



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

on:

"National objectives and priorities for a just energy transition in the Energy Strategy of Bulgaria until 2030 with a horizon until 2050"

(developed on own initiative)

**Sofia,
December 2022**

The Activity Plan of the Economic and Social Council of the Republic of Bulgaria for 2022 includes the preparation of an opinion on "National objectives and priorities for a just energy transition in the Energy Strategy of Bulgaria until 2030 with a horizon until 2050".

The opinion was assigned to the to the Commission on Economic Policy and the Commission on Sustainable Development, Agriculture, Environment and Regional Policies.

Ivelin Zhelyazkov (Group I), Plamen Dimitrov (Group II) and Ina Agafonova (Group III) were appointed as rapporteurs.

At joint meetings of both Commissions on 10.11.2022 and 18.11.2022 the draft of the opinion was adopted.

At its Plenary Session held on 09.12.2022, the Economic and Social Council adopted this opinion.

List of abbreviations used:

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| RES | Renewable energy sources |
| ESO | Electricity System Operator |
| EC | European Commission |
| EU | European Union |
| IPEC | Integrated plan in the field of energy and climate of Republic of Bulgaria, 2021-2030 |
| ESC | Economic and Social Council of the Republic of Bulgaria |
| CM | Council of Ministers |
| NFBEAP | National Forest Biomass Energy Action Plan, 2018-2027. |
| NRRP | National Recovery and Resilience Plan |
| NGOs | Non-governmental organizations |
| NA | National Assembly |
| TPP | Thermal power plant |
| CCSUS | Carbon Capture, Storage and Utilization Systems |

1. Conclusions and Recommendations

- 1.1. The Economic and Social Council of the Republic of Bulgaria (ESC) supports the objectives of achieving sustainability and climate neutrality by 2050, stating that it is necessary to create conditions for sustainable economic growth and inclusive social development, so that the burden of achieving the long-term objectives to be distributed in a balanced way between the generations.
- 1.2. The ESC considers that in the conditions of the ever-changing legislative requirements aimed at achieving climate neutrality, it is extremely important to build the national framework in a dynamic environment with the appropriate applicable plans and measures that involve the public in the realization of the common goals. In this regard, social partners and civil society organizations have established structures and capacities to contribute to the structuring, discussion and implementation of national strategic plans and programmes.
- 1.3. In order to respond to the specific challenges caused by the accelerated decarbonisation and green transformation, the ESC insists on the urgent development and presentation for discussion of a strategic framework for the development of the Energy sector until 2030 and with a vision until 2050. The lack of a strategic vision prevents the full participation of our country in the development of the policies of the European Union, respectively the protection and assertion of nationally responsible positions aimed at affordable prices for consumers, competitiveness of the Bulgarian economy and sustainable development of energy companies.
- 1.4. The ESC perceives as a leading national goal the transformation of Bulgaria into a modern, resource-efficient and competitive economy, with zero net emissions of greenhouse gases by 2050. Achieving national energy security based on a high-tech, balanced, sustainable and adaptive energy supply system that effectively utilizes the national energy potential ensures affordable energy and favours the competitiveness of the economy. This goal can be achieved under the conditions of a smooth energy transition, including cancelling the commitment to reduce carbon emissions from electricity production by 40%, taking the baseline levels from 2019 and postponing the final liberalisation of the electricity market.
- 1.5. The ESC states that the achievement of the objectives of market liberalisation and competitiveness must be combined with measures for predictability and limitation of

price volatility, in connection with which regulatory mechanisms and appropriate market products are needed, including short-term (weekly, weekend), medium-term (monthly and seasonal) and long-term contracts (12, 18, 24 - monthly) - for both active and balancing energy. The long-delayed reforms of the regulated market depend on the introduction of an adequate mechanism for the protection of energy-vulnerable consumer groups.

- 1.6. The ESC emphasises that strategic documents should be supported by specific development plans in the leading areas and be in sync with strategic plans in other economic sectors. The strategic framework for the development of the Energy sector should discuss not only the general sector goals, but also provide solutions for the development of the regulatory environment, the technical infrastructure and the ownership structure - public, public-private and private.
- 1.7. The ESC insists on the development of a National Just Transition Plan, developed on the grounds of updated national strategies and related financial mechanisms, based on policies and measures related to the green transition, digitalization and the circular economy.
- 1.8. The ESC notes that the strategic vision for long-term development should respond to current issues and long-term challenges for the use of national energy resources, as well as the efficient use of network infrastructure.
- 1.9. The ESC considers that support for large RES projects should be provided, taking into account the country's geographical features, technological perspectives, system and network security, taking into account the environmental limitations to the development of the sector and ensuring price competitiveness for Bulgarian consumers in regional and European context.
- 1.10. The ESC states that the overall reduction of energy consumption is an effective way to realize the environmental, social and economic benefits of reducing emissions, but it should not come at the expense of the sustainability of the economy and reducing the welfare of society.

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Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL