

Vienna Energy Transition Forum

Energy Transition and Market Liberalization in Bulgaria

Kaloyan Staykov

Institute for Market Economics

@kaloqn; fb: Kaloyan Staykov; kaloyan@ime.bg

' 06.06.2019

Structure of the presentation

- o Bulgaria's energy background and electricity mix;
- o Development and structure of RES;
- o Support schemes and financing preferential prices;
- o Electricity market liberalization and structure;
- o Old problems and new challenges.

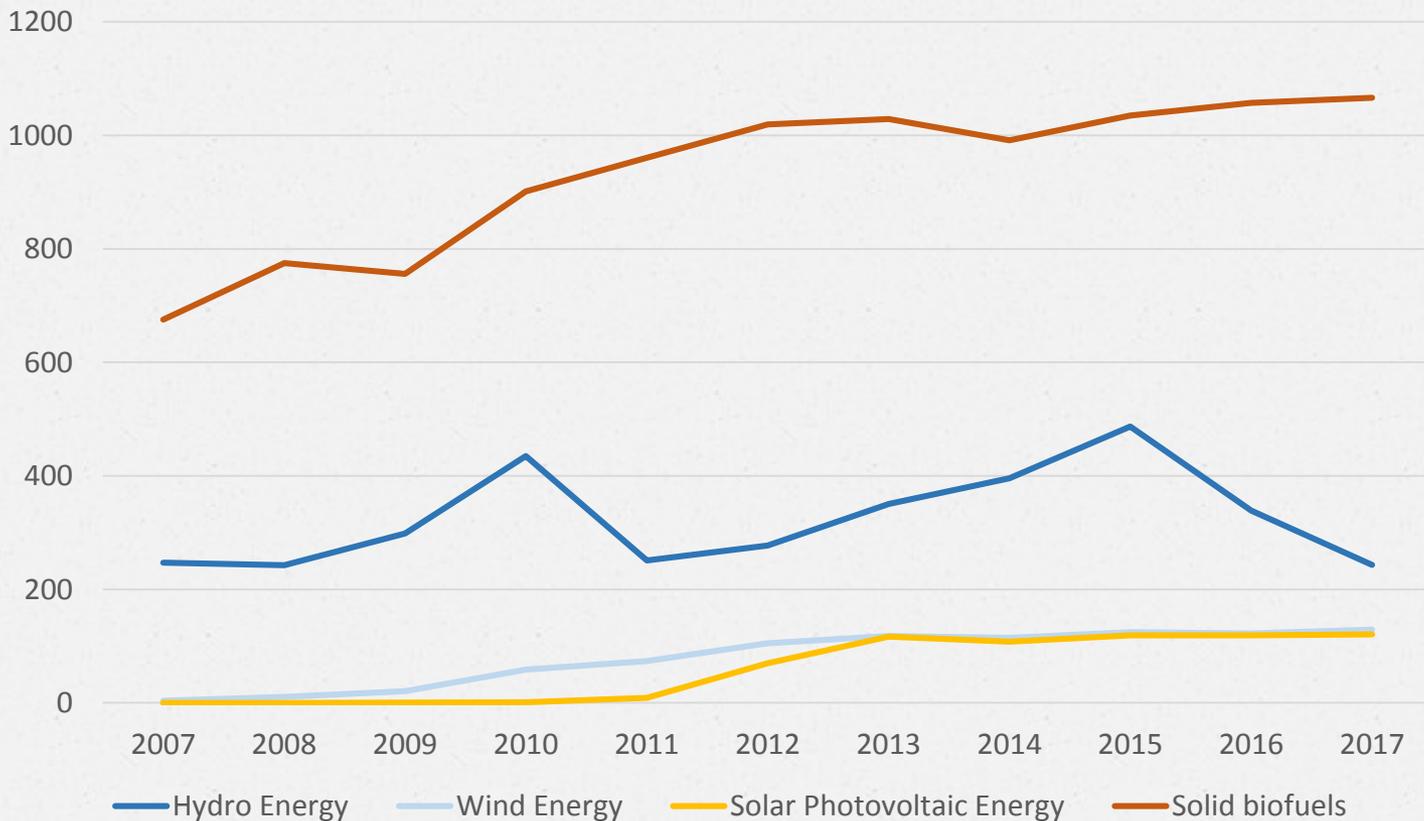
Bulgaria's Energy Background

- Policy is focused on electricity, natural gas seems to be a lower priority;
- Reforming the Electricity sector is not a conscious choice but a requirement for EU accession;
- EU accession – solving old problems, facing new challenges and fast;

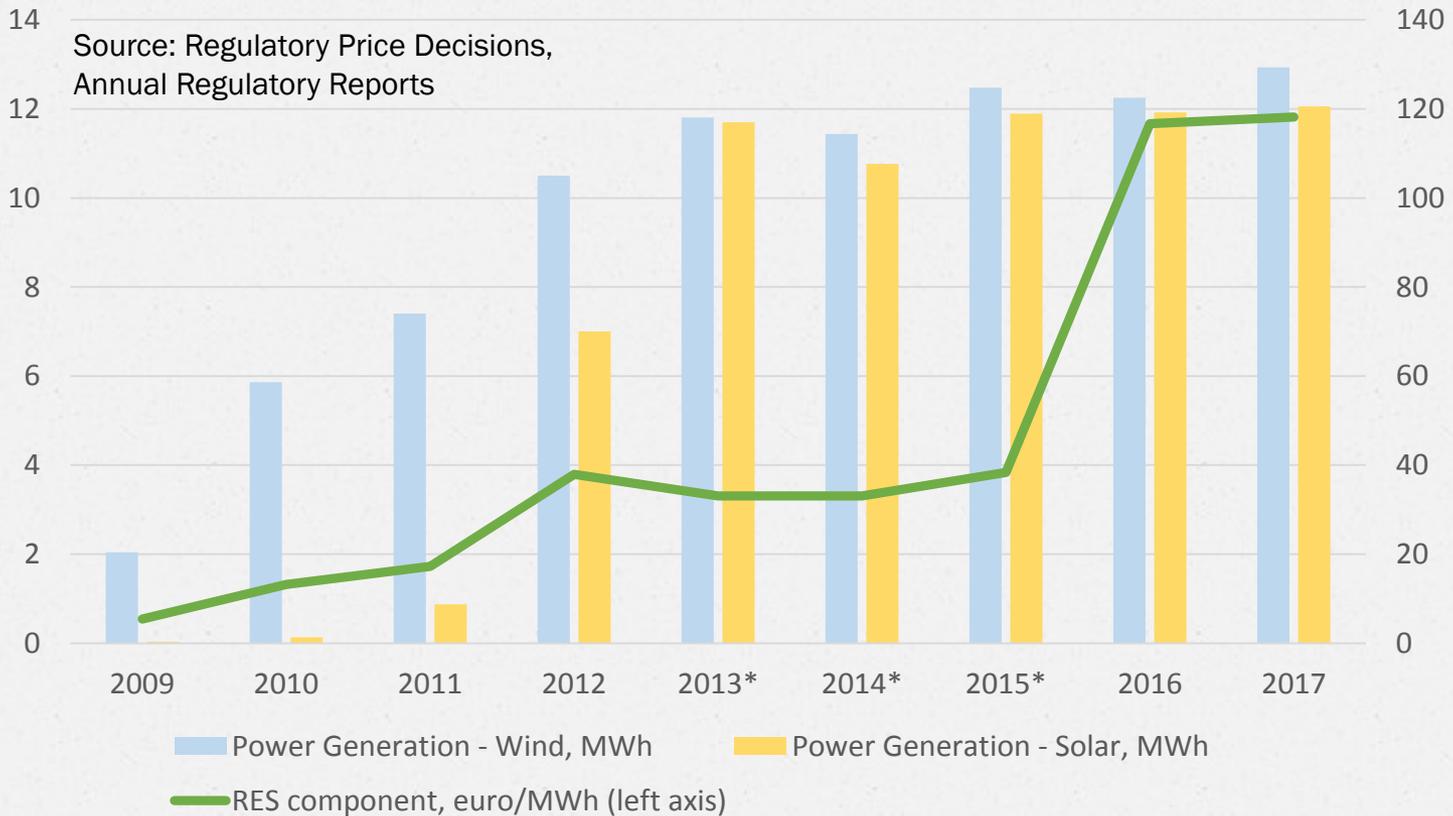
Installed Capacity and Generation of Electricity

	Capacity, MW		Generation, MWh	
	2016	2017	2016	2017
NPP	2000	2000	14 932 619	14 718 368
TPP, Lignite Coal	4119	4119	16 196 171	17 605 902
TPP, Brown and Black Coal	600	362	255 316	246 111
TPP, Natural Gas	563	563	1 729 845	1 609 514
Hydro	3204	3204	4 438 123	3 395 131
RES, including	1813	1822	3 054 654	3 054 993
-Wind	701	701	1 424 548	1 414 564
-Solar	1043	1043	1 338 661	1 325 472
-Biomass	69	78	291 445	314 956
Total	12 299	12 070	40 606 726	40 630 018 ⁴

Renewable Energy Sources, ktoe



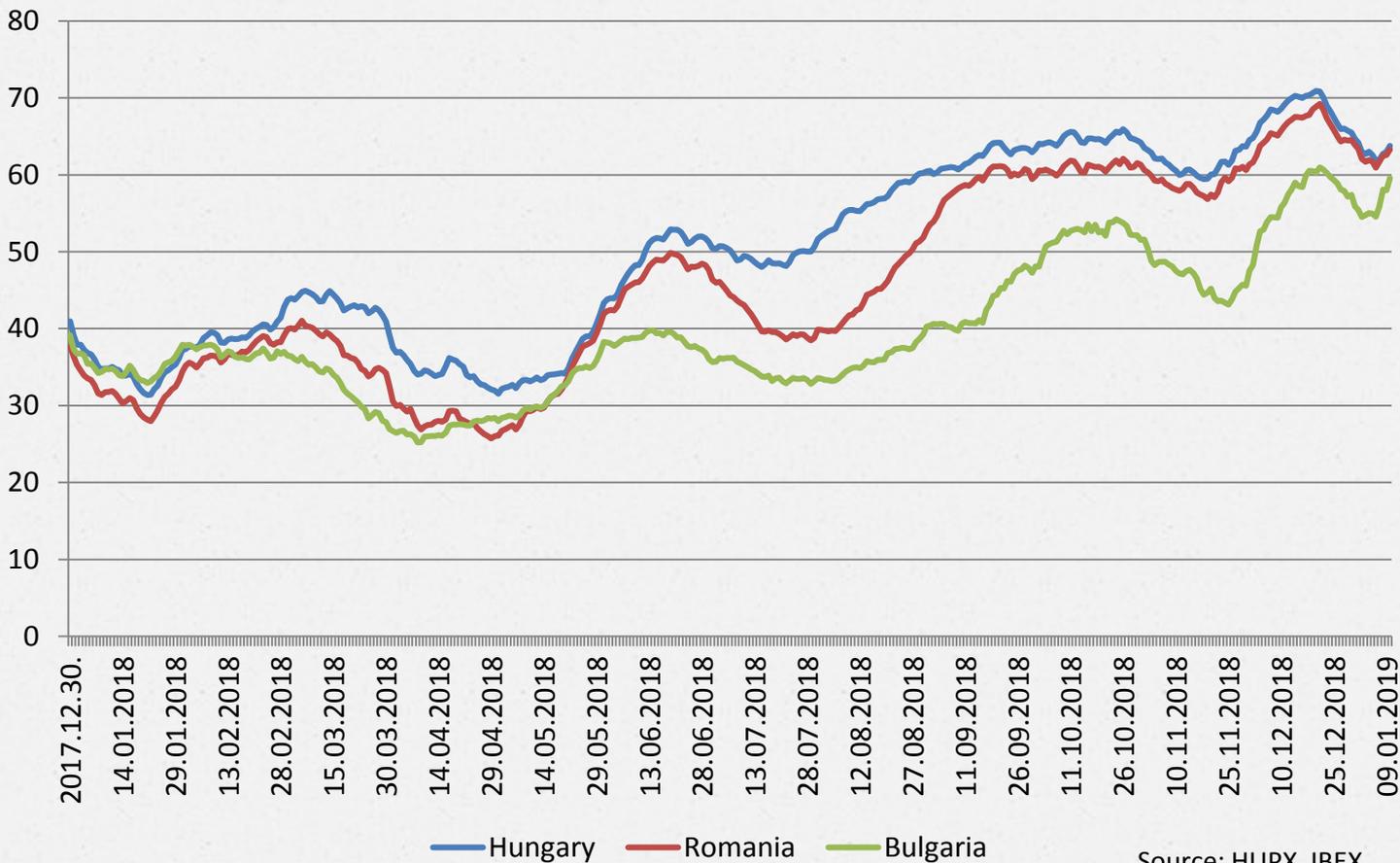
RES Generation and Compensation



The Waltzing Market Liberalization

- o The unbundling and re-bundling of a vertically integrated company;
- o Market concentration and manipulation – Case AT.39767 - BEH Electricity;
- o Sluggish market liberalization and regional market integration;
- o Three state-owned companies continue to supply between 75-85% of the wholesale electricity market.

30-day Moving Average Price for Baseload on the Day-ahead Market, euro/MWh



Source: HUPX, IBEX

Old Problems

- Financing the tariff deficit;
- Integrating generations with preferential prices;
- Increasing market liquidity, transparency and predictability;
- Improving regulatory independence, as well as legislative and executive decisions.

New Challenges

- o Market coupling:
 - o 4MMC;
 - o Multi-Regional Coupling (MRC);
- o Working towards the 2030 goals.
- o Decentralized electricity generation;
- o Maintaining and improving grid operations, including interconnectivity.

Looking Forward

- Lowest GDP/capita => limited resources;
- Financing the tariff deficit => further financial burden;
- Stakeholders are exhausted and distrust future reforms – 2030;
- Politicians have been maintaining a half-hearted approach;
- Future investments are under question.

Vienna Energy Transition Forum

Thank you
for your attention

Kaloyan Staykov
Institute for Market Economics
@kaloqn; fb: Kaloyan Staykov; kaloyan@ime.bg

¹² 06.06.2019