

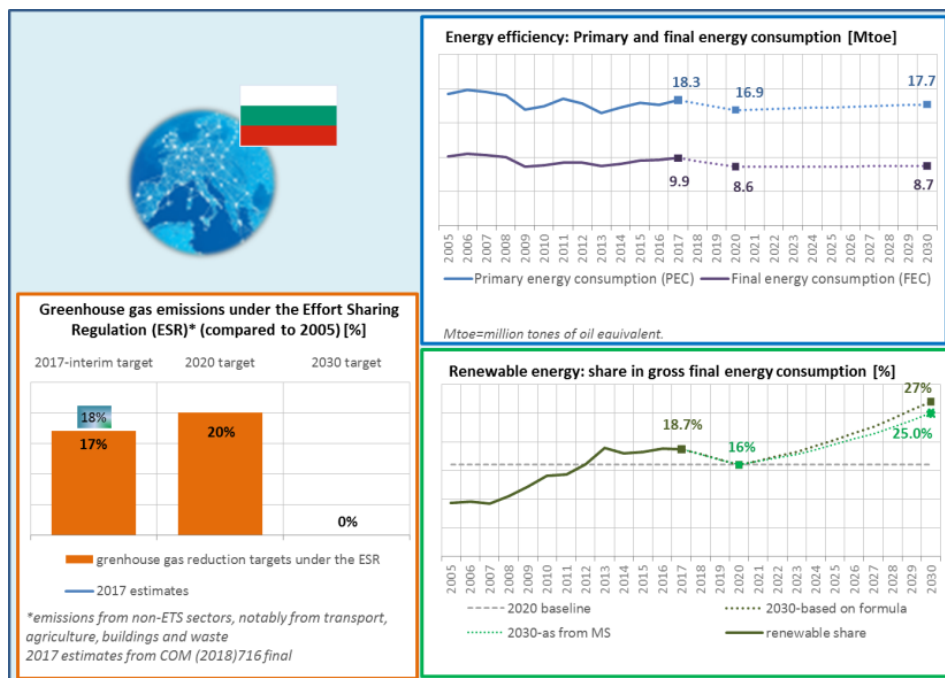


BULGARIA

Summary of the Commission assessment of the draft National Energy and Climate Plan 2021-2030

The EU has committed itself to a clean energy transition, which will contribute to fulfilling the goals of the Paris Agreement on climate change and provide clean energy to all. To deliver on this commitment, the EU has set binding climate and energy targets for 2030: reducing greenhouse gas emissions by at least 40%, increasing energy efficiency by at least 32.5%, increasing the share of renewable energy to at least 32% of EU energy use and guaranteeing at least 15% electricity inter-connection levels between neighbouring Member States. To ensure that the EU targets are met, EU legislation requires that each Member State drafts a 10-year National Energy and Climate Plan (NECP), setting out how to reach its national targets, including the binding national target for reducing greenhouse gas emissions that are not covered by the EU Emissions Trading System (ETS). The European Commission has analysed each draft NECP. The summary of this assessment for Bulgaria is outlined below. The final NECPs for the period 2021-2030 are due to be submitted by Member States by the end of 2019.

BULGARIA - National targets and contributions foreseen in the draft National Energy and Climate Plan



Sources: Bulgaria's draft National Energy & Climate Plan, Eurostat (PEC2020-2030, FEC2020-2030 indicators and renewable SHARES), COM (2018) 716 final (2017 GHG estimates)

- The draft Bulgarian integrated National Energy and Climate Plan (NECP) is well structured according to the Regulation and sections are easily identifiable. The key objectives relate mainly to the decarbonisation, energy efficiency and energy security dimensions. While some parts are more developed than others, the draft overall is a good basis for further developing objectives and corresponding adequate policies and measures across all dimensions. Policy interactions are not yet sufficiently analysed to allow related opportunities for economic modernisation and job creation to be well exploited.
- Bulgaria's 2030 target for **greenhouse gas (GHG) emissions** not covered by the EU Emissions Trading System (non-ETS) is -0% compared to 2005, as set in the Effort Sharing Regulation (ESR)¹. Bulgaria might overachieve this target with the existing measures in all sectors, if the **Land Use, Land Use Change and Forestry (LULUCF)** no-debit commitment² (i.e. emissions do not exceed removals) is achieved. The draft plan does not yet quantify the possible overachievement nor it considers which planned level of overachievement e.g. through further policies in the building sector could be cost efficient in view of a use for transfers to other Member States and contribute to growth and jobs.
- Bulgaria proposes a share of 25% of **energy from renewable sources** in gross final consumption of energy in 2030 as contribution to the EU renewable energy target for 2030. Information provided in the draft plan shows that this contribution would be met with existing measures. This level of ambition is slightly below the share of 27% in 2030 that results from the formula contained in Annex II of the Governance Regulation, a situation which would also require in the final plan³ an indicative trajectory that reaches all reference points⁴ in accordance with the national contribution in the final plan⁵. The final plan would benefit from elaborating further on the policies and measures allowing the achievement of the contribution and on other relevant sectorial measures.
- The proposed contribution towards the 2030 collective EU **energy efficiency** target comprising 7 Million tonnes of oil equivalent (Mtoe) of primary and 8.7 Mtoe of final energy consumption in 2030 is of low ambition and is to be achieved with existing measures. The final plan would benefit from including more substantiated policies and measures underpinned by an impact assessment.
- As regards **energy security**, focus is put on the use of indigenous resources, such as coal and renewables. The draft plan considers nuclear energy as a local energy source as well, and foresees to maintain its central role. References are made to increased interconnectivity to diversify sources of supply of natural gas, and to enhancing system flexibility. Not all relevant elements are yet consistently developed either within this dimension or across the draft plan and thus warrant being further elaborated in the final plan. The final plan would also benefit from including measures envisaged view to the foreseen role of nuclear generation capacity.
- Ongoing interconnection projects are well presented in the **internal energy market** part, and Bulgaria should exceed a 15% **interconnectivity** level by 2030 through the implementation of the projects. The

¹ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013.

² Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU.

³ Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

⁴ Pursuant to Article 4(a)(2) of Regulation 2018/1999.

⁵ Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action.

final plan would benefit from providing further details on objectives and measures promoting market integration and from information concerning market functioning and its core parameters so as to allow a full understanding of the envisaged future development. Despite **energy poverty** rates above the EU average, the draft plan does not include an assessment of energy poverty issues as required by the Governance Regulation, which remains necessary for the final plan.

- The **research, innovation and competitiveness** dimension focuses on some ongoing activities. The final plan would benefit from additional details including specific objectives and funding targets for 2030 that reflect the objectives across all dimensions of the NECP, as well as the deployment perspective of low carbon technologies and objectives related to competitiveness.
- The draft NECP analyses current and projected trends. It does not yet contain an impact assessment nor an overview of the **investment needs** and expenditures, thus not yet fully taking advantage of the role NECPs can play in providing clarity to investors and attracting additional investments in the clean energy transition. Funding sources are mentioned for certain types of investments, especially for energy efficiency and energy infrastructure, while their time horizon is still mostly limited to up to 2020. The final NECP would benefit from a more comprehensive assessment of funding sources at national, regional or Union including more details on the use of the Modernisation Fund.
- **Regional cooperation** focuses on energy security and internal market dimensions by means of cooperation on energy infrastructure projects. Given the upcoming common challenges (along with neighbouring countries) for the future development of the energy sector, regional cooperation represents an opportunity for also addressing the other dimensions of the NECP.
- The final plan should include an impact assessment of planned policies and measures, including notably the major policy decisions such as the delayed phase-out of lignite beyond 2030 or the economic viability in generation adequacy of adding two nuclear 1 000 MW second generation reactors by 2035.
- The final plan would benefit from complementing the plan's analysis of the interactions with **air quality and air emissions policy**, including through quantification of the impacts on air pollutant emissions.
- The final plan would benefit from further analysis of the possible social impact of the transition to a low-carbon economy, including on sectoral/industrial shifts, employment, skills, and training. In general terms, the issue of a **just transition** to a climate neutral economy could be better integrated throughout the document, particularly taking into account the impacts of the transition for coal and carbon-intensive industries.
- A list of all **energy subsidies** and actions undertaken and planned to phase them out, in particular for fossil fuels, needs to be included in the final plan.
- The draft plan includes a detailed set of existing policies and measures for all main sectors with quantified estimates of GHG reductions for the years 2025 and 2030 which can be considered **good practice**.

Related links:

- [National Energy & Climate Plans](#) – for links to the Commission recommendations and Staff Working Document for Bulgaria and all other Member States, to the Commission Communication assessing all draft NECPs, and to the draft NECPs themselves.
- More information about the [Clean energy for all Europeans package](#)
- More information about the [2030 climate & energy framework](#)