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Related documents: CC 201, CC 207

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Recommendations on the In-depth Review of Energy Efficiency Policies and Programmes of Bulgaria

[The Energy Charter Conference at its 9th Meeting held on 17 December 2001] *welcomed* the report on In-Depth Energy Efficiency Review of Bulgaria circulated as document CC 201, and *endorsed* the recommendations made therein to the Government of Bulgaria [Annex].

The Conference *approved* the proposal of the Working Group Chairman that countries undergoing such In-Depth Reviews should in future be invited to report back to the Group within 2-3 years after the review in question concerning their implementations of any resulting recommendations.

Keywords: In-depth Review of Energy Efficiency Policies and Programmes, PEEREA, Recommendations, Bulgaria, Implementation Reports

Recommendations on the In-depth Review of Energy Efficiency Policies and Programmes of Bulgaria

as adopted by the Energy Charter Conference
at its 9th Meeting held on 17 December 2001

General

- Building on the positive steps taken so far through the 1999 Energy and Energy Efficiency Law, the Government should ensure that new intended changes and secondary legislation will better define the legal framework and the economic conditions for promoting energy efficiency.
- The Government should assess the status of energy efficiency in all sectors of the economy; periodical review of progress in improving energy efficiency should also be undertaken.
- The Government should follow up on the findings on the 1999 “Understanding between the Republic of Bulgaria and the European Commission concerning Kozlodoy NPP” with a view to secure the contribution of energy efficiency measures to increase the country’s energy security and balance the effects of closing units in Kozlodoy Nuclear Power Plant.

Energy efficiency policies, strategies and programmes

- The National Strategy for Energy and Energy Efficiency until 2010 should serve as a basis for further developing a National Energy Efficiency Programme, for all end-use sectors, with clear objectives, tasks, targets and monitoring provisions.
- The Government should be committed to integrate energy efficiency in other economic, environmental and social policies.
- In the process of developing energy efficiency strategies and programmes, the Government should make use of the work and expertise made already available through the technical assistance of various international institutions and programmes, including those of the European Commission.
- Government institutions responsible for energy efficiency should ensure a better balance between policy development and implementation activities.

Institutional framework

- The Government should secure that the capacity, operational independence and authority built in the State Energy Efficiency Agency are maintained and continuously strengthened to secure proper development and implementation of energy efficiency policies, strategies and programmes.
- The Government should ensure better coordination between the various governmental institutions acting in the area of energy efficiency.

- The Government should take action to support the participation of the private sector and of municipalities in promoting energy efficiency.
- The Government should also encourage professional associations and NGOs in their efforts to promote energy efficiency and related environmental activities.

Energy pricing

- The Government should take action to eliminate subsidies and cross-subsidies in end-use energy prices; social problems arising from market pricing should continue to be addressed by social policies.
- The Government should continue efforts towards introducing market oriented prices and consider the reflection of environmental costs.
- The regulatory mechanism for establishing energy prices should be transparent, more independent and take into consideration energy efficiency activities of the energy companies on both supply and demand-side.

Energy efficiency funding and fiscal policies

- A better balance should be secured between energy efficiency objectives and funding at national and regional / municipal level.
- The Government should consider allocating special funds at national and municipal level for supporting the implementation of energy efficiency policy objectives.
- The Government should encourage the development of innovative financing mechanism which support implementation of energy efficiency activities by end-users and by specialised service companies.
- The Government should further develop fiscal and taxation policies which support improvements in energy efficiency.
- Better information on the planning and operation of the National Environmental Fund should be provided to the market actors in order to facilitate and promote the financing of energy efficiency projects.

Implementation of specific energy efficiency measures

- Priority should be given to implementing low cost measures identified in the industrial sector, including energy management, auditing and training; low cost measures should be also implemented without delay in other sectors of the economy.
- Efforts should continue to complete energy efficiency standards and labelling legislation in accordance with the EU legislation in this area.
- The Government should consider allocation of special resources for research and development activities supporting the penetration and deployment of energy efficient and environmental friendly technologies.

- A policy on the use of flexible mechanisms under the Kyoto Protocol should be better defined and promoted; the potential share of energy efficiency projects in such activities should be identified.
- Building on the positive experiences undertaken so far, additional efforts should be made to secure completion of the metering programme planned for the district heat consumers.
- Priority should be given to the attraction of private investments in the process of rehabilitation of the district heating systems.
- Awareness on benefits resulting from energy efficiency improvement should be promoted within all sectors of the economy and society through information and dissemination activities.
- Education and training activities related to energy efficiency should be considered in the various stages of the education process.
- The potential for employment creation through implementation of energy efficiency activities should be investigated and tapped, taking into consideration the experience of other countries in this area.

Promotion of renewable energy and cogeneration

- The Government should favour the development of framework conditions for promotion of renewable energy sources and cogeneration, including appropriate tariffs and other instruments, which would support completion and implementation of a national renewable energy programme.

Data collection, monitoring and forecasting

- Every effort should be made to secure that energy data basis and statistics are harmonized with those of Eurostat and IEA.
- In order to facilitate the design and evaluation of energy efficiency policies and programmes, the Government should take the necessary steps to secure that energy efficiency indicators at national, regional and sectoral level are developed.
- Technological development and structural changes of the economy should be taken into consideration in developing energy demand and supply scenarios.
- The Government should secure the evaluation of the results obtained by energy efficiency projects implemented under existing pilot and funding schemes; such evaluations should further serve in the process of developing future programmes.