



STATE ENERGY REGULATORY COMMISSION

THE ELECTRICAL POWER SECTOR IN THE REPUBLIC OF BULGARIA

Sofia, 23-27 September 2002

Control Division

It started functioning as of July 2000

•Structure:

- Electrical Energy Department – 7 experts;
- Heat Energy and Gas Supply Department – 7 experts;
- IT for Energy Regulation Department (IT for ER) – 6.

•Control over:

- The production of electrical energy by APP, thermal power plants and water power plants;
- Transmission of electrical power;
- Production of electric and thermal power;
- Transmission of thermal power;
- Transit and transmission of natural gas;
- Natural gas distribution;
- Natural gas storage;

•IT for ER Department

- Administers the local computer network;
- Creates, exploits and maintains data bases.

INTERNAL SERC RULES FOR EXERCISING CONTROL OVER ENERGY GENERATING UTILITIES:

- General provisions;
- Inspections based on information submitted or complaints;
- Inspection based on a request by a person affected by failure to fulfill license conditions;
- Appeals of SERC acts;
- Extraordinary inspections.

INSTRUCTIONS FOR CURRENT CONTROL IN THE LICENSED ENERGY UTILITIES

- General provisions;
- Pre-inspection activities ;
- Carrying out the inspections;
- Post-inspection activities;
- Appendices covering the requirements for the carrying out of complex inspections of the implementation of the conditions of licenses granted to energy utilities.

CONTROL

- Exercises control over the observance of the permit and licensing regime on the production, transmission and distribution of electrical power;
- Carries out current control over the quality and the safety of the production, transmission and distribution of electrical power;
- Carries out periodic and extraordinary inspections of the energy companies and energy sites;
- Develops reports after inspections and drafts mandatory guidelines for the rectification of violations and concrete deadlines for their implementation.

THE DIVISION EXERCISES CONTROL OVER:

- The main production process of the licensee;
- The exploitation and maintenance of the production sites and facilities;
- Work development plan;
- Stopping of the production facilities;
- Means of commercial and control measuring;
- Safe working conditions;
- Protection of the environment;
- Energy efficiency and quality of the implementation of the technical aspects of the licenses;
- Management and organizational structure of licensee;
- Education and qualification of the management personnel of the licensee;
- Rules for working with the consumers;
- Extraordinary situations.

New Structural Code, adopted on 22.04.2002

Licenses and Control in the Electrical Power Sector Division

Composition:

Director

Permits, Licenses and Control in Electrical Power Sector Department:

Head of department – 1;

State experts – 2;

Chief experts – 4;

Senior experts – 2.

Functions:

- Research and inspections related to the criteria for the issuing of permits for the construction or decommissioning of energy sites and/or licenses for the generation of electrical power by APP, condensation thermal power plants, water power stations and electrical plants utilizing other renewable energy sources with a capacity of over 5 MW, transmission and distribution of electrical power;
- Preparation of documents and carrying out of the necessary activities for the issuing, amending, supplementing, stopping, termination and revocation of licenses for the production, transmission and distribution of electrical power;
- Participates in the drafting of tender documents for the holding of tenders for the construction of new energy electricity-generation capacities of over 25 MW;
- Carries out the necessary activities for the announcing and holding of tender procedures in compliance with the requirements of the Energy and Energy Efficiency Act.

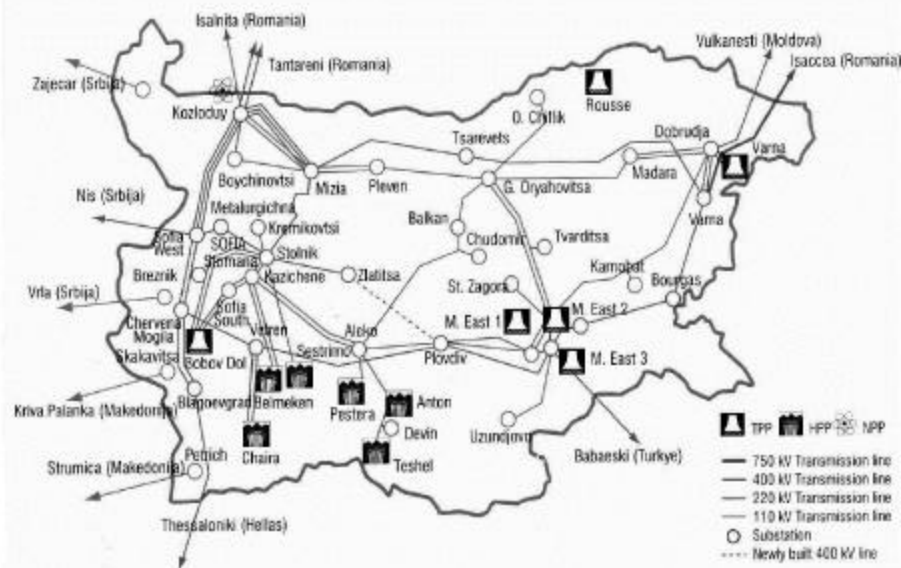
Licenses Granted to Electrical Power Utilities

- **Licenses to the National Electricity Company Plc. :**
 - For transmission of electrical power;
 - For the production of electrical power by water power plants and thermal power plants.
- **Licenses for the production of electrical power by independent generators:**
 - APP – 1;
 - thermal power plant – 4;
 - water power plants – 2.
- **Licenses for the distribution of electrical power – 8 electricity distribution companies.**

Main Data About the Electrical Power Sector in the Republic of Bulgaria

- **Capacities installed** – 13 200 MW
- **Annual production of electricity** – 40 927 GWh
 - APP – 18 178 GWh (44,4%)
 - TPP – 19 791 GWh (48,4%)
 - WPP – 2 958 GWh (7,2%)
- **Annual consumption (2000)** – 36 300 GWh
- **High voltage lines** – 14 109 km (8 800 miles)
- **Low and average voltage lines** – 150 000 km (93000 miles)
- **Market model**
 - bilateral contracts
 - balancing market
 - market opening criteria – 2002 – 100 GWh (15%)

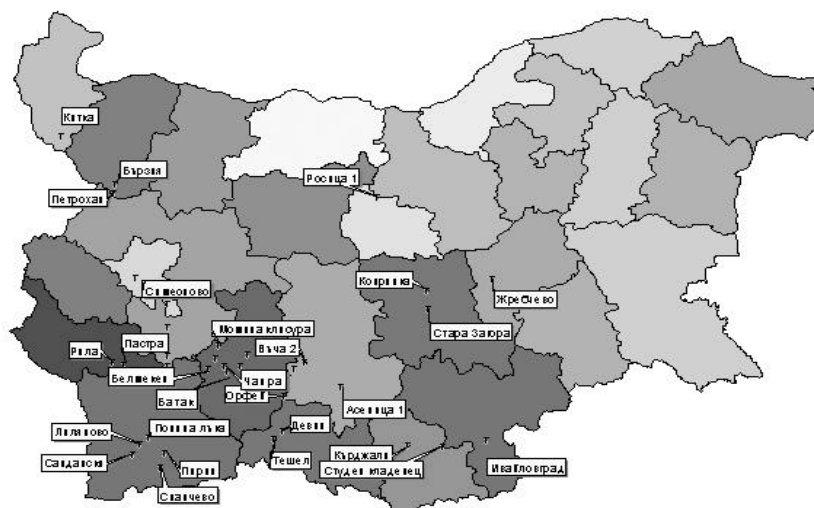
ELECTRICAL POWER SYSTEM OF THE REPUBLIC OF BULGARIA



ELECTRICITY DISTRIBUTION COMPANIES – THE REPUBLIC OF BULGARIA



WATER POWER PLANTS OVER 5 MW IN THE REPUBLIC OF BULGARIA



Complaints – a Significant Element of the Work of the Division

- Reviewing of complaints from natural and legal persons against the energy utilities;
- Analysis of the information from the complaints lodged and information submitted;
- Research and analysis of the results related to the servicing of the clients and thus developing statutory requirements for control and regulation of the quality of the services provided by the energy utilities to the end users;
- Carrying out of inspections based on the complaints, information submitted, requests and proposals and in coordination with the Legal Division prepares answers including denying access to connecting to the electrical power transmission and distribution system and denying the opportunity for signing a contracts for the selling of electrical power.

84 complaints have been processed and decided upon. These relate to :

- disconnecting the electrical power supply;
- unpaid bills;
- interference with the consumer's electricity meter;
- disconnecting the electrical power supply because of interpersonal problems of the consumers;
- delivery of low quality electrical energy;
- delayed establishment of faults in the electricity meters;
- unestablished right to ownership over the electricity meters by the consumers;
- purchasing of energy facilities belonging to legal and natural persons by the electricity distribution companies;
- unclear category of the connecting of clients to the electricity distribution companies;
- tariff structure of the prices of electricity.

Participation of the Division in the developing of statutory documents' drafts

- Amendment and supplementation of the Energy and Energy Efficiency Act
- Regulation on the conditions and order of access of privileged users and independent producers of electrical power to the electricity transmission network and the electricity distribution network;
- Regulation on the formation and application of the prices and tariffs of electrical power;
- Participation of the Division in the drafting of opinions on drafts of statutory acts developed by other institutions and sent for coordination.

Representatives of the division participate in:

- The development of the commercial and technical rules for the development of the electrical power market in the country and a project for technical assistance with the electrical power systems of the SEE countries (SEETEC);
- The working group on a project entitled Development of a privatization strategy of the electrical power sector, a project for technical assistance with the electrical power systems of the SEE countries (SEETEC);
- Opinion of SERC on The Use of Renewable Energy Sources for the Production of Electrical Power in the republic of Bulgaria in compliance with Directive 2001/87/EC.

FORTHCOMING TASKS

- Participation in the development of a draft of the new Energy and Energy Resources Act;
- Participation in the development of the commercial and technical rules for the actors on the liberalized market of electrical power;
- Privatization of the energy sector;
- Licensing of the new privatized companies;
- Participation in the development of the rules for regulation of the quality of the services provided by the licensed utilities to the consumers;
- Participation in the upgrading of the current tariffs and development of tariffs for renewable energy sources;
- Training and enhancing the qualification of the experts from the Division.



STATE ENERGY REGULATION COMMISSION

Thank you for the attention

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