of this Act, shall be sanctioned by the administrative sanctioning authority by a fine of BGN 500 or exceeding this amount but not exceeding BGN 1,000, unless subject to a severer sanction, or by a pecuniary penalty of BGN 5,000 to BGN 10,000.

**Article 224.** Any person referred to in Article 79, Paragraph 1 herein, who discloses, provides, publishes, uses or disseminates in any other manner any data and circumstances constituting an official secret, shall be punishable by a fine of BGN 2,000 to BGN 5,000.

**Article 224a.** (New, SG No. 74/2006, effective 1.01.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012) Any electricity transmission network operator failing to comply with the requirements of Regulation 714/2009/EC, shall be punishable by a pecuniary penalty between BGN 10,000 and BGN 60,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) Repeated violation shall be punishable by a pecuniary penalty equivalent to double the amount of the pecuniary penalty under Paragraph 1.

**Article 224b.** (New, SG No. 74/2006, effective 1.01.2007) (1) (Amended, SG No. 54/2012, effective 17.07.2012) Any gas transmission network operator failing to comply with the requirements of Regulation No. 715/2009/EC, shall be liable to a pecuniary penalty between BGN 10,000 and BGN 60,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) Repeated violation shall be punishable by a pecuniary penalty equivalent to double the amount of the pecuniary penalty under Paragraph 1.

**Article 224c.** (New, SG No. 54/2012, effective 17.07.2012) (1) Any operator of a natural gas storage facility and/or a liquefied natural gas facility failing to comply with the requirements of Regulation No. 715/2009/EC, shall be liable to a pecuniary penalty between BGN 10,000 and BGN 60,000.

(2) (Amended, SG No. 38/2018, effective 8.05.2018) Repeated violation shall be punishable by a pecuniary penalty equivalent to double the pecuniary penalty under Paragraph 1.

**Article 224d.** (New, SG No. 38/2018, effective 8.05.2018) (1) A legal entity or a sole trader which/who violates to performs action aimed at violating Articles 3 and 5 of Regulation (EU) No. 1227/2011 shall be punished by a pecuniary penalty in an amount of up to 10 percent of the total turnover of such entity or person for the previous financial year, unless it/he/she is punishable by a more serious penalty. When there is not turnover realized, the pecuniary penalty shall be in an amount from BGN 10,000 to BGN 100,000.

(2) A natural person who violates or performs actions aimed at violating Articles 3 and 5 of Regulation (EU) No. 1227/2011, shall be punished by a fine in the amount from BGN 5,000 to BGN 50,000 unless he/she is punishable by a more serious penalty.

(3) In determining the amount of the pecuniary penalty under Paragraph 1 and of the fine under Paragraph 2, the seriousness and duration of the violation shall be taken into account by the Commission, as well as the mitigating and aggravating circumstances. The specific amount of the penalty or fine shall be determined by the Commission in accordance with a methodology adopted by it and published on its website.

(4) The liability of the legal entities shall not preclude liability on the part of the natural persons who hold administrative or managerial position in such legal entities.

(5) (Supplemented, SG No. 77/2018, effective 1.01.2019) The penalties under this Article shall be imposed by virtue of a decision of the Commission, without drawing up an act of ascertainment of an administrative violation. The decision of the Commission shall be subject to appeal before the Administrative Court - Sofia Region under the Administrative Procedures Code, where the appeal shall stay the execution.

**Article 224e.** (New, SG No. 38/2018, effective 8.05.2018) (1) A legal entity or a sole trader which fails to submit information or obstructs the performance of an on-the-spot inspection in the course of proceedings for ascertaining a violation under Article 3 and 5 of Regulation (EU) No. 1227/2011 shall be punished by a pecuniary penalty in the amount from BGN 1,000 to BGN 10,000 per each day of default but not more than BGN 100,000.

(2) A natural person who fails to submit information or obstructs the performance of an on-the-spot inspection in the course of proceedings for ascertaining a violation under Article 3 and 5 of Regulation (EU) No. 1227/2011 shall be punished by a fine in the amount from BGN 100 to BGN 1,000 per each day of default but not more than BGN 10,000.

(3) (Supplemented, SG No. 77/2018, effective 1.01.2019) The penalties under this article shall be imposed by virtue of an order of the Chairperson of the Commission on the basis of a report by the officials under Article 74a (6). This order shall be subject to appeal before the Administrative Court - Sofia Region, according to the procedure stipulated in the Administrative Procedures Code, where the appeal shall not stay the execution.

**Article 224f.** (New, SG No. 38/2018, effective 8.05.2018) (1) A legal entity or a sole trader which fails to comply with a decision for imposing a measure under Article 74k shall be punished by a pecuniary penalty in the amount from BGN 20,000 to BGN 200,000.

(2) A natural person who fails to comply with a decision for imposing a measure under Article 74k shall be punished by a fine in the amount from BGN 10,000 to BGN 100,000.

(3) In the event of a repeated violation, the fine or the pecuniary penalty shall be equivalent to treble the amount of the fine or the pecuniary penalty provided for in Paragraphs 1 and 2 respectively.

**Article 224g.** (New, SG No. 38/2018, effective 8.05.2018) (1) A legal entity or a sole trader which violates Article 4, 8, 9 and 15 of Regulation (EU) No. 1227/2011 shall be punished by a

pecuniary penalty in the amount from BGN 10,000 to BGN 100,000.

(2) A natural person who violates the provisions of Article 4, 8, 9, and 15 of Regulation (EU) No. 1227/2011 shall be punished by a fine in the amount from BGN 5, to BGN 50,000.

(3) In the event of a repeated violation, the fine or the pecuniary penalty shall be equivalent to treble the amount of the pecuniary penalty or the fine provided for in Paragraphs 1 and 2 respectively.

(4) The liability of the legal entities shall not preclude liability on the part of the natural persons who hold administrative or managerial position in such legal entities.

**Article 224h.** (New, SG No. 57/2020, effective 26.06.2020) (1) An electricity trader which fails to meet an obligation under Article 38k shall be punishable by a pecuniary penalty in the amount from BGN 5,000 to BGN 50,000.

(2) A repeated violation shall be punishable by a pecuniary penalty equivalent to treble the amount of the pecuniary penalty as fixed under paragraph 1.

**Article 225.** (1) (Supplemented, SG No. 17/2015, effective 6.03.2015, SG No. 38/2018, effective 8.05.2018, amended, SG No. 41/2019, effective 21.05.2019) The violations under this Act shall be ascertained by statements drawn up by the persons referred to in Article 74o Paragraph 4, Article 77, Paragraph 1 Item 1 and Paragraph 2, Item 1 and Paragraph 3, item 1. The violations under Articles 208 and 209 shall be ascertained also by the authorities of the Public Financial Inspection Agency.

(2) (Amended, SG No. 74/2006, effective 1.01.2007, SG No. 49/2007, amended and supplemented, SG No. 54/2010, effective 16.07.2010, SG No. 54/2012, effective 17.07.2012, amended, SG No. 38/2018, effective 8.05.2018, SG No. 57/2020, effective 26.06.2020) The penalty decrees under Articles 205, 206, 207, 207a, 207b, 208, 210, 213a, 215, 217, 219, 222, 223 and 224, 224a, 224b, 224c, 224f and 224g herein shall be issued by the Chairperson of the Commission or by an official authorized by the Commission.

(3) (Supplemented, SG No. 54/2010, effective 16.07.2010, amended, SG No. 54/2012, effective 17.07.2012, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) The penalty decrees under Articles 205, 206, 207, 207a, 207b, 208, 210, 213a, 215, 217, 219, 222, 223, 224, 224a, 224b, 224c, 224f, 224g and 224h herein shall be issued by the Chairperson of the Commission or by an official authorized by the Commission.

(4) (New, SG No. 41/2019, effective 21.05.2019) The penalty decrees under Articles 208 and 209 shall be issued by the Chairperson of the Fund or by a persons authorised thereby, where the violation was ascertained by the relevant controlling authorities under Article 78, Paragraph 1.

(5) (New, SG No. 17/2015, effective 6.03.2015, renumbered from Paragraph 4, SG No. 41/2019, effective 21.05.2019) The penal decrees under Article 208 and 209 shall be issued by the director of the Public Financial Inspection Agency or by officials authorized thereby in the cases when the violation has been ascertained by the authorities of the agency in the process of the audits according to the procedure of Article 80a.

(6) (Renumbered from Paragraph 4, SG No. 17/2015, effective 6.03.2015, renumbered from Paragraph 5, SG No. 41/2019, effective 21.05.2019) Violations shall be ascertained, and penalty decrees shall be issued, appealed and executed under the terms and according to the procedure established by the Administrative Violations and Sanctions Act.

(7) (Renumbered from Paragraph 5, SG No. 17/2015, effective 6.03.2015, renumbered from Paragraph 6, SG No. 41/2019, effective 21.05.2019) Pending the issuance of a penalty decree, the person affected by the administrative violation may approach the administrative sanctioning authority with a request for compensation for the damages sustained by the said

person to an amount not exceeding BGN 20,000.

## **SUPPLEMENTARY PROVISIONS**

### **(Title amended, SG No. 54/2012, effective 17.07.2012)**

**§ 1.** Within the meaning given by this Act:

1. (Amended, SG No. 54/2012, effective 17.07.2012) "Subscriber sub-station" shall be a fixture whereby heat is delivered, metered, transformed and regulated as to parameters from the heat transmission network to customers.

1a. (New, SG No. 74/2006, amended, SG No. 38/2018, effective 8.05.2018) "Balancing group" shall be a group consisting of one or more commercial participants in accordance with the requirements of the rules under Article 91 (2).

1b. (New, SG No. 38/2018, effective 8.05.2018) "Base load" is the generation at a constant capacity of electricity and its consumption over a specific time period.

2. (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) "Balancing energy" shall be the active electric power which the electricity transmission network operator activates to compensate the difference between the agreed and the actual delivery schedules registered at the operator, as well as the fluctuations of loads without agreed delivery schedule.

2a. (New, SG No. 54/2012, effective 17.07.2012) "Household customer" shall be a customer purchasing electricity or heat energy with hot water or steam as a heat-transfer medium for heating, air conditioning and hot water supply purposes, or natural gas for own household needs.

3. (Supplemented, SG No. 74/2006, repealed, SG No. 49/2007).

3a. (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) A "vertically integrated company" shall be:

a) an electricity company or a group of electricity companies, for which the same person(s) is/are authorized, directly or indirectly, to exercise control, and within which the company or group of companies performs at least one activity of transmission, or distribution, and at least one of the activities of production or delivery of electricity;

b) a company or a group of companies for natural gas for which the same person(s) is/are authorized, directly or indirectly, to exercise control, and within which the company or group of companies performs at least one activity of transmission, distribution or storage and at least one activity of production/extraction, or delivery of natural gas.

3b. (New, SG No. 54/2012, effective 17.07.2012) An "interconnected network" shall be transmission and/or distribution networks connected to each other.

4. (Amended, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 79/2019, effective 8.10.2019) "Virtual point of trade of the gas transmission network" shall be a non-physical entry or exit point of the network, via which ownership over the natural gas can be transferred.

5. (Repealed, SG No. 54/2012, effective 17.07.2012).

6. (Repealed, SG No. 49/2007, new, SG No. 54/2012, effective 17.07.2012) "Temporary storage" shall be storage of gas by means of compressing it in the gas transmission and gas distribution networks with the exception of facilities reserved for gas distribution network operators to enable them to perform their functions.

6a. (New, SG No. 79/2019, effective 8.10.2019) "Gas derivative" shall be a financial instrument within the meaning of Article 4, items 5, 6 and 7 of the Markets in Financial Instruments Act, where this instrument is related to natural gas.

7. "Natural gas metering station" shall be a facility equipped with commercial natural gas metering devices.

8. (Amended, SG No. 54/2012, effective 17.07.2012) "Natural gas transmission network" shall be a system of high pressure gas pipelines and the appurtenant installations with an integrated technological mode of operation for transmission of natural gas to the outlet of a natural gas metering station or a natural gas regulation station

9. (Amended, SG No. 54/2012, effective 17.07.2012) "Natural gas distribution network" shall be a local or regional system of medium or low pressure natural gas pipelines and the appurtenant installations for distribution of natural gas to the relevant customers within an area specified by a licence.

10. "Natural gas regulation station" shall be a facility for regulation of natural gas pressure, also equipped with commercial metering devices

11. (Amended, SG No. 54/2012, effective 17.07.2012) "Natural gas transmission system" shall be a system of connected networks for transmission and distribution of natural gas, as well as facilities to and from gas storage facilities and extraction companies within the national territory.

11a. (New, SG No. 54/2012, effective 17.07.2012) "Large gas infrastructure" shall be an intersystem gas pipeline or a natural gas storage facility and/or liquefied natural gas facility.

11b. (New, SG No. 21/2021) "Geographically separate industrial site" is a site or sites located on a separate territory which has been defined as industrial area with development plan or spatial development scheme.

12. (Amended, SG No. 54/2012, effective 17.07.2012) "Direct gas pipeline" shall be a gas pipeline and the facilities appurtenant thereto as an addition to an interconnected network.

12a. (New, SG No. 54/2012, effective 17.07.2012) "Direct electricity transmission line" shall be an electricity transmission line which connects directly works of an electricity producer with another of its works, with works of its subsidiary, or with works of a customer, for electricity supply purposes.

12b. (New, SG No. 54/2012, effective 17.07.2012) An "extraction gas pipeline network" shall be a gas pipeline or a network of gas pipelines operated and/or constructed as part of an investment project for extraction of oil or gas, or used for natural gas transmission from one or several such projects to a processing installation or terminal.

13. "Contract for delivery with a 'take or pay' clause" shall be a contract providing for mandatory payment of quantities of natural gas stipulated therein at a fixed price, irrespective of whether the said natural gas has been received.

14. (Amended, SG No. 54/2012, effective 17.07.2012, SG No. 9/2021, effective 2.02.2021) "Additional services" shall be all services necessary for the operation of the electric power grid, including participation in voltage regulation and delivery of reactive power, participation in primary frequency regulation, automatic secondary frequency regulation, manual frequency regulation and exchange capacities, start-up capacity without the aid of an off-site source, and supplying electricity to part of the network and load control.

15. "Access" shall be the right to use the transmission network and/or the distribution networks for paid transmission of electricity or natural gas at a price and under terms specified in an ordinance.

16. (Amended, SG No. 54/2012, effective 17.07.2012) "Delivery" shall be sale, including resale, of energy or natural gas to customers.

16a. (New, SG No. 79/2019, effective 8.10.2019) "Liquidity provider" shall be a person that has an agreement concluded with the natural gas exchange market operator for demand and

supply of quantities of natural gas for the purpose of providing liquidity on the natural gas exchange market.

17. "Long-term forecast energy balances" shall be forecast energy balances covering a period of 10 to 15 years.

18. (Repealed, SG No. 49/2007).

19. "Electric fixture" shall be a totality of machinery, plant and apparatus intended for transmission, conversion and distribution of electricity.

20. (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) "Electricity transmission network" shall be a totality of electric power lines and electric fixtures, which serves for transmission of electricity, transformation of electricity from high-voltage to mid-voltage and redistribution of electric power flows.

21. (Amended, SG No. 74/2006) "Electric power lines" shall be overhead or cable facilities for connecting of electric fixtures and intended for transmission, transit transmission, or distribution of electricity, conforming to "linear engineering electric supply networks" as defined by the Spatial Development Act.

22. (Amended, SG No. 54/2012, effective 17.07.2012) "Electricity distribution network" shall be a totality of electricity transmission lines and high-voltage, medium-voltage and low voltage electric fixtures, which serves for distribution of electricity.

23. (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012) "Energy work" shall be a work or a totality of works intended for generation in them or through them of electricity and/or heat with a particular output, extraction or storage of oil or natural gas, transmission and conversion of the parameters or type of electricity, heat, and natural gas, oil or oil products through networks, as well as the ancillary networks and facilities of any such work, distribution of electricity, heat or natural gas through networks, as well as the ancillary networks and facilities of any such work, excluding the installations of customers.

24. (Supplemented, SG No. 74/2006, SG No. 41/2009, amended, SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 79/2019, effective 8.10.2019) "Energy company" shall be an entity which performs one or more of the activities related to the generation, conversion, transmission, storage, distribution, delivery, and supply of electricity, heat or natural gas, on the grounds of a licence issued under this Act, or a person/entity extracting energy resources on the grounds of an extraction concession, or a person, which performs an activity related to the generation of electricity and/or heat and/or trades in natural gas without being obligated to obtain a licence for the activity performed thereby under this Act, or a person/entity performing oil and oil product transmission activity through pipelines.

24a. (New, SG No. 74/2006, amended, SG No. 35/2011, effective 3.05.2011) "Energy resources" shall be primary energy resources (coal, oil, gas, etc.), oil products, as well as renewable sources used for production of electricity, heating, or cooling.

24b. (New, SG No. 41/2009) "Extraction of energy resources for satisfying a need of the state" shall be the extraction of energy resources for the industrial production of electricity and/or heat, performed within the area under concession by an energy company - concessionaire on the grounds of a concession granted, where the quantities of the energy resources extracted by the concessionaire are not lower than 50 percent of the annual quantities of the corresponding energy resources extracted in the territory of the country.

24c. (New, SG No. 35/2015, effective 15.05.2015) "Efficient district heating and cooling" shall be a district heating or cooling systems using at least 50 per cent renewable energy, 50 per cent waste heat, 75 per cent cogenerated heat or 50 per cent of a combination of such energy and heat.



24d. (New, SG No. 83/2018) "Charging point" shall be an interface by means of which an electric vehicle can be charged, one at a time, or the battery of an electric vehicle can be changed, one at a time.

24e. (New, SG No. 9/2021, effective 2.02.2021) "Green hydrogen" shall be hydrogen obtained by electrolysis or other technologies using renewable energy sources. The electricity used to produce green hydrogen guarantees the origin of energy from renewable sources.

24f. (New, SG No. 21/2021) "Closed electricity distribution network" is network that serves for distribution of electricity on the territory of industrial park or geographically separate industrial site where the activities or the manufacturing process of the users of

the network are integrated due to specific technical reasons or safety related reasons or in the case where the distribution of electricity is performed mainly for the owner, the network operator or related enterprises on the territory

of the industrial park or geographically separate industrial site.

24g. (New, SG No. 21/2021) "Closed gas distribution network" is network that serves for distribution of natural gas on the territory of industrial park or geographically separate industrial site where the activities or the manufacturing process of the users of the network

network are integrated due to specific technical reasons or safety related reasons or in the case where the distribution of natural gas is performed mainly for the owner, the network operator or related enterprises on the territory of the industrial park or geographically separate industrial site.

25. (Repealed, SG No. 74/2006, new, SG No. 35/2015, effective 15.05.2015) "Substantial refurbishment" shall be a refurbishment whose cost exceeds 50 per cent of the investment cost for a new comparable unit.

26. (Amended, SG No. 54/2012, effective 17.07.2012) "Economically inexpedient", where applied to an energy company, shall be the construction of connecting facilities wherein the investment cannot be recouped by the resources raised from depreciation charges and the profit from sales of energy and natural gas through the said facilities for a period of eight years, plus the price that a customer will pay for establishment of the connection.

26a. (New, SG No. 83/2018) "Intelligent metering system" shall be an electronic system that can measure energy consumption, providing more information than a conventional meter, and can transmit and receive data using a form of electronic communication.

26b. (New, SG No. 21/2021) "Industrial park" is industrial park entered in the Register under Article 21, Paragraph 1 of the Industrial Parks Act.

27. "Individual allocator of heat for heating" shall be a technical device whereof the readings are used for distribution of the heat consumed by the heating units in a building. The readings of any such allocator shall be in relative units which shall be adjusted by evaluation factors depending on the type of the device and the type of the heating unit. The individual allocators shall serve only to determine the share of heat consumed by each heating unit as a share in the aggregate consumption of heat by the building.

27a. (New, SG No. 54/2012, effective 17.07.2012) An "integrated company" shall be a vertically or horizontally integrated company.

27b. (New, SG No. 54/2012, effective 17.07.2012) A "customer" shall be a wholesale customer or an end customer of energy or natural gas, including a natural gas company which purchases natural gas.

27c. (New, SG No. 54/2012, effective 17.07.2012) A "wholesale customer" shall be a physical or legal person that purchases electricity with the purpose to resell it, as well as a

physical or legal person, other than a gas transmission and gas distribution network operator, that purchases natural gas with the purpose to resell it.

27d. (New, SG No. 54/2012, effective 17.07.2012) An "end customer" shall be a customer that purchases electricity or natural gas for own use.

27e. (New, SG No. 74/2006, renumbered from Item 27a, amended, SG No. 54/2012, effective 17.07.2012) A "combined operator" shall be an energy company licensed for at least two of the activities of transmission of natural gas, distribution of natural gas, and activities under Article 39, paragraph 1, item 4.

27f. (New, SG No. 56/2015, effective 24.07.2015) "Combined Balancing Group" shall be a group of commercial participants, other than the licensed companies specified under Article 39, Paragraph 1, Items 2, 3 and 7, the producers under Article 162 and the producers under the Energy from Renewable Sources Act, to which the general balancing conditions according to the rules of Article 91 (2) apply.

28. "Combined generation (cogeneration) of heat and electricity" shall be generation of heat and electricity in a single process depending on the demand for heat.

28a. (New, SG No. 74/2006, effective 1.07.2007, amended, SG No. 54/2012, effective 17.07.2012) "End supplier" shall be:

a) (amended, SG No. 57/2020, effective 1.10.2020) an energy company supplying electricity to works of household end customers connected to the electricity distribution network at low-voltage level within the respective area covered by its license, where these customers have not selected another provider, or

b) an energy company supplying natural gas to works of customers connected to the gas distribution network within the respective area covered by its license, which have not selected another provider.

28b. (New, SG No. 21/2021, effective 12.03.2021) "End user" is physical or legal person, that purchases heating energy, cooling energy or hot water for household uses for own final consumption and that occupies a separate property in condominium project building, which is supplied with heating energy, cooling energy or hot water for household uses from a central source and when the sale of the energy is performed without an individual contract.

29. "Short-term forecast energy balances" shall be forecast energy balances covering a period of one year.

29a. (New, SG No. 54/2012, effective 17.07.2012) "Critical energy infrastructure" shall be an element, system or parts of the energy sector, which are of crucial importance for the country's energy security, and the impairment or destruction of which would have material consequences for vitally important public functions, the health, safety, security, economic or social welfare of the population.

30. "Cross subsidization for integrated energy companies: between individual activities subject to licensing under this Act, and/or between activities subject to licensing under this Act and other activities" shall be the inclusion in the prices for a particular licensed activity of the costs for another licensed activity and/or inclusion in the prices for a licensed activity of costs for a non-licensed activity.

31. (Amended, SG No. 54/2012, effective 17.07.2012) "Cross subsidization between individual groups of customers" shall be the inclusion in the prices for an energy company's particular group of customers of higher or lower costs than the ones needed for their supply.

31a. (New, SG No. 74/2006) "Oversight on the security of supply" shall be the balance between the supply and demand of electricity and natural gas on the national market, the level of anticipated future consumption and all projected additional capacities, which are in process of

planning or building, the quality and the level of network maintenance, as well as the measures to cover peak consumptions and overcoming the shortages of one or more providers, suppliers, or merchants.

31b. (New, SG No. 83/2018) "Linear energy works" shall be any underground and/or overground line or combination of lines, including their structural components and/or equipment belonging to them, permanently fixed to the ground, as well as water pipelines of hydrotechnical equipment intended for:

- a) transmission or distribution of electricity and heat, natural gas, oil or oil products through a transmission network or distribution networks;
- b) generation of electricity and/or heat;
- c) transmission of the extracted oil and natural gas from an extraction project to site energy works.

32. "Material resources" shall be the availability of principal and auxiliary facilities required to ensure the normal functioning of an energy work.

32a. (New, SG No. 54/2012, effective 17.07.2012) "Inter-grid electricity transmission line" shall be an electricity transmission line used to connect electric power grids.

32b. (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 9/2021, effective 2.02.2021) "Intersystem gas pipeline" shall be a transmission gas pipeline, which crosses or follows the border between Member States for the purposes of connecting the national gas transmission systems of those Member States, or a transmission gas pipeline between the Republic of Bulgaria and a third country to the territory of the country or to its territorial waters.

32b. (New, SG No. 54/2012, effective 17.07.2012) "Inter-system gas pipeline" shall be a transmission gas pipeline which crosses over or extends over the boundary between two countries with the purpose to connect the national gas transportation systems of these countries.

33. (Amended, SG No. 35/2011, effective 3.05.2011, SG No. 54/2012, effective 17.07.2012) An "electric power grid interconnection point" shall be any of the points within the structure of the electric power transmission or distribution grids to which the facilities for connection of one or more customers or producers are connected.

33a. (New, SG No. 54/2012, effective 17.07.2012) "Non-household customer" shall be a customer which purchases electricity or heat with hot water and steam as a heat-transfer medium, for heating, air conditioning and hot water supply and technological purposes, or natural gas for non-household needs.

34. (Amended, SG No. 54/2012, effective 17.07.2012) "Aggregate heated volume of a building" shall be the sum total of the volumes of the properties of customers and the volumes of the premises constituting common parts of a condominium project building, intended to be heated according to the design.

34a. (New, SG No. 54/2012, effective 17.07.2012) "Transmission network operator" shall be:

- a) a person - operator of an electricity transmission network, which performs transmission of electricity along the electricity transmission network and is responsible for its operation, maintenance and development in a specific area, and for its interconnections with other networks, as well as for ensuring the long-term capacity of the network to meet reasonable requests for transmission of electricity;
- b) a person - operator of a gas transmission network, which performs transmission of natural gas along the gas transmission network and is responsible for its operation, maintenance and development in a specific area, and for its interconnections with other networks, as well as for ensuring the long-term capacity of the network to meet reasonable requests for transmission

of natural gas.

34b. (New, SG No. 54/2012, effective 17.07.2012) "Distribution network operator" shall be:

a) (supplemented, SG No. 21/2021) a person – operator of an electricity distribution network and of closed electricity distribution network, which performs distribution of electricity along the electricity distribution network and is responsible for the operation of the electricity distribution network, for its maintenance and development in a specific area, and for its interconnections with other networks, as well as for ensuring the long-term capacity of the network to meet reasonable requests for distribution of electricity;

(b) (supplemented, SG No. 21/2021) a person – operator of an gas distribution network and of closed gas distribution network, which performs distribution of natural gas along the gas distribution network and is responsible for the operation of the gas distribution network, for its maintenance and development in a specific area, and for its interconnections with other networks, as well as for ensuring the long-term capacity of the network to meet reasonable requests for distribution of gas.

34c. (New, SG No. 54/2012, effective 17.07.2012) "Liquefied natural gas facility operator" shall be a physical or legal person performing the function of natural gas liquefaction, or import, unloading and regasification of liquefied natural gas, and responsible for the operation of the liquefied natural gas facility.

34d. (New, SG No. 54/2012, effective 17.07.2012) "Natural gas storage facility operator" shall be a physical or legal person performing the function of natural gas storage, and responsible for the operation of the natural gas storage facility.

34e. (New, SG No. 83/2018) "Operator of publicly accessible charging point" shall be a physical or legal person in charge of operation of a publicly accessible charging point.

34f. (New, SG No. 79/2019, effective 8.10.2019) "Regulated natural gas exchange market" is the entirety of all regulated market segments, operated and administered by the natural gas exchange market operator, including the segment of trade in short-term standardized products according to Regulation (EU) No. 312/2014, in which segments transactions in natural gas and gas derivatives are concluded.

35. (Amended, SG No. 74/2006) "Organized electricity market" shall be a totality of forms of trade in electricity whereon the method, place and time of conclusion of transactions are publicly known and pre-announced in trading rules.

36. "Organizational structure" shall be the organization of the managerial and shop-floor personnel that reflects the staff size, the functional links, the coordination between the individual positions and units depending on the needs of the licensed activity.

36a. (New, SG No. 74/2006) "Principal supplier" shall be any provider company and/or persons related thereto, having market share exceeding 75 percent.

37. "Heating units" shall be the tubular heating units and vertical heating pipes, the radiator heating devices, the baseboard heating units and convectors which are structural elements used for release of heat on the premises through radiation and convection of the heat-transfer medium thereto connected.

38. "Heated volume of a property" shall comprehend the volume of all premises owned and/or used by the subscriber and the relevant appertaining portions of the common parts of the building, intended to be heated according to the design.

39. "Heated volume of common parts" shall be the sum total of the volumes of premises constituting common parts in a condominium project buildings with heating units projected according to the design.

40. "Balancing energy market" shall be organized trade in electricity and natural gas for the purposes of maintaining the balance between generation and consumption in the electric power grid and, respectively, between natural gas import and consumption.

41. (Supplemented, SG No. 74/2006) "Site energy works" shall be buildings and the energy works permanently affixed thereto or to a lot, excluding the line parts thereof, intended for performance of the activities comprehended in the generation, transmission and distribution of electricity, heat and natural gas, as well as energy resource extraction.

41a. (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) "Network user" shall be:

a) a physical or legal person - user of an electricity transmission and/or electricity distribution network, which provides electricity to the electricity transmission and/or electricity distribution network or is supplied by such a network;

b) a physical or legal person - user of a gas transmission and/or gas distribution network, which supplies or receives supplies through the gas transmission and/or gas distribution network.

41b. (New, SG No. 54/2012, effective 17.07.2012) "Energy services user" shall be:

a) (amended, SG No. 35/2015, effective 15.05.2015) end customer which purchases energy or natural gas, and/or

b) user of a transmission and/or distribution network for its supply with energy or natural gas.

41c. (New, SG No. 54/2012, effective 17.07.2012) "Professional independence" shall be the independence in performance of duties, based on professional competence, from interests other than the interests of the employer assigning the activity.

41d. (New, SG No. 83/2018) "Publicly accessible charging point" shall be a charging point, which provides non-discriminatory access to the users in the European Union. The non-discriminatory access may include various conditions for identification of the user, for use and payment of the service.

42. (Amended, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012, new, SG No. 38/2018, effective 8.05.2018) "Forecasted market price by producers' groups depending on the primary energy source" is the weighted average annual price determined by the Energy and Water Regulatory Commission according to a methodology for electricity generated by solar energy, wind energy, hydroelectric power plants with an installed capacity of up to 10 MW, from biomass, from other types of renewable sources and for electricity generated by high-efficiency combined generation of heat and electricity generated from natural gas and coal.

43. (Amended and supplemented, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012).

44. (Amended, SG No. 74/2006) "Electricity, heat or natural gas, oil and oil product transmission" shall be the transport of electricity, heat or natural gas, oil or oil products through the transmission network or pipelines.

45. (Repealed, SG No. 54/2012, effective 17.07.2012).

46. (Amended, SG No. 74/2006, supplemented, SG No. 54/2012, effective 17.07.2012) "Producer" shall be a person which generates electricity and/or heat, or produces gas from renewable sources, or extracts natural gas.

47. (Repealed, SG No. 54/2012, effective 17.07.2012).

48. "Availability" shall be the capability of a producer to provide available capacity over a particular period of time to deliver electricity.

Availability shall be measured in watts per hour and the derivative units.

49. "Distribution" shall be the transport of electricity or natural gas through the distribution

networks.

50. (Amended, SG No. 54/2012, effective 17.07.2012) "Heat distribution" shall be the transport of heat through the systems for household hot water supply, heating, air conditioning and other such of customers.

51. (Amended, SG No. 74/2006, SG No. 54/2012, effective 17.07.2012, repealed, SG No. 105/2016, new, SG No. 79/2019, effective 8.10.2019) "Transactions in short-term standardized products" shall be transactions in products of the "a day-ahead segment" and "within-the-day segment" on the regulated natural gas exchange market.

52. (Amended, SG No. 74/2006, repealed, SG No. 49/2007, new, SG No. 79/2019, effective 8.10.2019) "A day-ahead segment" is a short-term regulated electricity market with physical delivery, based on the auction principle, at which the delivery of traded quantities is made on the following day.

52a. (New, SG No. 79/2019, effective 8.10.2019) "Within-the-day segment" is a short-term regulated electricity market with physical delivery, based on the principle of on-going contracting, on which the delivery of traded quantities is made within the same day.

53. "Settlement" shall be a system applied by the electric power grid operator for individual calculation of deviations of the electricity as actually consumed or generated from the contracted quantities for a particular period using a method regulated in trading rules stipulated by an ordinance.

53a. (New, SG No. 74/2006, effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than 1.01.2007, amended, SG No. 55/2007) "System services" shall be all services, provided by the network operator, which are necessary for the reliable operation of the electricity power grid and for the viability of the market, including planning, administration, and management of the reliable operation of network users, settlement of the liabilities of market participants, balanced delivery schedules.

53b. (New, SG No. 54/2012, effective 17.07.2012) "Security of supply" shall be both the security of deliveries and energy and natural gas supply, and technical safety.

54. (Amended, SG No. 18/2005, repealed, SG No. 74/2006).

54a. (New, SG No. 74/2006, amended, SG No. 56/2015, effective 24.07.2015) "Special balancing group" shall be any group comprised of licensed companies under Article 39, Paragraph 1, Items 2, 3 and 7 and producers under Article 93a (1) and Article 94a (3), to which the balancing conditions according to the rules under Article 91, Paragraph 2 apply.

55. "Auxiliary networks" shall be the management, control, safety, communication and information networks required for the efficient functioning of the transmission and distribution networks.

55a. (New, SG No. 54/2012, effective 17.07.2012) "Ancillary services" shall be all services needed for the access to and operation of the gas transmission network, gas distribution network, the natural gas storage facilities and/or the liquefied natural gas facilities, including load balancing, mixing and injection of inert gases, with the exception of facilities reserved exclusively for operators of gas transmission networks in performing their activities.

56. "Medium-term forecast energy balances" shall be forecast energy balances covering a period of three to five years.

57. "Heating share distribution devices for heat consumption" shall be devices installed downstream from the heat commercial metering devices.

58. "Commercial metering devices" shall be technical metering devices which possess metrological characteristics and are intended to be used for metering, whether independently or

connected to one or more technical devices, and which are used upon sale of electricity, heat or natural gas.

59. (Amended, SG No. 17/2015, effective 6.03.2015) "Length of seniority in the energy sector" shall be the length of employment and/or civil-service seniority acquired in a managerial or expert position in state or municipal bodies for management of the energy sector, in commercial corporations whereof the objects are subject to licensing under this Act or to award of concession under the Subsurface Resources Act, as well as in the process of conducting scientific or teaching activities related to management of the activities in the energy sector.

59a. (New, SG No. 18/2005, amended, SG No. 17/2015, effective 6.03.2015) "Experience in the sphere of water supply and sewerage" shall be a length of civil-service or employment seniority acquired in a managerial or expert position at state or municipal bodies for management of water-supply and sewerage activities, at commercial corporations whereof the objects are subject to regulation under the Supply and Sewerage Services Regulation Act, as well as in the process of conducting scientific or teaching activities related to management of the activities in the water supply and sewerage sector.

59b. (New, SG No. 74/2006, amended, SG No. 56/2015, effective 24.07.2015) "Standard balancing group" shall be group of commercial participants, other than the licensed companies specified under Article 39, Paragraph 1, Items 2, 3 and 7, to which the general balancing conditions according to the rules under Article 91 (2) apply.

59c. (New, SG No. 9/2021, effective 2.02.2021) "Standard load profile" shall be a profile of consumption of sites of end customers of electricity without the possibility for periodic measurement of the quantities of electricity for each settlement period, which shall be developed by the electricity distribution network operators according to the conditions under Article 91, Paragraph 2.

60. (Amended, SG No. 59/2013, effective 5.07.2013, SG No. 14/2015) "Level of reliability of the electric power grid" shall be the probability, determined in percentage terms by the Minister of Energy, of balancing consumption and generation of electricity in case of occurrence of a shortage in the system.

61. (Amended, SG No. 74/2006, SG No. 38/2018, effective 8.05.2018, repealed, SG No. 9/2021, effective 2.02.2021).

61a. (New, SG No. 54/2012, effective 17.07.2012) A "liquefied natural gas facility" shall be a terminal used for liquefaction of natural gas or for the import, unloading or regasification of liquefied natural gas, and which includes ancillary services and temporary storage required for the regasification process and the subsequent delivery to the gas transmission system, but does not include those parts of liquefied natural gas terminals that are used for storage.

61b. (New, SG No. 54/2012, effective 17.07.2012) A "storage facility" shall be a facility used for storage of natural gas, and which is owned and/or operated by a natural gas company, including that part of the liquefied natural gas facilities which is used for storage, but excluding the part used for extraction operations, and excluding the facilities exclusively reserved for gas transmission network operators for performing their activities.

62. (Amended, SG No. 54/2012, effective 17.07.2012) "Natural gas storage" shall be an activity of injection of natural gas under pressure into natural gas storage facilities and/or liquefied natural gas facilities and the extraction of the said gas back to the gas transmission network, excluding the delivery of natural gas.

63. "Technical capabilities" shall be the overall technical and operational condition of the energy work in accordance with the regulatory requirements for uninterrupted, secure, environmentally sound and safe operation of the facilities whereby the licensed activity is to be

performed.

64. "Technological costs" shall be the costs of electricity, heat and natural gas which are imputed to the technological process of the generation, transmission, distribution and storage thereof.

65. (Amended, SG No. 54/2012, effective 17.07.2012) "Heat transmission network" shall be a system of heating mains and technological facilities located between the property boundary of the heat transmission company with the source of heat and/or the customers, serving for transmission of heat from the source of heat to the customers.

66. (Amended, SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012).

66a. (New, SG No. 55/2007) "Traction power" shall be the electricity consumed from the contact network of the National Railroad Infrastructure Company by the electricity-driven pulling power rolling stock - electricity-driven locomotives and electricity-driven trains owned by the licensed railroad carriers.

66b. (New, SG No. 54/2012, effective 17.07.2012) A "service of public interest" shall be transportation, delivery or supply with energy or natural gas of specified quality, regulated price or a price determined under a methodology and other contractual conditions approved by the Commission, which may not be refused due to reasons not stated in the Act.

66c. (New, SG No. 54/2012, effective 17.07.2012) "Vulnerable customers" shall be household customers receiving earmarked aid for electricity, heat or natural gas in accordance with the Social Assistance Act and the statutory instruments for its implementation.

66d. (New, SG No. 79/2019, effective 8.10.2019) "Market maker" shall be a person that has an agreement concluded with the natural gas exchange market operator for supply and demand of quantities of natural gas for the purpose of providing liquidity at the natural gas exchange market and triggering pricing signals.

67. "Financial capability" shall be the overall financial and economic condition of the applicant with a view to performing the licensed activity.

67a. (New, SG No. 79/2019, effective 8.10.2019) "Physical point of a gas transmission network" shall be the entry or exit point of the network, at which natural gas can be handed over and taken over.

67b. (New, SG No. 54/2012, effective 17.07.2012, renumbered from item 67a, SG No. 79/2019, effective 8.10.2019) A "horizontally integrated company" shall be:

a) a company performing at least one of the activities of production for sale or transmission, or distribution, or delivery of electricity, and other differing activity, or

b) a company performing at least one of the activities of extraction, transmission, distribution, delivery or storage of natural gas, and other differing activity, or

c) a company performing an activity of generation or transmission of heat energy, and other differing activity.

68. (Repealed, SG No. 54/2012, effective 17.07.2012).

69. "Human resources" shall be available to an applicant which has at its disposal the minimum managerial and shop-floor personnel possessing the appropriate level of education and professional qualifications enabling the said applicant to perform the licensed activity.

70. (Supplemented, SG No. 41/2019, effective 21.05.2019) "Plant" shall be a totality of technologically connected facilities, installations and auxiliary entities for generation of electricity, heat, and/or for combined generation of heat and electricity with total installed capacity not less than 1 MW.

71. (New, SG No. 102/2017, effective 1.01.2018, supplemented, SG No. 79/2019, effective 8.10.2019) "Commodity market operator" shall be a person holding a license to organise an



electricity or natural gas commodity market.

72. (New, SG No. 102/2017, effective 1.01.2018, amended, SG No. 79/2019, effective 8.10.2019) "Commodity electricity market" shall be the totality of all organised market segments operated and administered by the commodity market operator, where transactions in electricity with physical delivery are concluded.

§ 1a. (New, SG No. 54/2012, effective 17.07.2012, amended, SG No. 105/2016, SG No. 83/2018, supplemented, SG No. 9/2021, effective 2.02.2021) This Act transposes the requirements of Directive 2012/27/EC of the European Parliament and of the Council of 25 October 2012 on Energy Efficiency and amending Directive 2009/125/EEC and Directive 2010/30/EU and repealing Directives 2004/8/EEC and 2006/32/EEC (OJ, L 315/1 of 14 November 2012), Directive 2005/89/EEC of the European Parliament and of the Council of 18 January 2006 concerning measures to safeguard security of electricity supply and infrastructure investment, Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ, L 211/55 of 14 August 2009), Directive 2009/73/EEC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211/94 of 14 August 2009), Directive 2019/692/EU of the European Parliament and of the Council of 17 April 2019 amending Directive 2009/73/EEC concerning common rules for the internal market in natural gas (OB, L 117/1 of 3 May 2019) and requirements of Article 2, Items 3 and 7 and Article 4, Paragraphs 7, 8, 9, 10, 11 and 12 of Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure (OJ, L 307/1 of 28 October 2014).

§ 1b. (New, SG No. 54/2012, effective 17.07.2012) The provisions of this Act referring to EU member States shall also apply to other countries signatories to the European Economic Area Agreement.

## **TRANSITIONAL AND FINAL PROVISIONS**

§ 2. This Act shall supersede the Energy and Energy Efficiency Act (promulgated in the State Gazette No. 64 of 1999; amended in No. 1 of 2000, No. 108 of 2001, No. 63 of 2002 and No. 9 of 2003), with the exception of Chapter Thirteen thereof.

§ 3. (1) All commercial metering devices, which are owned by consumers upon the entry of this Act into force, shall be purchased by the energy companies at the market value of the said devices within three years after the entry of this Act into force.

(2) The obligation of energy companies to purchase the commercial metering devices referred to in Paragraph (1) shall be waived where the said companies install their own devices replacing the existing devices within the time limits provided for the purchase.

§ 4. (1) (Amended, SG No. 54/2012, effective 17.07.2012) The energy facilities and installations, constituting elements of the relevant transmission or distribution network which, upon the entry of this Act into force, should be owned by the energy companies but are actually owned by third parties, shall be purchased by the transmission company or by the respective distribution company depending on the appurtenance of the work to the networks within 12 years after the entry of this Act into force.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) The transmission company or, respectively, the distribution company, shall not be obligated to purchase any constructed fixtures and/or electric power lines owned by customers connected to the transmission network or,

respectively, to the distribution network whereto the said customers have actually connected themselves without a contract for connection of new customers.

(3) The works referred to in Paragraph (1) shall be purchased at market value. In case the parties fail to reach agreement on the value of the said works, the said parties shall commission an independent licensed appraiser to conduct valuation of the said works. The value of the work as determined by the appraiser shall be the price of the purchase transaction. Should no agreement on the designation of an appraiser be reached within 60 days after receipt of a notice of such designation from the other party, the energy company and/or the owner of the works shall have the right to approach the Chairperson of the Commission with a request to designate an independent appraiser. The appraiser designated according to this procedure shall be mandatory to the parties. The costs of the valuation shall be shared equally between the parties.

(4) The energy companies and the owners referred to in Paragraph (1) may not refuse, without good reason, to purchase or, respectively, to sell the energy works.

(4a) (New, SG No. 38/2018, effective 8.05.2018) In case the purchasing transaction is not implemented or in case there is no well-grounded refusal under Paragraph 4, the energy company shall be obligated to pay rent according to a methodology stipulated by the Commission depending on the type and capacity of the facility. This shall happen within a 3-month time limit after an invitation by the owners referred to in Paragraph 1.

(5) The obligation of the energy companies to purchase the energy works referred to in Paragraph (1) shall be waived where the said companies construct their own works replacing the existing works within the time limits provided for the purchase.

(6) (Amended, SG No. 18/2004) In case of a refusal without good reason on the part of the owners to sell energy facilities and installations constituting elements of the transmission system and/or of the distribution networks, the said facilities and installations shall be condemned according to the procedure established by Article 63 herein together with the adjoining grounds.

(7) (Amended, SG No. 54/2012, effective 17.07.2012) The energy works referred to in Paragraph (1), which constitute private state or municipal property at the date of entry of this Act into force, and which have been constructed on resources from the state budget or a municipal budget, shall be transferred onerously to the energy companies within 12 years after the entry of this Act into force.

(8) Energy companies shall be obligated to transfer gratuitously any outdoor lighting facilities for streets, squares, parks, gardens and other corporeal immovables constituting public municipal property, which are incorporated into the assets of the said companies, to the relevant municipalities within two years after the entry of this Act into force.

(9) Upon restitution of any corporeal immovables constituting former state property, should any energy works incorporated into the tangible fixed assets of an energy company be construction within any such immovables, the owners of the said immovables shall have no right to demand the relocation of the said works, to deprive other consumers of energy supply, and to obstruct the operation of the energy companies.

(10) The owners of any corporeal immovables wherein energy works are constructed shall have the right to perform construction or other activities in the said immovables in compliance with the regulatory requirements for safe operation of energy works and after consultation with the energy company.

(11) Upon privatization of any items of property wherewithin any energy works are constructed, the said works shall be excluded from the subject of the transaction if more than one consumer is supplied with energy or natural gas through the said works. Such works shall be transferred to the relevant energy company according to the procedure established by the

foregoing paragraphs.

(12) (New, SG No. 54/2012, effective 17.07.2012) Gas pipelines owned by non-household customers shall connect the non-household customers to the gas transmission network and shall not serve for supply of household customers, shall not be subject to purchase by licensed energy companies.

§ 4a. (New, SG No. 47/2011, effective 21.06.2011, amended, SG No. 54/2012, effective 17.07.2012) The facilities and installations managed by the National Railroad Infrastructure Company which constitute elements of a transmission or distribution network and which should be the property of the licensed energy companies but are actually third-party property shall be purchased by the transmission company or the relevant distribution company, depending on the networks to which the relevant facility belongs, by 13 December 2016.

§ 5. The members of the State Energy Regulatory Commission, including the Chairperson and the Deputy Chairperson, shall complete the terms of office for which they were appointed under the Energy and Energy Efficiency Act as superseded.

§ 6. (Repealed, SG No. 74/2006).

§ 7. The provision of Item 14 of Article 4 (2) herein shall apply until the 31st day of December 2005.

§ 8. (Amended and supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) The non-recoverable costs incurred by energy companies under Article 34 herein shall be compensable according to the procedure under Article 21, Paragraph 1, Item 17.

§ 9. (Repealed, SG No. 74/2006).

§ 10. (Repealed, SG No. 74/2006).

§ 11. (Repealed, SG No. 74/2006).

§ 12. (1) Any licences and authorizations issued in pursuance of the Energy and Energy Efficiency Act as superseded shall remain in effect insofar they do not conflict with this Act. The requirements for self-contained area under Article 43 (3) to (5) herein shall not apply to any such licences and authorizations.

(2) The holders of any authorizations for construction of energy works under Article 37 (1) of the Energy and Energy Efficiency Act as superseded shall be obligated to submit an application to the Commission for issuance of a licence under Article 39 (3) herein within six months after the entry into force of the ordinance referred to in Article 60 herein.

(3) Any licences issued, which conflict with this Act or are incomplete, shall be re-issued to the same licensees for the remainder of the term of validity of the effective licences or shall be supplemented at the discretion of the Commission. Any licensees whereof the licences are subject to re-issuance or supplementation shall be obligated to submit an application to the Commission within six months after the entry into force of the ordinance referred to in Article 60 herein. No fees shall be due for the proceedings of re-issuance or supplementation of any such licences.

(4) The evidence which was already furnished for the issuance of the initial licences will not have to be furnished for the re issuance or supplementation of any licences referred to in Paragraph (3), provided that no intervening new circumstances have occurred.

(5) Pending the issuance of a new licence under Paragraph (2), the licensees shall have the right to perform the licensed activities.

§ 13. Any proceedings for the issuance of authorizations or licences under the Energy and Energy Efficiency Act as superseded, which are pending upon the entry of this Act into force, shall be concluded according to the procedure and under the terms established by this Act.

§ 14. The inventory for construction of new natural gas transmission networks, issued in pursuance of Item 7 of Article 4 of the Energy and Energy Efficiency Act as superseded, shall

remain in effect even after the adoption of this Act, and any pending tendering procedures for selection of an investor for construction of new natural gas transmission networks shall be completed according to the hitherto effective procedure.

**§ 15.** (1) (Amended, SG No. 74/2006) The activities associated with electric power grid management and organizing of an electricity market may be separated in legal and organizational terms from the rest of the activities of the National Electric Company EAD not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union. National Electric Company EAD shall submit applications to the Commission to be allowed to transform and/or execute transactions for the disposal of property used to perform its licensed activity, and for the issuance of respective licences.

(2) A licence for performance of the activity of public provider of electricity shall be issued to the National Electric Company EAD within six months after the entry of this Act into force. Until the effective date of the relevant licence, the National Electric Company EAD shall perform the functions of a public provider of electricity, as arising from this Act.

(3) A licence for transmission of electricity shall be issued to the National Electric Company EAD within six months after the entry of this Act into force. Until the effective date of the relevant licence, the National Electric Company EAD shall perform the activities comprehended in the transmission of electricity, as arising from this Act.

(4) (Amended, SG No. 74/2006) A licence for the activities of electric power grid management and organizing an electricity market shall be issued to the electric power grid operator - legal person, after its creation by the National Electric Company EAD. The Commission shall issue such a licence proprio motu, after evidence of the transformation under Paragraph 1 is furnished.

(5) (Repealed, SG No. 74/2006).

**§ 16.** (Amended, SG No. 74/2006, repealed, SG No. 17/2015, effective 6.03.2015).

**§ 17.** (Amended, SG No. 74/2006) (1) The activities associated with distribution of electricity and operational management of the distribution networks may be separated in legal and organizational terms from electricity supply and the other activities of the electricity distribution companies until the 31st day of December 2006 but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union. Electricity distribution companies shall submit requests to the Commission to allow transformation and/or transactions for disposal of property used to perform the licensed activity, as well as for the issuance and/or amendment, and/or termination of respective licences.

(2) Licences for the activity of public supplier of electricity shall be issued to the electricity distribution companies within six months after the entry of this Act into force. Until the effective date of the relevant licence, the electricity distribution companies shall perform the functions of public suppliers of electricity for the relevant areas, as arising from this Act.

(3) Licences for electricity distribution with the relevant areas shall be issued to the existing electricity distribution companies within six months after the entry of this Act into force. Until the effective date of the said licences, the electricity distribution companies shall perform the functions of electricity distribution within the relevant areas, as arising from this Act.

(4) Depending on the type of corporate transformation referred to in Paragraph (1) and the activities carried out by the transformed companies after the transformation, the electricity distribution and electricity supply licences of existing electricity distribution companies and their successors shall be amended and/or terminated, respectively, or new licences shall be issued. For the newly issued or the amended licenses, the transformed companies shall not pay initial licensing fees under Article 29, Paragraph 3, Item 1.

(5) After their transformation under Paragraph 1, the electricity distribution companies shall inherit by subrogation all rights and obligations, related to electricity distribution at the self-contained area, defined by the electricity distribution licence, including any rights and obligations arising prior to the transformation, related to respective price regulation, while the public suppliers shall inherit by subrogation all rights and obligations, related to electricity supply at the self-contained area, defined by the public electricity supply licence, including any rights and obligations arising prior to the transformation, related to respective price regulation.

**§ 18.** (1) Until the corporate transformation of the National Electric Company EAD according to § 15 herein, and, respectively, of the electricity distribution companies according to § 17 herein, the provisions of Article 104 (1) herein shall apply only to the quantities of electricity traded at freely negotiated prices.

(2) The provisions of Article 104 (2) herein shall apply to the public provider, as transformed within the meaning given by § 15 herein, and the public suppliers and distribution companies, as transformed within the meaning given by § 17 herein.

**§ 19.** (1) (Amended, SG No. 54/2012, effective 17.07.2012) In the cases where a customer fails to install a hot water meter in a corporeal immovable constituting private property, the heat for water heating shall be calculated according to the rates for water consumption as stipulated in the ordinance referred to in Article 125 (3) herein.

(2) (Amended, SG No. 54/2012, effective 17.07.2012) In the cases where a residential property is used or allocated to other persons for performance of economic activity, the owner or the holder of the real right of use shall be obligated to notify the heat transmission company within 30 days after commencement of the economic activity or after allocation of the property. Upon failure to fulfil this notification obligation, the owner or holder of the real right of use shall pay for the heat at a price for non-household uses with a 20 per cent surcharge for the delay. This provision shall be effective as long as different prices apply to heat for household and non-household uses.

(3) (Amended, SG No. 74/2006) If the heat transmission company finds it technically impracticable to apply the heat share distribution system in a condominium-project building, the distribution shall be performed by the heat transmission company under terms and according to a procedure established in the ordinance referred to in Article 125 (3) herein.

(4) (New, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012) Customers shall not install any additional insulation or blocking fittings to the heating unit inputs and outputs.

**§ 20.** Until the 1st day of January 2010, the quantity of electricity required to ensure the operational reliability of the principal facilities at the combined heat and power plants existing upon the entry of this Act into force, generated in excess of the quantity of cogenerated electricity, shall mandatorily be purchased by the public provider and/or by the public suppliers at negotiated prices.

**§ 21.** Until the 1st day of January 2010, the public provider and/or the public suppliers shall be obligated to purchase the entire quantity of electricity registered by a certificate of origin from combined generation, generated by the combined heat and power plants existing upon the entry of this Act into force, without high efficiency parameters achieved, at preferential prices, according to the relevant ordinance referred to in Article 36 (2) herein, with the exception of the quantities which the producer consumes for its own uses or for which it has concluded contracts according to the procedure established by Section VII of Chapter Nine herein, or with which it participates in the balancing market. The provisions of Article 163 herein shall apply to any plants which have achieved a high efficiency parameter.

**§ 22.** (1) (Amended, SG No. 74/2006) Bulgargaz EAD's activities associated with natural gas transmission, shall be separated in legal and organizational terms from the activities, by December 31, 2006, but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union. Bulgargaz EAD shall submit requests to the Commission to allow transformation and/or transactions for disposal of property used to perform the licensed activity, and for the issuance of respective licences.

(2) A licence for performance of the activity of public provider of natural gas shall be issued to Bulgargaz EAD pending execution of the corporate transformation referred to in Paragraph (1). Until the effective date of the relevant licence, Bulgargaz EAD shall perform the functions of public provider of natural gas, as arising from this Act.

(3) A licence for natural gas transmission and transit transmission shall be issued to Bulgargaz EAD pending execution of the corporate transformation referred to in Paragraph (1). Until the effective date of the relevant licence, Bulgargaz EAD shall perform the activities comprehended in natural gas transmission, as arising from this Act.

(4) A licence for natural gas storage shall be issued to Bulgargaz EAD, pending execution of the corporate transformation referred to in Paragraph (1). Until the effective date of the relevant licence, Bulgargaz EAD shall perform the activities comprehended in natural gas storage, as arising from this Act.

(5) (Repealed, SG No. 74/2006).

(6) The prohibition referred to in Article 44 (2) herein shall apply after the date of the corporate transformation referred to in Paragraph (1).

(7) The existing consumers s, within the meaning given by Items 8 and 9 of Article 175 herein, of the transmission upon the entry of this Act into force shall be considered directly connected consumers.

(8) (New, SG No. 74/2006) In cases, when, as a result of the restructuring under Paragraph 1, the licence for the activity of public natural gas supply, issued under Paragraph 2, is terminated and issued to a different person, the new licence holder shall subrogate Bulgargaz EAD as party to any natural gas supply agreements executed by Bulgargaz EAD prior to the said licence termination date.

(9) (New, SG No. 74/2006) In cases, when, as a result of the restructuring under Paragraph 1, the licence for the activity of natural gas transit transmission, issued under Paragraph 3, is terminated and issued to a different person, the new licence holder shall subrogate Bulgargaz EAD as party to any natural gas transit transmission agreements executed by Bulgargaz EAD prior to the said licence termination date.

**§ 22a.** (New, SG No. 74/2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union) (1) When all the following conditions are present:

1. the Republic of Bulgaria is not directly connected to the gas transport network to another European Union member country and

2. the market share of the principal gas supplier or any related persons thereto as defined under the Commerce Act is not exceeding 75 percent, all interested persons may submit a request to the commission for a temporarily exemption from application of Chapter Four, Article 172, Paragraph 1, and Article 197, Paragraph 2 provisions.

(2) The Commission shall take decision on the request under Paragraph 1 within one month and shall immediately notify the European Commission on any effective decision on granting temporary exemption.

**§ 23.** (1) (Supplemented, SG No. 74/2006, amended, SG No. 54/2012, effective 17.07.2012)

The activities associated with natural gas distribution shall be separated in legal and organizational terms from natural gas supply to end customers and from the other activities of the natural gas distribution companies when not fewer than 100,000 final customers of natural gas are connected to the relevant distribution network. Gas distribution companies shall submit requests to the Commission to allow transformation and/or transactions for disposal of property used to perform the licensed activity, and for the issuance of respective licences.

(2) Licences for performance of the activity of public supplier of natural gas shall be issued to the natural gas distribution companies pending execution of the corporate transformation referred to in Paragraph (1). Until the effective date of the relevant licence, the natural gas distribution companies shall perform the functions of public suppliers of natural gas, as arising from this Act, for the relevant areas.

(3) Licences for natural gas distribution within the relevant areas shall be issued to the existing natural gas distribution companies pending execution of the corporate transformation referred to in Paragraph (1). Until the effective date of the relevant licences, the natural gas distribution companies shall perform the activities comprehended in natural gas transmission, as arising from this Act, within the relevant areas.

(4) (Repealed, SG No. 74/2006).

§ 24. (Repealed, SG No. 74/2006).

§ 25. (Amended, SG No. 74/2006) In cases, when assets of energy companies include property of right-holding persons under the Indemnification of Nationalized Property Owners Act or under Article 18 of the repealed State and Municipal Company Transformation and Privatisation Act (prom., SG No. 38/1992; amended, No. 51/1994, No. 45, 57 and 109/1995, No. 42, 45, 68 and 85/1996; corr., No. 86/1996; amended, No. 55, 61, 89, 98 and 122/1997, No. 39/1998; corr., No. 41/1998; amended, No. 70/1998, No. 12/1999, No. 47/1999 - Constitutional Court Decision No. 8/1999; amended, No. 56, 84 and 96/1999, No. 20, 99 and 108/2000, No. 42/2001; rep., No. 28/2002), the latter shall be indemnified only by compensatory notes under the procedure of the Indemnification of Nationalized Property Owners Act.

§ 26. (1) All servitude rights arising by virtue of the Energy and Energy Efficiency Act as superseded in favour of energy companies in respect of any energy works existing upon the entry of this Act into force shall continue in effect.

(2) The size, location and special regime for exercise of any easements referred to in Paragraph (1) shall be determined according to the procedure and in the manner provided for in the ordinance referred to in Article 64 (9) herein.

(3) Any servitude rights referred to in Paragraph (1) shall be recorded in the recording office and in the property register according to the location of the servient estate at the request of the relevant energy company which owns the energy work.

§ 27. The Spatial Development Act (promulgated in the State Gazette No. 1 of 2001; amended in Nos. 41 and 111 of 2001, No. 43 of 2002, Nos. 20 and 65 of 2003) shall be amended and supplemented as follows:

1. In Article 73 (1), the words "the utility company or shared between the said company and" in the second sentence shall be deleted.

2. In Article 182 (2), after the number 4 at the end of the first sentence, there shall be added "or a servitude has been established under Article 64 and § 26 of the Transitional and Final Provisions of the Energy Act";

3. In Item 31 of § 5, after the words "electricity supply" there shall be added "heat supply".

§ 28. In Article 15 of the Protection of Competition Act (promulgated in the State Gazette No. 52 of 1998; (modified by) Constitutional Court Judgment No. 22 of 1998, (promulgated in)

No. 112 of 1998; amended in No. 81 of 1999, No. 28 of 2002, No. 9 of 2003), Paragraph (2) shall be amended to read as follows:

"(2) Alignment of general conditions shall be admissible only where authorized by the Commission, except in cases where the said general conditions have been approved by a competent authority exercising regulation and control. Any such authorization shall be granted within two months after the submission of a request by the companies referred to in Paragraph (1)."

**§ 29.** The Act Restricting Administrative Regulation and Administrative Control over Economic Activity (promulgated in the State Gazette No. 55 of 2003; corrected in No. 59 of 2003) shall be amended and supplemented as follows:

1. In Article 13:

(a) the existing text shall be redesignated to become Paragraph (1);

(b) there shall be added the following new paragraph:

"(2) Paragraph (1) shall only apply where no special law established another procedure on the grounds of exclusive rights."

2. Item 28 of the Annex to Item 2 of Article 9 (1) shall be amended to read as follows:

"28. Activities in the energy sector, as regulated in a special law."

**§ 30.** The Mandatory Stocks of Crude Oil and Petroleum Products Act (promulgated in the State Gazette No. 9 of 2003) shall be amended as follows:

1. Article 3 (2) shall be amended to read as follows

"(2) The stocks of petroleum products, which are created and maintained by energy companies according to the procedure established by Article 85 (1) and Article 128 of the Energy Act, shall be assimilated to the total quantity of stocks under this Act."

2. Article 4 (4) shall be amended to read as follows:

"(4) Annually, the persons obligated under Article 85 (1) and Article 128 of the Energy Act shall prepare information on the stocks of petroleum products thereof for the current calendar year and shall submit the said information to the State Agency of Contingency Reserves and Wartime Stockage on or before the 25th day of February."

3. Article 24 (3) shall be amended to read as follows

"(3) The persons obligated under Article 85 (1) and Article 128 of the Energy Act shall notify the Chairperson of the Agency of each case of use of the stocks of petroleum products and the time limits for replenishment of such stocks. Any such notification shall be submitted in writing or electronically not later than the working day next succeeding the day when the stocks were drawn from."

**§ 31.** In Article 47 of the Water Act (promulgated in the State Gazette No. 67 of 1999; amended in No. 81 of 2000, Nos. 34, 41 and 108 of 2001, Nos. 47, 74 and 91 of 2002, Nos. 42, 69 and 84 of 2003), there shall be added the following new paragraph:

"(5) A concession compensation, fixed according to a methodology adopted by the Minister of Environment and Water and Minister of Economy, Energy and Tourism shall be paid for production of geothermal energy from mineral waters constituting exclusive state property, where the said waters are used only as a heat-transfer medium and are returned to the respective occurrence."

**§ 32.** The Forestry Act (promulgated in the State Gazette No. 125 of 1997; amended in Nos. 79 and 133 of 1998, No. 26 of 1999, Nos. 29 and 78 of 2000, Nos. 77, 79 and 99 of 2002, No. 16 of 2003) shall be amended and supplemented as follows:

1. In Item 1 of Article 16 (5), the words "overhead electric power lines" shall be deleted.

2. The following new article shall be inserted:



"Article 16b. (1) The provisions of Chapter Five of the Energy Act shall apply to any easements around overhead and underground electric power lines, heating mains and natural gas pipelines.

(2) Any easements around energy works located in forests or in forest stock land tracts shall be consulted by the energy companies with the National Forestry Board.

(3) The amount of compensation for any easements on forests or forest stock land tracts, referred to in Paragraph (2), shall be fixed according to the procedure established by the ordinance referred to in Article 19 herein."

§ 33. (Effective 10.06.2004) In Article 32 of the Technical Requirements Towards Products Act (promulgated in the State Gazette No. 86 of 1999; amended in Nos. 63 and 93 of 2002, No. 18 of 2003), after the words "acetylene equipment" there shall be added "oil pipelines and petroleum product pipelines".

§ 34. (1) The statutory instruments of secondary legislation on the application of this Act shall be adopted within six months after the entry of the said Act into force.

(2) Pending the issuance of the statutory instruments of secondary legislation as provided for under this Act, the statutory instruments of secondary legislation issued for application of the Energy and Energy Efficiency Act as superseded shall be applied insofar as they do not conflict with this Act.

§ 35. The provision of § 33 herein shall enter into force six months after the promulgation of this Act in the State Gazette.

This Act was adopted by the 39 National Assembly on 26 November 2003 and the Official Seal of the National Assembly has been affixed thereto.

---

#### TRANSITIONAL AND FINAL PROVISIONS of the Administrative Procedure Code (SG No. 30/2006, effective 12.07.2006)

.....  
§ 47. Everywhere in the Energy Act (promulgated, SG No. 107/2003, amended, SG No. 18/2004, amended and supplemented, SG No. 18/2005, amended, SG No. 95/2005) the words "the Administrative Procedure Act" shall be replaced by "the Administrative Procedure Code".

.....  
TRANSITIONAL AND FINAL PROVISIONS to the Energy Act Amendment Act  
(SG No. 74/2006, effective 8.09.2006, amended, SG No. 49/2007,  
SG No. 55/2007, effective 6.07.2007, SG No. 54/2012, effective 17.07.2012)

§ 125. Throughout the Act:

1. All phrases "Minister of Energy and Energy Resources" and "Ministry of Energy and Energy Resources" shall be replaced by the phrases "Minister of Economy and Energy" and "Ministry of Economy and Energy", respectively.

2. The phrase "act whereby Republic of Bulgaria is recognised as full member of the European Union" shall be replaced by the phrase "Treaty concerning the Accession of the Republic of Bulgaria to the European Union".

§ 126. (Effective 1.07.2007 - SG No. 74/2006, repealed, SG No. 54/2012, effective 17.07.2012).

§ 127. (Repealed, SG No. 49/2007).

§ 128. (Repealed, SG No. 54/2012, effective 1.01.2012).

§ 129. (1) Licences for the activity of electricity supply by end suppliers within the

respective areas shall be issued proprio motu by the Commission to existing public electricity suppliers by July 1, 2008.

(2) Until the date the newly-issued licenses under Paragraph 1 become effective, public electricity suppliers shall perform the activities of end suppliers within the respective areas, arising under this Act and the public electricity supply licences held by them, as far as these are not contradictory to the Act.

(3) All licences under Paragraph 1 shall be issued for the remaining term of validity of existing public electricity supply licences.

§ 130. (1) Licences for the activity of natural gas supply by end suppliers within the respective areas shall be issued proprio motu by the Commission to existing public natural gas suppliers by July 1, 2008.

(2) Until the date the newly-issued licenses under Paragraph 1 become effective, public natural gas suppliers shall perform the activities of end suppliers within the respective areas, arising under this Act and the public natural gas supply licences held by them, as far as these are not contradictory to the Act.

(3) All licences under Paragraph 1 shall be issued for the remaining term of validity of existing public natural gas supply licences.

§ 131. Merchants, who, at the date this Act becomes effective, perform the activity of heat share distribution in condominium-project buildings, shall submit an application for registration under Article 139a, Paragraph 3 within three months after this Act becomes effective.

§ 132. The § 27 provision, related to the amendment of Article 49, Paragraph 3 and Paragraph 4, shall also apply to any unfinished proceedings existing at the date this Act becomes effective, created under Article 46, Paragraph 2, which have no effective Commission decision on designating a licence holder.

§ 133. (1) The § 55 provision, related to the amendment of Article 102, shall apply to any transactions with resident persons in a European Union member country, on the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

(2) The effective § 55 shall restrict, respectively, the public provider's exclusive right on the import and export of electricity under Article 93, Paragraph 2.

(3) The provision in § 55 shall apply on the date this Act becomes effective to electricity producers, having:

1. a licence under Article 39, Paragraph 3 to build new electricity generation energy works;
2. a permit for expansion under Article 35, Paragraph 1, Item 1 of the repealed Energy and Energy Efficiency Act (prom., SG No. 64/1999; amended, No. 1/2000, No. 108/2001, No. 63/2002, No. 9/2003; repealed, No. 107/2003 and No. 18/2004)

§ 134. The provision in § 105, related to creation of Article 176a shall become effective to any transactions with resident persons in a European Union member country, on the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

§ 135. Until the provision of § 12, Item 6 on the repealing of Article 21, Paragraph 1, Item 17 becomes effective, the Commission shall determine the availability, based on which any producer may execute transactions with eligible consumers, electricity merchants, and other producers according to the rules under Article 91, Paragraph 2, or take part in an organised market.

§ 136. Until the provision of § 24, Item 2, "a" on the repealing of Article 43, Paragraph 2, Item 2 on the self-contained area under Article 43, Paragraph 3 becomes effective, only one public electricity supply licence shall be issued.

§ 137. Until the provision of § 24, Item 2, "a" on the repealing of Article 43, Paragraph 2, Item 2 on the self-contained area under Article 43, Paragraph 5 becomes effective, only one public natural gas supply licence shall be issued.

§ 138. Until the provision of § 50, Item 1, "a" - in the part concerning repealing of Article 97, Paragraph 1, Item 4 - becomes effective, electricity transactions shall be executed at Commission-regulated prices between the public provider and all transmission network connected consumers, who have not selected another supplier.

.....  
§ 140. Any statutory acts related to the application of the Energy Act shall be adopted or brought in accordance with this Act within 6 months after this Act becomes effective.

§ 141. This Act shall become effective on the date of its promulgation in the State Gazette, except the provisions in:

1. § 3, Item 2, "f", related to Article 4, Paragraph 2, Item 18b and Item 18c, § 12, Item 8, related to Article 21, Paragraph 1, Item 19a and Item 19b, § 23, Item 2; § 26, § 28, § 103, related to Article 172a and Article 172c, § 104, Item 2, § 106, Item 1, § 107, Item 1, § 113, § 121, § 122, § 124, Item 9, becoming effective on the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union;

2. (amended, SG No. 55/2007) § 12, Item 2, Item 6, and Item 7, § 16, Item 1, Item 4, Item 5, and Item 6, § 22, Item 1, "a" and "b", § 24, Item 2, Item 3, and Item 5, § 44, Item 2 and Item 5, § 46, § 48, § 50, Item 1, "a" and "c", § 51, § 53, § 56, § 74, § 97, Item 1, and Item 2, § 100, Item 1, § 103, related to the creation of Article 172b, § 104, Item 1 and Item 3, § 106, Item 2, § 107, Item 2, § 108, § 110, § 111, § 112, § 123, Item 13, and § 126, becoming effective July 1, 2007;

3. § 16, Item 4 and Item 7, § 22, Item 1, "c", § 23, Item 1, § 24, Item 1, § 25, Item 1, § 35, § 39, § 40, § 41, § 44, Item 4, § 50, Item 2, § 52, § 54, § 57, § 59, Item 1, § 61, § 62, § 64, § 65, § 66, § 71, § 72, § 76, Item 1, and § 123, Item 25, becoming effective on the date of entry into the Commercial Registry the decision to transform National Electric Company EAD, but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

#### TRANSITIONAL AND FINAL PROVISIONS

to the Renewable and Alternative Energy Sources and Biofuels Act  
(SG No. 49/2007)

.....  
§ 6. (1) The statutory instruments for the implementation of the act shall be adopted within a 6-month term from its coming into effect.

(2) The statutory instruments for the implementation of the Energy Act shall be brought in conformity with this Act within the term under paragraph 1.

#### TRANSITIONAL AND FINAL PROVISIONS

to the Act on amendment and supplement of the Energy Efficiency Act  
(SG No. 55/2007, effective 6.07.2008)

.....  
§ 31. The Act shall become effective on the date of its promulgation in the State Gazette, except the provisions of § 26, items 1, 2, 3, 4, 5 and 6, which shall become effective on 1.07.2007, and the provision of § 27, which shall become effective on 1.01.2008.

#### TRANSITIONAL AND FINAL PROVISIONS

to the Energy Efficiency Act  
(SG No. 98/2008, effective 14.11.2008)

.....

§ 15. The Minister of Economy, Energy and Tourism shall establish the Public Council referred to in Article 7a of the Energy Act within six months after the entry into force of this Act.

**TRANSITIONAL AND FINAL PROVISIONS**

of the Act Amending the Tourism Act

(SG No. 82/2009, effective 16.10.2009)

.....

§ 26. Everywhere in the Energy Act (promulgated, SG No. 107 of 2003, amended, SG No. 18 of 2004, SG Nos. 18 and 95 of 2005, SG Nos. 30, 65 and 74 of 2006, SG Nos. 49, 55 and 59 of 2007, SG Nos. 36, 43 and 98 of 2008, and SG Nos. 35, 41 and 42 of 2009) the words "Minister of Economy and Energy" and "Ministry of Economy and Energy" shall be replaced by "Minister of Economy, Energy and Tourism" and "Ministry of Economy, Energy and Tourism", respectively.

.....

**TRANSITIONAL AND FINAL PROVISIONS**

to the Amendment and Supplement Act to the Energy Act

(SG No. 54/2010, effective 16.07.2010)

§ 24. (1) By June 30, 2010, the quantity of electricity necessary to ensure the operational reliability of the principal facilities at the combined heat and power plants, generated in excess of the quantity of cogenerated electricity, shall mandatorily be purchased by the public provider and/or by the end suppliers at negotiated prices.

(2) From July 1, 2010 until January 1, 2012 the public provider and/or the end suppliers shall be obligated to purchase the quantity of electricity necessary to ensure the level of operating reliability of the main facilities at the heat and power plants with combined heat and electricity generation, exceeding the amount of cogenerated electricity, save the quantities for which the producer has concluded contracts according to the procedure established by Section VII of Chapter Nine herein, at a price set on the basis of the individual expenses for its generation according to the procedure in the ordinances under Article 36, Paragraph 3.

§ 25. (1) By January 1, 2012, the public provider and/or the end suppliers shall be obligated to purchase the entire quantity of electricity registered by a certificate of origin from combined generation, generated by the combined heat and power plants existing at the moment of the entry into force of this Act, without high efficiency parameters achieved, at prices according to the relevant ordinances referred to in Article 36, Paragraph 3 herein, with the exception of the quantities which the producer consumes for its own uses or for which contracts have been concluded according to the procedure established by Section VII of Chapter Nine, or with which the producer participates in the balancing market. The provisions of Article 162 herein shall apply to any plants which have achieved a high efficiency parameter.

(2) Dropping off the preferential price for the electricity registered by a certificate of origin from combined generation, without achieving the high efficiency parameters under Paragraph 1, shall become effective on July 1, 2010.

§ 26. Within three months after the entry into force of this Act the Council of Ministers shall remove from office the Chairperson, the Deputy Chairpersons and the members of the Commission and shall appoint a Chairperson and six other members. The term of office of three of the members, two with experience in the energy sector and one with experience in the sphere of water supply and sewerage, shall be two and a half years.

§ 27. The agreements referred to in Article 140, Paragraph 5 concerning condominium-project buildings with share distribution devices that have been installed, changed, or the batteries of which have been replaced, shall be concluded by December 31, 2010.

.....  
**TRANSITIONAL AND FINAL PROVISIONS**

to the Amendment and Supplement Act to the Civil Servants Act

(SG No. 38/2012, effective 1.07.2012)

§ 84. (Effective 18.05.2012 - SG No. 38/2012) Within one month after the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Positions in the Administration into conformity with this Act;

2. the competent authorities shall bring the organic acts of the respective administration into conformity with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Access to and Disclosure of the Documents and Announcing the Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army Act, the Criminal Assets Forfeiture Act, the Conflict of Interest Prevention and Ascertainment Act, the Social Insurance Code, the Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under the terms established by § 36 of the Transitional and Final Provisions of the Act to Amend and Supplement the Civil Servants Act (State Gazette No. 24 of 2006).

(2) The act on appointment of the civil servant shall:

1. award the lowest rank designated in the Classifier of Positions in the Administration for occupation of the position, unless the servant holds a higher rank;

2. fix an individual monthly basic salary.

(3) The additional resources required for social and health insurance contributions of the persons referred to in Paragraph (2) shall be provided within the limits of the expenditures on salaries, remunerations and compulsory social and health insurance contributions under the budgets of the spending units concerned.

(4) The Council of Ministers shall effect the requisite modifications under the off-budget account of State Fund Agriculture arising from this Act.

(5) The governing bodies of the National Social Security Institute and of the National Health Insurance Fund shall effect the requisite modifications under the respective budgets arising from this Act.

(6) Any unused leaves under the employment relationships shall be retained and shall not be compensated by cash compensations.

§ 86. (1) Within one month after the entry into force of this Act, the individual monthly basic salary of the servant shall be fixed in such a way that the said salary, net of the tax due and the compulsory social and health insurance contributions for the account of the insured person, if they were due, would not be lower than the gross monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the insured person, if they were due, and the tax due.

(2) The gross salary referred to in Paragraph (1) shall include:

1. the monthly basic salary or the monthly basic remuneration;

2. supplementary remunerations which are paid constantly together with the monthly basic salary or monthly basic remuneration due and which are contingent solely on the time worked.

§ 87. This Act shall come into effect as from the 1st day of July 2012 with the exception of § 84 herein, which shall come into effect as from the day of promulgation of the Act in the State Gazette.

ACT on the Amendments and Supplements to the Energy Act  
(SG No. 54/2012, effective 17.07.2012, supplemented, SG No. 23/2013,  
effective 8.03.2013, amended, SG No. 17/2015, effective 6.03.2015)

.....  
§ 190. Everywhere in Chapter Ten the words "consumer", "the consumer", "consumers" and "the consumers" shall be replaced respectively by "customer", "the customer", "customers", "the customers", and the word "business" shall be replaced by "non-household".

#### Transitional and Final Provisions

§ 191. (1) The assessment under Article 21, paragraph 1, item 20, shall be made by 3rd September 2012, and where the economic expediency is proven upon a proposal by the network operators, the Commission shall prepare Schedules for implementation of intelligent metering systems for electricity and natural gas.

(2) The schedule under paragraph 1 for implementation of intelligent electricity metering systems shall be for a period of 10 years, and in case of a positive assessment of the installment of intelligent metering devices of at least 80 per cent of the customers, intelligent metering systems shall be provided by 2020.

§ 192. Within a six-month term from the effectiveness of this Act, owners of transmission networks shall file requests for certification of distribution network operators in accordance with this Act.

§ 193. (1) Licenses and permits issued by the time of effectiveness of this Act shall remain valid and shall be amended by the Commission to bring them in compliance with this Act.

(2) The license for transit natural gas transmission issued to Bulgartransgas EAD shall be changed into a license for natural gas transmission for the remaining term of validity of the license for transit transmission.

(3) Licensees whose licenses are subject to amendment shall be obligated to file an application to the Commission within 6 months from the date of effectiveness of this Act.

(4) No fees shall be payable for the license amendment proceedings under paragraphs 2 and 3.

(5) Except in the cases where there are new circumstances, no submission of evidence which has already been submitted for the issuance of the original license shall be required for the amendment of the licenses under paragraphs 2 and 3.

(6) Until the time of amendment of the licenses under paragraphs 2 and 3, licensees shall perform the activities they are licensed for. Contracts concluded in pursuance with the electricity transmission license shall remain valid between the parties until the time of issuance of a license as an electricity transmission network operator. After the issuance of the license, the rights and obligations under the contracts shall be transferred, by virtue of this Act, to the electricity transmission network operator which will replace the National Electric Company EAD as a party to the contracts.

(7) Regulation of prices and/or the licensing regime shall remain with regard to heat producers having a plant with a total installed capacity up to 10 MW and/or carrying out heat transmission through the heat transmission network to which plants with up to 10 MW total installed capacity are connected, where their facilities are commissioned into operation as of the date of effectiveness of this Act.

§ 193a. (New, SG No. 23/2013, effective 8.03.2013) Transfer of shares or stocks of the capital of commercial companies - licensees, to fulfil an obligation under this act for legal, organisational and financial division or restructuring of activities in relation to introducing the requirements of Directive 2009/72/EC of the European Parliament and of the Council of 13 July

2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC and Directive 2009/73/EC of 13 July 2009 of the European Parliament and of the Council concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC and representing in-house restructuring shall be done at the balance value of the shares or stocks as at the moment of the transfer.

§ 194. Permits for exemptions from the application of the provisions of the Granting of Regulated Third-Party Access Act that were issued prior to the effectiveness of this Act shall remain valid.

§ 195. (1) Within 6 months from the effectiveness of this Act, the Commission shall issue pricing directions for the prices of access to and transmission through the gas transmission network or shall approve a pricing methodology of the prices of access to and transmission through the gas transmission network when on the date of effectiveness of this Act no such prices or methodology were determined, which are in compliance with the requirements of Regulation (EO) No. 715/2009.

(2) Within three months from the issuance of the directions under paragraph 1, Bulgartransgas EAD shall file an application to the Commission for approval of prices of access to and transmission through the gas transmission network, or shall determine prices according to the methodology approved by the Commission.

(3) Natural gas transmission contracts concluded prior to the effectiveness of this Act, to which Bulgartransgas EAD is a party, shall be fulfilled until the time of their expiry under the contracted conditions of transmission rates

§ 196. (1) The electricity public provider and electricity end suppliers shall file applications to be licensed as providers of last resort for customers connected to the transmission or distribution network, respectively, on the territory of the effective licenses for public supply and supply by an end supplier, which cannot be supplied by the public provider and by the end suppliers in accordance with this Act, within two months from the effectiveness of this Act.

(2) Within one-month term from the issuance to them of a license for a provider of last resort, the electricity public provider and electricity end suppliers shall notify the customers under paragraph 1 about the conditions and procedure for supply by a provider of last resort and for the customer's right to choose another provider within a two-month term.

(3) Until the expiry of the term for selection of a new provider under paragraph 2, the licensees shall supply the existing customers grand-fathered as of the time of effectiveness of this Act in accordance with the so far existing procedure.

(4) Where a company has been supplied by an end supplier without meeting the conditions for this, supplies shall be paid to the provider of last resort as supplies made by it.

§ 197. (1) Electricity producers which have no contracts for access signed with the electricity transmission network operator and/or the electricity distribution network operator at the time of effectiveness of this Act, shall comply with the requirements of Article 84, paragraph 2, within two months from the effectiveness of the Act.

(2) In case of failure to comply with paragraph 1, the electricity transmission network operator and/or the electricity distribution network operator shall apprise the Commission, and the latter shall set the conditions for access for conclusion of a contract.

§ 198. (Effective 1.01.2012 - SG No. 54/2012) (1) (Amended, SG No. 17/2015, effective 6.03.2015) The quantities of co-generated electricity from combined electricity and heat generation installations in operation as of the date of effectiveness of this Act, having investment programmes approved by the Commission, in the performance of which they meet the criteria for high-efficiency generation, shall be purchased at preferential prices for a period not longer than

three years:

1. considered from 1 January 2012 - with beginning of performance of the investment programme by 1 July 2012;

2. considered from 1 January 2013 - with beginning of performance of the investment programme after 1 July 2012.

(2) By a decision of the Commission, the purchasing under paragraph 1 shall not apply in case of failure to meet the deadlines set in the investment programmes approved by the Commission.

§ 199. (1) The statutory instruments and general administrative instruments governing the implementation of this Act shall be adopted or brought into compliance with this Act within one-year term from the date of its effectiveness.

(2) By the time of adoption of the statutory instruments and general administrative instruments under paragraph 1, or until the time of bringing them into compliance with this Act, the existing statutory instruments, general administrative instruments, respectively, shall apply to the extent they are not in conflict with this Act.

(3) (Effective 1.01.2012 - SG No. 54/2012) Any amendments to the ordinance under Article 162, paragraph 3, regarding installations with condensing turbines operating with mainly coal-fired energy boilers, where the total energy efficiency of the fuel shall be equal to or higher than 80 per cent, shall become effective from 1 January 2012.

§ 200. The target date for the development of an integrated domestic market shall be 2015.

§ 201. (1) Only a transmission network operator which is as of the time of effectiveness of this Act, part of a vertically integrated company as regards the transmission network built as at the date of effectiveness of this Act, may be an independent transmission operator under Chapter Eight "a", Section II.

(2) A vertically integrated company that owns a transmission network may take steps to meet the requirements under Article 81p.

.....  
§ 204. The Act shall come into effect from the date of its promulgation in the State Gazette, with the exception of:

1. paragraph 23, § 121, § 189, item 2, § 198 and § 199, paragraph 3, which shall come into effect from 1 January 2012;

2. Article 81b, which shall come into effect from 3 March 2013;

3. Article 120, paragraph 6, which shall come into effect from 1 January 2014.

ACT on the Amendments and Supplements to the Energy Act

(SG No. 59/2013, effective 5.07.2013)  
.....

#### Transitional and Final Provisions

§ 14. The pricing/regulatory period, which ends at 30 June 2013 in relation to prices of the companies in the "Electricity Industry" and "Heat Generation Industry" may be extended by up to one month considered from the date of expiry of that period.

§ 15. (1) When endorsing prices of electricity and heat energy for the companies, the pricing/regulatory period of which expires on 30 June 2013, Chapter Four of Ordinance No. 1 on Regulation of Prices of Electricity (SG No. 33/2013) and Chapter Three of the Ordinance on Regulation of Prices of Heating Energy (SG No. 55/2004, amended, SG No. 61/2007 and SG No. 105/2008) shall not apply.

(2) When endorsing prices of electricity and heat energy for the companies, the pricing/regulatory period of which expires on 30 June 2013, the Commission shall adopt in a



closed session a report of the working group and a draft decision, and it shall hold an open session and public discussions in one and the same day and shall set a time limit for submission of statements of opinion within three days. After completing the procedure of public discussions, the Commission shall adopt a decision at a closed session. The reasoning to the decisions may be adopted within 10 days from the adoption of the respective decision.

§ 16. (1) The statutory instruments of secondary legislation and the general administrative instruments related to the implementation of this Act shall be adopted or brought in compliance with this Act within three months from its coming into effect.

(2) Until the adoption of the statutory instruments of secondary legislation and the general administrative instruments under para 1, or until their adoption or bringing in compliance with this Act, the currently effective statutory instruments of secondary legislation, respectively, the general administrative instruments, shall apply, insofar as they do not come into conflict with this Act.

§ 17. By 30 June 2015:

1. The providers of last resort shall purchase electricity only from the public provider at freely negotiated prices, formed in a manner as provided for in the methodology under Article 21, paragraph 1, item 12;

2. Article 102 shall not apply to the providers of last resort.

§ 18. Within one-month term from the time of effectiveness of this Act, the Commission shall adopt the methodology under Article 21, paragraph 1, item 12 and under Article 35, and the term for submission of opinions shall be three days after the public discussions.

.....  
§ 21. This Act shall come into effect from the day of its promulgation in the State Gazette.

#### TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend the Act on the Prohibition of Chemical Weapons  
and on Control of Toxic Chemicals and the Precursors thereof  
(SG No. 14/2015)

.....  
§ 54. In the Energy Act (promulgated in the State Gazette No. 107/2003, amended, No. 18 of 2004, Nos. 18 and 95 of 2005, Nos. 30, 65 and 74 of 2006, Nos. 49, 55 and 59 of 2007, Nos. 36, 43 and 98 of 2008, Nos. 35, 41, 42, 82 and 103 of 2009, Nos. 54 and 97 of 2010, Nos. 35 and 47 of 2011, Nos. 38, 54 and 82 of 2012, Nos. 15, 20, 23, 59 and 66 of 2013 and No. 98 of 2014) everywhere in the text the words "the Ministry of Economy and Energy" and "Minister of Economy and Energy" shall be replaced by "the Ministry of Energy" and "Minister of Energy", respectively.

#### ..... TRANSITIONAL AND FINAL PROVISIONS

to the Amendment and Supplement Act to the Energy Act

(SG No. 17/2015, effective 6.03.2015, supplemented, SG No. 48/2015, effective 30.06.2015)

§ 39. Within a 1-month time limit from the entry into force of this act, the National Assembly shall elect the chairman and the other members of the Energy and Water Regulatory Commission. The term of office of the members of the Commission as existing at the time of entry into force of this act shall be terminated when the new members take office.

§ 39. Within a 1-month time limit from the election of the members, the Energy and Water Regulatory Commission shall adopt the Rules for its activity.

§ 41. (1) During its first term of office, the Commission shall be renewed by casting die. The

chairman of the Commission shall not participate in the casting of the die.

(2) After the expiration of three years from the election of the Commission, the Commission shall be renewed by four new members.

§ 42. (1) Within a 2-month time limit from the entry into force of this act, the end suppliers of electricity, the end suppliers of natural gas, the electricity distribution network operators and the gas distribution network operators shall make a proposal to the Commission for amendment of the general terms of the contracts in accordance with the provisions of Article 38f - Article 38h.

(2) The currently effective general terms shall be applied pending the approval of the drafts of the general terms under Paragraph (1).

(3) Within a 2-month time limit from the entry into force of this act, the customers may announce their choice as to the method of notification under Article 38h.

§ 44. The acts issued by the State Energy and Water Regulatory Commission on the application of the Energy Act, the Energy from Renewable Sources Act and the Water Supply and Sewerage Services Regulation Act shall preserve their effect and validity.

§ 45. The ordinance under Article 4, Paragraph (2), Item 21 shall be issued within a 6-month time limit from the entry into force of this act in strict compliance with the requirements for state aid.

§ 46. The provision of Article 69a(6) shall be applied also to the unpaid instalments under Article 69a(3), which the energy companies had been obligated to make in the period from 1 January 2013 till the entry into force of this act.

§ 47. The unpaid instalments by the energy companies under Article 69a(3), due and payable for the period from 1 January 2013 to 1 April 2014, shall be paid in by 31 December 2019 according to the procedure laid down by virtue of the Ordinance under Article 69a(2).

§ 47a. (New, SG No. 48/2015, effective 30.06.2015) (1) The pricing/regulatory period, which ends on 30 June 2015 in relation to prices of the companies in the "Electricity Industry" and "Heat Generation Industry" may be extended by up to one month considered from the date of expiry of that period.

(2) In case of extension of the period under Paragraph (1) the Commission shall rule on the applications for approval of prices, submitted by the energy companies prior to entry into force of this Act. Where required, an open hearing or a public discussion shall be held within deadlines, determined by the Commission.

§ 48. The licence for generation of electricity for own consumption only, issued to a producer before the entry into force of this act, shall preserve its effect and validity pending the expiration of the term for which it was issued, unless the licensee makes a request for termination of the licence.

.....  
§ 57. This act shall enter into force on the date of being promulgated in the State Gazette, with the exception of § 13, which shall enter into force from 1 January 2016.

TRANSITIONAL AND FINAL PROVISIONS  
to the Energy Efficiency Act  
(SG No. 35/2015, effective 15.05.2015)  
.....

§ 24. The assessment referred to in Item 11 (a) of Article 4 (2) of the Energy Act of the Energy Act shall be prepared and notified to the European Commission not later than the 31st day of December 2015. At the request of the European Commission, the assessment shall be updated every five years.

§ 25. In buildings with a central heating/cooling source or supplied from a district heating network or from a central source serving multiple buildings, individual consumption meters shall also be installed by the 31st day of December 2016 to measure the consumption of heat or cooling or hot water for each unit where technically feasible and cost-efficient, unless such meters have been installed by the date of entry into force of this Act.

§ 26. (1) The statutory instruments of secondary legislation for the application of the Energy Act shall be adopted or, respectively, issued and brought into conformity with this Act within six months from the entry into force of this Act.

(2) Until the acceptance or, respectively, the issuing of the statutory instruments of secondary legislation referred to in Paragraph (1), the statutory instruments of secondary legislation in force shall apply, to the extent to which they do not come into conflict with the Energy Act.

.....  
**TRANSITIONAL AND FINAL PROVISIONS**

to the Act on the Amendments and Supplements to the Energy Act  
(SG No. 56/2015, effective 24.07.2015)

§ 14. Within a 14-day time limit from the entry into force of this act, the contracts under Article 97, Paragraph 1, Item 2 concluded prior to the entry into force of this act, together with all amendments and supplementations, shall be sent by the parties to the commission. The commission shall publish the contracts within a 7-day time limit from receiving them.

.....  
§ 21. From the date of entry into force of this act and until 1 January 2016, the Energy and Water Regulatory Commission shall issue the certificates to the electricity producers as to the origin of the commodity of electricity generated by high-efficiency combined generation of electricity and heat, for a period of three months.

§ 22. Within a 3-month time limit from the entry into force of this act, the Minister of Energy shall issue the ordinance under Article 4, Paragraph 2, Item 22.

§ 23. The audits under Article 80a shall be performed within a 1-year time limit from the entry into force of this act.

§ 24. § 3 and § 12 shall come into effect from 1 January 2016.

.....  
**TRANSITIONAL AND FINAL PROVISIONS**

to the Amendment and Supplement Act to the Energy Act  
(SG No. 47/2016)

§ 3. The proceedings, initiated by the time of entry into force of this Act, for sale prices for heat regulation and for setting of prices under Article 33, Paragraph 1 shall be terminated subject to the conditions under Article 30, Paragraph 4.

§ 4. (1) (1) Within a three month time limit from the entry into force of this act, the Council of Ministers shall bring the ordinance under Article 36g in accordance with it.

(2) Within the bringing of the ordinance under Article 36g in accordance with this Act the operators of the electricity transmission network, the transmission of natural gas and the storage facilities for natural gas shall submit information under Article 36f, Paragraph 2 into the Electric Power Grid Security Fund and shall make contributions to the Fund under terms and according to a procedure, determined by the Fund's management board, considered from the month following the month of entry into force of this Act.

.....

## TRANSITIONAL AND FINAL PROVISIONS

to the Act on Amendment and Supplement of the Energy Efficiency Act  
(SG No. 105/2016)

.....  
§ 39. Pending the adoption of the ordinance under Article 163c (3) of the Energy Act, the ordinance under Article 162 (4) of that same Act shall be applied.

## TRANSITIONAL AND CONCLUDING PROVISIONS

to the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act  
(SG No. 7/2018)

.....  
§ 48. In the Energy Act (promulgated in the State Gazette No. 107 of 2003; amended in No. 18 of 2004, Nos. 18 and 95 of 2005, Nos. 30, 65 of 74 of 2006, Nos. 49, 55 and 59 of 2007, Nos. 36, 43 and 98 of 2008, Nos. 35, 41, 42, 82 and 103 of 2009, Nos. 54 and 97 of 2010, Nos. 35 and 47 of 2011, Nos. 38, 54 and 82 of 2012, Nos. 15, 20, 23, 59 and 66 of 2013, No. 98 of 2014, Nos. 14, 17, 35, 48 and 56 of 2015, Nos. 42, 47 and 105 of 2016 and Nos. 51 and 58 of 2017), the words "the Conflict of Interest Prevention and Ascertainment Act" shall be replaced passim by "the Counter-Corruption and Unlawfully Acquired Assets Forfeiture Act".

## TRANSITIONAL AND CONCLUDING PROVISIONS

to the Act on the Amendments and Supplements to the Energy Act  
(SG No. 38/2018, effective 8.05.2018, amended, SG No. 83/2018,  
amended and supplemented, SG No. 91/2018,  
amended, SG No. 41/2019, effective 21.05.2019)

§ 61. (1) Any lower-level normative acts for implementation of this Act shall be brought into conformity with it by 30 June 2018.

(2) The methodology under Article 224d (2) shall be adopted by the Energy and Water Regulatory Commission by 30 June 2018.

.....  
§ 67. (1) From 1 July 2018 onwards, the public provider and the end suppliers respectively shall not purchase electricity at preferential prices from producers of high-efficiency combined generation of electricity and heat generated by power plants with a total installed electric capacity of 4 MW or more.

(2) By 30 June 2018, the producers referred to in Paragraph 1 shall conclude a contract for compensation with a premium with the Electricity System Security Fund.

§ 68. (1) By 31 October 2018 producers of electricity from renewable sources with total installed capacity of 4 MW and more of energy projects shall conclude with the Electricity System Security Fund a contract for compensation with a premium for the quantities of electricity generated thereby up to the amount of their allocated net specific generation of electricity, on the basis of which their preferential price was determined. The contracts for compensation with a premium shall enter into force not later than 1 January 2019.

(2) (New, SG No. 91/2018) A contract under paragraph 1 may also be entered into by a producer of electricity from renewable sources for two or more energy works, any of which is with total installed capacity below 4 MW under the following conditions:

1. the electricity produced by these works shall be measured in total with the commercial metering devices as existing as of 8 May 2018, and

2. a uniform preferential price and net specific production are set for works, and a uniform purchasing period.

(3) (Renumbered from Paragraph 2, SG No. 91/2018) The premium shall be determined on an annual basis, by 30 June, by the Energy and Water Regulatory Commission as the difference between the preferential price determined prior to the entry of this Act into force or the updated preferential price for the project, as the case may be, and the forecast market price of electricity generated from renewable sources determined for this period depending on the primary energy source.

(4) (Renumbered from Paragraph 3, SG No. 91/2018) The Electricity System Security Fund shall notify in a timely manner the public provider of the date from which the contract for compensation with a premium concluded with the relevant producer enters into force.

(5) (Renumbered from Paragraph 4, SG No. 91/2018) The premium shall be granted until the expiration of the term under the relevant long-term purchase contract or contract under § 7 of the Transitional and Final Provisions of the Energy from Renewable Sources Act concluded before the entry of this Act into force.

(6) (Renumbered from Paragraph 5, amended, SG No. 91/2018, SG No. 41/2019, effective 21.05.2019) Upon reconstruction and modernisation of energy works requiring commissioning into operation within the meaning of the Spatial Development Act, the granting of a premium shall continue, up to the amount of the net specific production for the installed capacity before the reconstruction and modernisation, applying paragraphs 3 and 5.

(7) (Renumbered from Paragraph 6, SG No. 91/2018) In relation to the generated electricity, the producers referred to in Paragraph 1 shall declare the issuance of guarantees of origin and shall transfer them to the Electricity System Security Fund.

(8) (Renumbered from Paragraph 7, SG No. 91/2018) After paying the premium, the Electricity System Security Fund shall transfer to the persons referred to in Article 36g, Paragraph 1, Item 1 guarantees of origin for the corresponding month in proportion to the amount of the funds from the price and/or from the price component under Article 30, Paragraph 1, Item 17 payable by such persons for that same month.

(9) (Renumbered from Paragraph 8, SG No. 91/2018) From the date of entry into force of the contract referred to in Paragraph 1, the purchase contract of the relevant producer referred to in Paragraph 1 and concluded before the entry of this Act into force shall be deemed terminated, and the public provider or the end suppliers, as the case may be, shall not purchase at a preferential price the electricity generated by such producer.

(10) (Renumbered from Paragraph 9, SG No. 91/2018) From 1 July 2018 till the entry into force of the contract referred to in Paragraph 1, the public provider shall purchase electricity at preferential prices from the producers referred to in Paragraph 1, which are connected to the electricity transmission grid.

(11) (Renumbered from Paragraph 10, SG No. 91/2018) From 1 July 2018 till the entry into force of the contract referred to in Paragraph 1, the end supplier shall purchase electricity at preferential prices from producers referred to in Paragraph 1, which are connected to the electricity distribution grid. The public provider shall notify in a timely manner the end supplier of the date from which the contract for compensation with a premium concluded with the relevant producer enters into force, based on the notification received from the Electricity System Security Fund.

(12) (Renumbered from Paragraph 11, amended, SG No. 91/2018) The end suppliers shall sell to the public provider the amounts of electricity referred to in Paragraph 11 at the price at which they have purchased it.

(13) (Renumbered from Paragraph 12, amended, SG No. 91/2018) The public provider shall sell at a commodities exchange the electricity purchased thereby in accordance with Paragraphs

10 and 12.

(14) (Renumbered from Paragraph 12, SG No. 91/2018) For the quantity of electricity purchased from each producer, the public provider shall receive from the Electricity System Security Fund compensation in the amount of the premium for the relevant producer.

(15) (New, SG No. 91/2018) In the cases under paragraph 2 concerning projects with total installed capacity below 4 MW, the producer of electricity from renewable sources shall make a notification to the Energy and Water Regulatory Commission prior to entering into a contract for compensation with a premium.

§ 69. The Minister of Energy shall notify, by 30 June 2018, the schemes for state aid in the energy field for the producers of electricity from renewable sources and from high-efficiency combined generation of heat and electricity.

§ 70. By 30 June 2018, the traders and producers of electricity having energy works with a total installed capacity of 4 MW or more shall submit a bank guarantee or shall pay a deposit under Article 36g (3) into the Electricity System Security Fund.

§ 71. Within a 18-month time limit from the entry into force of this act, the Minister of Energy shall elaborate the Strategy for Sustainable Energy Development of the Republic of Bulgaria and shall lay the said Strategy for Sustainable Energy Development before the Council of Ministers for approval.

§ 72. The time limit referred to in Article 36c (2) shall be applied to the members of the Management Board of the Electricity System Security Fund designated prior to the entry into force of this act, where their term of office shall start elapsing from the date of entry into force of this act.

§ 73. (Effective 1.01.2019 - SG No. 38/2018) (1) (Amended, SG No. 83/2018) The permanent and fixed-term service relationships of civil servants in the administration of the Energy and Water Regulatory Commission shall be transformed into permanent and fixed-term employment relationships respectively, and employment contracts shall be entered into with the employees. When the expired period of probation under Article 12 of the Civil Servants Act until the time of the transformation is less than 6 months, it shall be included in the period for probation under Article 70 of the Labour Code, and when the expired period exceeds 6 months, it shall be deemed that the period for probation under Article 70 of the Labour Code has expired.

(2) During the transformation under Paragraph 1, the individual basic salary under the Labour Code of civil servants and of staff from the administration of the Energy and Water Regulatory Commission working under employment contracts shall be set so that the said basic salary, plus the additional remuneration for acquired length of service and professional experience, less tax and compulsory insurance contributions due at the expense of the insured person, shall not be lower than the individual monthly basic salary received by that point, less the compulsory insurance contributions due at the expense of the insured person, if any, and the tax due.

(3) Any unused leaves under the service relationships under Paragraph (1) shall be retained and shall not be compensated by monetary compensations.

§ 74. This Act shall take effect as of the date when it is promulgated in the State Gazette, except for:

1. paragraphs 11, 14, 15, 16, 19, 22, 23, 24, 25, 32, 33, 35, 36, 39, 40, 41, 42 and § 64, regarding Item 1 - 4, which shall enter into force from 1 July 2018;

2. paragraphs 63 and 66, which shall enter into force from 30 April 2018;

3. § 5, 6, 9, 10 and 73, which shall take effect as of 1 January 2019.

TRANSITIONAL AND CONCLUDING PROVISIONS

to the Act Supplementing the Privatization and Post-Privatization Control Act  
(SG No. 64/2018, effective 3.08.2018)

.....  
§ 5. Within 30 days of the entry into force of this Act traders and producers referred to in Article 36g, Paragraph 1 of the Energy Act, which have paid the price and/or the price component under Article 30, Paragraph 1, Item 17 of the Energy Act for 12 consecutive months prior to the entry of this Act into force, shall submit to the Electricity System Security Fund certificates of absence of liabilities with respect to the "price for public service obligations", issued by the public provider. In such cases, Article 36g, Paragraph 6 of the Energy Act shall apply, unless the conditions of Article 36g, Paragraph 7 of the same Act have been fulfilled.

.....  
**TRANSITIONAL AND CONCLUDING PROVISIONS**

to the Act to Amend and Supplement the Energy Act  
(SG No. 41/2019, effective 21.05.2019)

§ 31. The proceedings, initiated by the time of entry into force of this Act, for regulation of the sale prices of heat and for setting of prices under Article 33, Paragraphs 1 and 2 and premiums under Article 33a shall be terminated subject to the condition under Article 30, Paragraph 5.

§ 32. (1) Any statutory instruments of secondary legislation for implementation of this Act shall be brought into conformity with it by 30 June 2019.

(2) The Energy and Water Regulatory Commission shall adopt the ordinance under Article 163e, paragraph 3 within one year from the effectiveness of this Act.

§ 33. (1) From 1 July 2019 onwards, the public provider and the end suppliers, respectively, shall not purchase electricity at preferential prices from producers of high-efficiency combined generation of electricity and heat generated by power plants with total installed electric capacity from 1 MW to 4 MW.

(2) By 30 June 2019, the producers referred to in Paragraph 1 shall conclude a contract for compensation with a premium with the Electricity System Security Fund. The contracts shall enter into force from 1 July 2019.

§ 34. (1) By 31 August 2019 producers of electricity from renewable sources with total installed capacity of 1 MW to 4 MW at energy works shall conclude with the Electricity System Security Fund a contract for compensation with a premium for the quantities of electricity generated thereby up to the amount of their allocated net specific generation of electricity, on the basis of which their preferential price was determined. The contracts shall enter into force no later than 1 October 2019.

(2) The premium shall be determined on an annual basis, by 30 June, by the Energy and Water Regulatory Commission as the difference between the preferential price determined prior to the entry of this Act into force or the updated preferential price for the project, as the case may be, and the forecast market price of electricity generated from renewable sources determined for this period depending on the primary energy source.

(3) The Electricity System Security Fund shall notify in a timely manner the public provider of the date from which the contract for compensation with a premium concluded with the relevant producer enters into force.

(4) The premium shall be granted until the expiration of the term under the relevant long-term purchase contract or contract under § 7 of the Transitional and Final Provisions of the Energy from Renewable Sources Act concluded before the entry of this Act into force.

(5) Upon reconstruction and modernisation of energy works requiring commissioning into operation within the meaning of the Spatial Development Act, the granting of a premium shall be preserved up to the amount of the net specific production for the installed capacity before the reconstruction and modernization, applying paragraphs 2 and 4.

(6) In relation to the generated electricity, the producers referred to in Paragraph 1 shall declare the issuance of guarantees of origin and shall transfer them to the Electricity System Security Fund.

(7) After paying the premium, the Electricity System Security Fund shall transfer to the persons referred to in Article 36g, Paragraph 1, Item 1 guarantees of origin for the corresponding month in proportion to the amount of the funds from the price and/or from the price component under Article 30, Paragraph 1, Item 17 payable by such persons for that same month.

(8) From the date of entry into force of the contract referred to in Paragraph 1, the purchase contract of the relevant producer referred to in Paragraph 1 and concluded before the entry of this Act into force shall be deemed terminated, and the public provider or the end suppliers, as the case may be, shall not purchase at a preferential price the electricity generated by such producer.

(9) From 1 July 2019 till the entry into force of the contract referred to in Paragraph 1, the public provider shall purchase electricity at preferential prices from the producers referred to in Paragraph 1, which are connected to the electricity transmission grid.

(10) From 1 July 2019 till the entry into force of the contract referred to in Paragraph 1, the end supplier shall purchase electricity at preferential prices from producers referred to in Paragraph 1, which are connected to the electricity distribution grid. The public provider shall notify in a timely manner the end supplier of the date from which the contract for compensation with a premium concluded with the relevant producer enters into force, based on the notification received from the Electricity System Security Fund.

(11) The end suppliers shall sell to the public provider the amounts of electricity referred to in Paragraph 10 at the price at which they have purchased it.

(12) The public provider shall sell at a commodities exchange the electricity purchased thereby in accordance with Paragraphs 9 and 10.

(13) For the quantity of electricity purchased from each producer, the public provider shall receive from the Electricity System Security Fund compensation in the amount of the premium for the relevant producer.

§ 35. By 25 July 2019, electricity producers with total installed capacity of 1 MW to 4 MW, which sell electricity to end customers, shall pay into the Electricity System Security Fund collateral as per Article 36g, paragraph 3 to secure their liabilities for July 2019. In this case the



data within the meaning of Article 36g, paragraph 3 shall be the funds invoiced from the price or the price component under Article 30, paragraph 1, Item 17 for the period from 1 January 2019 to 30 June 2019.

§ 36. Electricity traders and producers that used to provide collateral in the form of an insurance until the effectiveness of this Act, shall be obliged to bring it into compliance with Article 36g, paragraph 4 within a 30-day term from the effectiveness of the Act. After the expiry of this term, the trader or producer shall be deemed to have no valid collateral to the Electricity System Security Fund, and in such a case Article 36g, paragraph 11 shall apply.

.....  
§ 41. This Act shall enter into force as from the day of its promulgation in the State Gazette, with the exception of:

1. paragraphs 2, 6 and § 7, regarding Item 1, § 13, 19, 20, 21, 23, 24 and § 37 regarding items 1 – 3 which shall enter into force from 1 July 2019;

2. Paragraph 22, which shall enter into force three months after the promulgation of the act into the State Gazette.

#### TRANSITIONAL AND CONCLUDING PROVISIONS

to Act to Amend and Supplement the Energy Act

(SG No. 79/2019, effective 8.10.2019)

§ 26. The statutory instruments of secondary legislation for the application of this Act shall be brought into conformity with this Act within two months from its entry into force.

§ 27. (1) Within one month from the effectiveness of this Act, the electricity exchange market operator shall submit to the Energy and Water Regulatory Commission rules of operation of an organized electricity exchange market.

(2) The Energy and Water Regulatory Commission shall approve the rules under paragraph 1 within one month of their submission.

(3) The rules of operation of an organized electricity exchange market that were in effect before the effectiveness of this Act shall apply until the approval of the rules under paragraph 1.

§ 28. (1) By 15 October 2019, the natural gas public provider shall submit to the Energy and Water Regulatory Commission the agreement for the implementation of the natural gas release programme.

(2) By 1 December 2019, the Energy and Water Regulatory Commission shall approve the agreement under paragraph 1 after conducting public consultations.

§ 29. (1) By 15 October 2019, the gas transmission network operator shall submit to the Energy and Water Regulatory Commission an application for approval of a trading platform.

(2) By 1 December 2019, the Energy and Water Regulatory Commission shall approve the platform under paragraph 1 and shall determine the trading platform operator.

(3) The operator shall perform on the platform the activities of organizing a natural gas exchange market and those for the implementation of the agreement under § 28 until the issuance of a license for organizing a natural gas exchange market.

§ 30. (1) The natural gas exchange market operator shall submit to the Energy and Water

Regulatory Commission rules of the operation of an organized natural gas exchange market within one month from bringing the acts under § 26 into compliance.

(2) The Energy and Water Regulatory Commission shall approve the rules under paragraph 1 within one month of their submission.

(3) Until the approval of the rules under paragraph 1, the rules of the approved trading platform under § 29 shall apply.

.....  
§ 32. By 31 December 2019, the Energy and Water Regulatory Commission shall conduct a procedure for approval of the price, at which the public provider shall sell natural gas from 1 January 2020, pursuant to § 2.

§ 33. The Act shall come into effect from the date of its promulgation in the State Gazette, with the exception of:

1. paragraph 2, item 1 and § 18 with regard to Article 176, paragraphs 3 and 5, which shall become effective from 1 January 2020;

2. paragraph 19, which shall enter into force from 1 December 2019.

#### TRANSITIONAL AND CONCLUDING PROVISIONS

to the Act on the Supplements to the Energy Act  
(SG No. 38/2020, effective 24.04.2020)

§ 2. (1) The natural gas public provider, in fulfilment of European Commission Decision No. C (2018) 258 of 24 May 2018 concerning Case AT.39816 - Upstream Gas Supplies in Central and Eastern Europe and Annex No. 13 of 2 March 2020 to Agreement No 02-12-13 of 15 November 2012 between OOO Gazprom Export and Bulgargaz-EAD for supply of natural gas, shall refund sums under contracts for supply of natural gas, as follows:

1. for the period from 5 August 2019 to 31 December 2019 – to end suppliers of natural gas and customers connected to the gas transmission network, including to persons licensed for heat production and transmission;

2. for the period from 1 January 2020 to 31 March 2020 – to end supplier of natural gas and of persons licensed for production and transmission of heat.

(2) Within a 30-day term from the effectiveness of this Act, the Energy and Water Regulatory Commission shall make decisions for approval of natural gas prices, at which the public provider shall sell natural gas, based on the applications submitted for every period, as follows: 5 August 2019 – 31 August 2019; 1 September 2019 – 30 September 2019; 1 October 2019 – 31 October 2019; 1 November 2019 – 30 November 2019; 1 December 2019 – 31 December 2019; 1 January 2020 – 31 January 2020; 1 February 2020 – 29 February 2020 and 1 March 2020 – 31 March 2020. In these cases, Article 13, paragraph 5, item 2 and Article 14 shall not apply.

(3) The Energy and Water Regulatory Commission, by the decision under paragraph 2 for the respective period, shall also change the prices at which natural gas end suppliers sell to customers connected to the respective gas distribution networks, in accordance with the public

provider's price approved by that decision, at which it sells natural gas. Within a 7-day term from the time of effectiveness of this Act, end suppliers shall provide to the Energy and Water Regulatory Commission information and proof of the quantities of natural gas purchased in the respective periods under paragraph 2 for the purpose of selling it to customers.

(4) Where in a period under paragraph 2 a natural gas end supplier has purchased natural gas not only from the public provider, for this period the prices, at which the end supplier sold natural gas to end customers, shall be changed taking into consideration only the quantities of natural gas purchased from the public provider and the decision under paragraph 2 applicable to the respective period.

(5) Where within the period under paragraph 2 an end supplier of natural gas purchased no natural gas from the public provider, the prices for this period, at which the end supplier sold natural gas to end customers, shall not be changed.

(6) For the period 1 July 2019 - 31 March 2020 the Energy and Water Regulatory Commission shall make a decision on approval of heat prices for the purpose of determining preferential prices and premia for electricity generated by a high-efficiency cogeneration method by power stations for cogeneration of heat and electricity, taking into consideration only the quantities of natural gas purchased by the public provider and the decisions for the respective periods under paragraph 2. In this case, Article 13, paragraph 5, item 2 and Article 14 shall not apply. Within a 7-day term from the effectiveness of this Act, persons licensed for production and transmission of heat shall provide to the Energy and Water Regulatory Commission information and proof of the quantities of natural gas purchased in the respective periods under paragraph 2.

(7) Prices approved by the decisions under paragraphs 2 and 6 shall be for the purpose of calculating the amounts that the natural gas public provider, natural gas end suppliers or persons licensed for heat production and transmission refunded to customers for supply of natural gas, respectively heat.

(8) Within 20 days of the adoption of the relevant decisions under paragraph 2, the public provider shall calculate the amounts to be refunded under natural gas supply contracts to the persons under paragraph 1 as the difference between the amounts paid for supplied quantities, at the prices approved by the decisions of the Energy and Water Regulatory Commission by the time of effectiveness of this Act, and at the prices approved by the relevant decisions under paragraph 2, and shall conclude agreements with the persons under paragraph 1 for the refund thereof. The public provider shall refund the amounts to the persons under paragraph 1 within a 14-day term from the conclusion of the agreement.

(9) Within one month from the refund of the amounts under paragraph 8 by the public provider:

1. natural gas end suppliers shall calculate the difference between amounts paid by and/or due from end customers for natural gas at the prices approved by the decisions of the Energy and Water Regulatory Commission by the time of effectiveness of this Act, and at the changed prices approved by the relevant decision under paragraph 2;

2. persons licensed for production and transmission of heat shall calculate the difference between the amounts paid by and/or due from heat customers for heat in buildings where the heat distribution is done for real monthly energy consumption based on the distribution of the quantity of heat, done by the persons under Article 139b, paragraph 1, at the prices approved by the decisions of the Energy and Water Regulatory Commission by the time of effectiveness of this Act, and at the changed prices approved by the relevant decision under paragraph 6.

(10) The difference calculated under paragraph 9 shall be deducted from the amounts due from the customers for the month, in which it was calculated by the natural gas end suppliers and by the persons licensed for production and transmission of heat. Deduction shall be made by end suppliers of natural gas, respectively by the persons licensed for production and transmission of heat as a one-off exercise. Where the amount due from customers is less than the calculated difference, deduction shall continue until the depletion of this difference.

(11) A notice to an invoice shall be issued for the deduction under paragraph 10, which shall state the amount due for natural gas, respectively heat, for the respective period, the amount of the calculated difference under paragraph 9 and the amount due from the end customer of natural gas or customer of heat after the effected deduction.

(12) For heat customers for whom the heat is distributed per a reporting period of one year, the person under Article 139b, paragraph 1 shall prepare a total annual equalizing bill for the building and individual equalizing bills for the customers, reflecting the different pricing periods and the relevant decisions of the Energy and Water Regulatory Commission approving heat prices. The equalising bills shall state the difference between the amounts for heat at the prices approved by the decisions of the Energy and Water Regulatory Commission by the time of effectiveness of this Act, and at the prices approved by the decision under paragraph 6.

(13) Natural gas end suppliers, respectively the persons licensed for heat production and transmission, shall refund the difference under paragraph 9 in the form of a monetary amount to any person who does not anymore qualify as a customer and owes no amounts for natural gas or heat, based on an application in writing, which shall state a bank account into which the amount shall be transferred.

(14) Within a 14-day term from the refund by the public provider of the amounts under paragraph 8, the public provider's customers connected to the gas transmission network, which supply natural gas to natural gas end suppliers that are not connected to the gas transmission network shall refund to the end suppliers the difference between the amounts paid for the supplied quantities of natural gas at the prices approved by the decisions of the Energy and Water Regulatory Commission by the time of effectiveness of this Act, and at the prices approved by the relevant decisions under paragraph 2. Within one month after the refund of the difference between the amounts, the natural gas end suppliers shall calculate and refund the difference between the amounts to end customers pursuant to paragraph 9, item 1, and paragraph 10.

(15) Within a 14-day term from the adoption of the decision under paragraph 6, the Electricity System Security Fund shall calculate the difference between the amount of the premia for electricity generated by a high-efficiency method for cogeneration of heat and electricity, determined by the decision of the Energy and Water Regulatory Commission by the time of

effectiveness of this Act and the decision under paragraph 6.

(16) The difference under paragraph 15 shall be deducted by the Electricity System Security Fund from the premia due to producers of electricity from high-efficiency cogeneration of electricity and heat based on an act for deduction of receivables, issued by the chairperson of the Fund. In this case, the difference shall be deemed a liability within the meaning of Article 36i, paragraph 2.

(17) The Energy and Water Regulatory Commission, by a decision for the respective period under paragraph 2, shall prescribe to the gas transmission network operator to change the prices for the said period of the natural gas for balancing purposes, determined pursuant to the Daily Imbalance and Neutrality Charge Calculation Methodology (SG No. 57/2019).

§ 3. The applications for approval of natural gas prices for the periods under § 2, paragraph 2, submitted by the public provider by the time of effectiveness of this Act, shall be considered under the conditions and procedure referred to in § 2.

§ 4. By 31 October 2020, the Energy and Water Regulatory Commission shall submit to the National Assembly for reference detailed information about the amounts refunded under § 2.

.....  
**TRANSITIONAL AND CONCLUDING PROVISIONS**

to the Act to Amend and Supplement the Energy Act

(SG No. 57/2020, effective 26.06.2020)

§ 14. (1) In the cases of production commenced prior to the effectiveness of this Act under Article 30, paragraph 1, item 9, for the pricing/regulatory period ending on 30 June 2021, the Energy and Water Regulatory Commission, pursuant to Article 30, paragraph 1, item 9, Article 94a, paragraph 1 and Article 97, paragraph 1, item 4, shall approve the following prices:

1. for household customers – for the period to 30 June 2021;
2. for non-household customers – for the period to 30 September 2020.

(2) In the cases of production under paragraph 1, no open hearing or a public discussion shall be held, if such have been held prior to the effectiveness of this Act.

§ 15. (1) Within 30 days from the effectiveness of this Act, end suppliers shall send a notification to every non-household end customer of the termination of electricity supply from 1 October 2020 to works connected to the electricity distribution network at low-voltage level within the respective area covered by its license.

(2) Provided by 30 September 2020, inclusive, a customer under paragraph 1 has not concluded a contract with an electricity trader at freely negotiated prices, electricity shall be supplied by its current supplier in its capacity as a holder of the license under Article 39, paragraph 1, item 5.

(3) The supplier under paragraph 2 shall sign a standard contract with the customers that have not concluded a contract with an electricity trader by 30 September 2020, inclusive. The standard contract shall be with a validity term from 1 October 2020 to 30 June 2021. Until the time of conclusion of the standard contract, electricity shall be supplied by the supplier under paragraph 2, provided the customer pays in a timely manner all amounts due in relation to the supply.

(4) By 31 August 2020, the Energy and Water Regulatory Commission shall approve a the standard contract template under paragraph 3, which shall provide for the rights and obligations of the parties, the terms and conditions of electricity supply, and the termination of the contract.

(5) any change of supplier shall be done in accordance with the provisions of Article 95,

whereas the customer shall not owe any penalties and the change shall not involve any additional obligations for the customer. From 1 July 2021 customers that have not selected a supplier shall be supplied with electricity under the provisions of Article 95a.

§ 16. From 1 January 2021 natural gas traders shall submit to the Energy and Water Regulatory Commission applications to be issued a license pursuant to Article 39, paragraph 1, item 5.

§ 17. From 1 October 2021 trade in natural gas shall be carried out on the basis of a license under Article 39, paragraph 1, item 5.

§ 18. Within 30 days from the time of effectiveness of this Act, electricity end suppliers shall publish on their websites a list of the non-household end customers under § 15, paragraph 1.

§ 19. The Energy and Water Regulatory Commission shall establish a platform and shall set the rules under Article 38i, paragraph 5 by 31 December 2020.

§ 20. The full liberalisation of the electricity wholesale market shall be completed by 1 July 2021.

§ 21. § 3, § 6, § 8 and § 13 shall apply from 1 October 2020, and § 4 referring to Article 38j shall apply in one month's time from the adoption of the decision under Article 38i, paragraph 5.

.....  
**TRANSITIONAL AND CONCLUDING PROVISIONS**

to the Act to Amend and Supplement the Energy Act

(SG No. 9/2021, effective 2.02.2021)

§ 27. (1) From 1 July 2021 onwards the end suppliers shall not purchase electricity at preferential prices from producers of high-efficiency combined generation of electricity and heat generated by power plants with total installed electric capacity from 500 kW to 1 MW.

(2) By 31 May 2021, the producers referred to in Paragraph 1 shall conclude a contract for compensation with a premium with the Electricity System Security Fund. The contracts shall enter into force from 1 July 2021.

§ 28. (1) From 1 July 2021 onwards the end suppliers shall not purchase electricity at preferential prices from producers of electricity from renewable energy sources, generated by power plants with total installed electric capacity from 500 kW to 1 MW.

(2) By 31 May 2021 producers under Paragraph 1 shall conclude with the Electricity System Security Fund a contract for compensation with a premium for the quantities of electricity generated thereby up to the amount of their allocated net specific generation of electricity, on the basis of which their preferential price was determined. The contracts shall enter into force from 1 July 2021.

(3) The premium shall be determined on an annual basis, by 30 June, by the Energy and Water Regulatory Commission as the difference between the preferential price determined prior to the entry of this Act into force or the updated preferential price for the project, as the case may be, and the forecast market price of electricity generated from renewable sources determined for this period depending on the primary energy source.

(4) The Electricity System Security Fund shall notify the public provider of the concluded contracts for compensation with a premium.

(5) The premium shall be granted until the expiration of the term under the relevant long-term purchase contract or contract under § 7 of the Transitional and Final Provisions of the Energy from Renewable Sources Act concluded before the entry of this Act into force.

(6) Upon reconstruction and modernisation of energy works requiring commissioning into operation within the meaning of the Spatial Development Act, the granting of a premium shall be preserved up to the amount of the net specific production for the installed capacity before the

reconstruction and modernization, applying Paragraphs 3 and 5.

(7) In relation to the generated electricity, the producers referred to in Paragraph 1 shall declare the issuance of guarantees of origin and shall transfer them to the Electricity System Security Fund.

(8) After paying the premium, the Electricity System Security Fund shall transfer to the persons referred to in Article 36g, Paragraph 1, Item 1 guarantees of origin for the corresponding month in proportion to the amount of the funds from the price and/or from the price component under Article 30, Paragraph 1, Item 17 payable by such persons for that same month.

(9) From the date of entry into force of the contract referred to in Paragraph 2, the purchase contract of the relevant producer referred to in Paragraph 1 and concluded before the entry of this Act into force shall be deemed terminated and the end suppliers shall not purchase at a preferential price the electricity generated by such producer.

§ 29. By 30 June 2021, the electricity producers under Article 162 of the Energy Act and under Article 31 of the Energy from Renewable Sources Act with sites with a total installed capacity of 500 kW to 1 MW, that sell electricity to end customers, shall submit to the Electricity System Security Fund collateral under Article 36g, Paragraph 3 of the Energy Act. In this case data within the meaning of Article 36g, Paragraph 3 are the quantities of electricity sold to end customers during the period from 1 December 2020 to 31 May 2021.

§ 30. (1) Technical agreements related to the operation of gas transmission pipelines from and to third countries, concluded by a gas transmission network operator, until the entry into force of this Act, shall remain in force as long as they do not contradict Bulgarian legislation, European Union law and applicable decisions of the Energy and Water Regulatory Commission.

(2) Intergovernmental agreements with a third country related to the operation of gas transmission pipeline or extraction gas pipeline network, concluded before the entry into force of this Act, shall remain in force until the entry into force of a subsequent agreement between the European Union and the third country under Article 200b.

.....  
§ 33. The statutory instruments of secondary legislation for the application of this Act shall be brought into conformity with this Act within three months from its promulgation in the State Gazette.

§ 34. This act shall enter into force on the date of being promulgated in the State Gazette, with the exception of § 7, which shall enter into force from 1 January 2021.

#### TRANSITIONAL AND CONCLUDING PROVISIONS

to the Act on amendment and supplement of the Energy Efficiency Act  
(SG No. 21/2021, effective 12.03.2021)

.....  
§ 74. In the Energy Act (promulgated, SG No. 107/2003, amended, SG No. 18/2004, SG Nos. 18 and 95 of 2005, SG Nos. 30, 65 and 74 of 2006, SG Nos. 49, 55 and 59 of 2007, SG Nos. 36, 43 and 98 of 2008, SG Nos. 35, 41, 42, 82 and 103 of 2009, SG Nos. 54 and 97 of 2010, SG Nos. 35 and 47 of 2011, SG Nos. 38, 54 and 82 of 2012, SG Nos. 15, 20, 23, 59 and 66 of 2013, SG No. 98/2014, SG Nos. 14, 17, 35, 48 and 56 of 2015, SG Nos. 42, 47 and 105 of 2016, SG Nos. 51, 58, 102 and 103 of 2017, SG Nos. 7, 38, 57, 64, 77, 83, 91 and 103 of 2018, SG Nos. 17, 41 and 79 of 2019, SG Nos. 25, 38 and 57 of 2020 and SG No. 9/2021) shall be amended and supplemented as follows:

.....  
§ 75. The installed devices under Article 140, Paragraph 1 of the Energy Act, which do not have remote reading shall be altered in manner that allows remote reading or shall be replaced

with devices with remote reading by 1 January 2027.

§ 76. By the entry into force of § 74, Item 2 related to Article 38b, Paragraph 7 of the Energy Act, the end users of heating energy, cooling energy or hot water for household needs shall be provided with information regarding the billing based on the actual consumption or the consumption based on the indicators of the heating valve at least once in a quarter upon request or in case the end users have declared their preference to receive electronic bills, and in the rest of the cases - twice a year when every installed device in the condominium-project building has remote reading.

.....  
§ 78. This act shall enter into force on the date of being promulgated in the State Gazette, with the exception of § 7, items 1 and 3 – regarding the creation of new item 18, and § 74, item 2, which shall enter into force from 1 January 2022.

**TRANSITIONAL AND CONCLUDING PROVISIONS**  
to the Industrial Park Act  
(SG No. 21/2021)

.....  
§ 7. In the Energy Act (promulgated, SG No. 107/2003, amended, SG No. 18/2004, SG Nos. 18 and 95 of 2005, SG Nos. 30, 65 and 74 of 2006, SG Nos. 49, 55 and 59 of 2007, SG Nos. 36, 43 and 98 of 2008, SG Nos. 35, 41, 42, 82 and 103 of 2009, SG Nos. 54 and 97 of 2010, SG Nos. 35 and 47 of 2011, SG Nos. 38, 54 and 82 of 2012, SG Nos. 15, 20, 23, 59 and 66 of 2013, SG No. 98/2014, SG Nos. 14, 17, 35, 48 and 56 of 2015, SG Nos. 42, 47 and 105 of 2016, SG Nos. 51, 58, 102 and 103 of 2017, SG Nos. 7, 38, 57, 64, 77, 83, 91 and 103 of 2018, SG Nos. 17, 41 and 79 of 2019, SG Nos. 25, 38 and 57 of 2020 and SG No. 9/2021) shall be amended and supplemented as follows:

.....  
§ 8. For the activity distribution of electricity and/or natural gas in closed electricity or gas distribution network in geographically separate industrial site commissioned into operation until the year 2000, may be issued a licence under Article 39, Paragraph 1, Item 8 of the Energy Act under special conditions and procedure, determined by the Energy and Water Regulatory Commission in the ordinance under Article 60 of the Energy Act.  
.....