



**STATE ENERGY REGULATORY COMMISSION - BULGARIA**

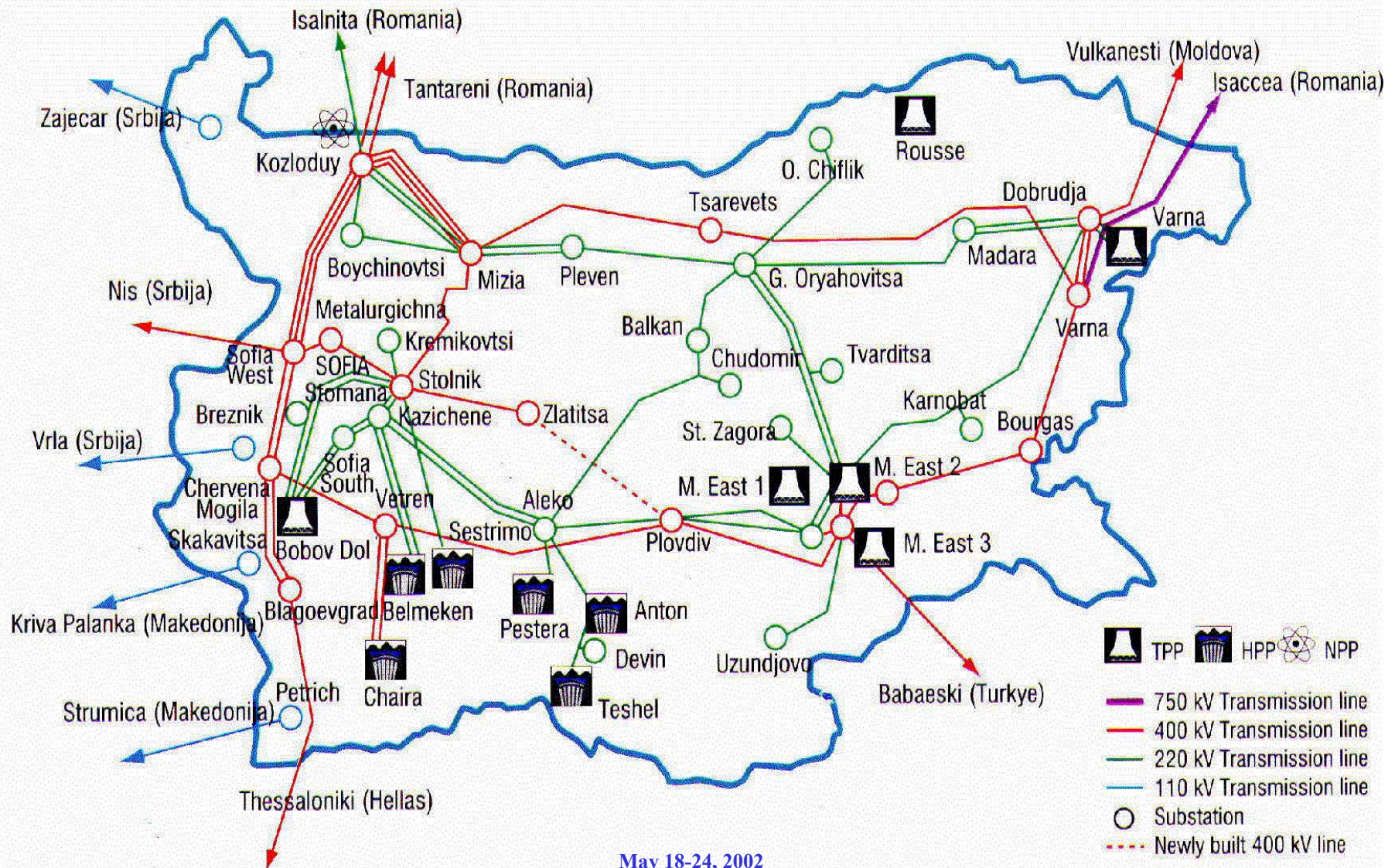
# **THE ELECTRIC POWER SECTOR IN BULGARIA**

May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



# STATE ENERGY REGULATORY COMMISSION - BULGARIA



May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



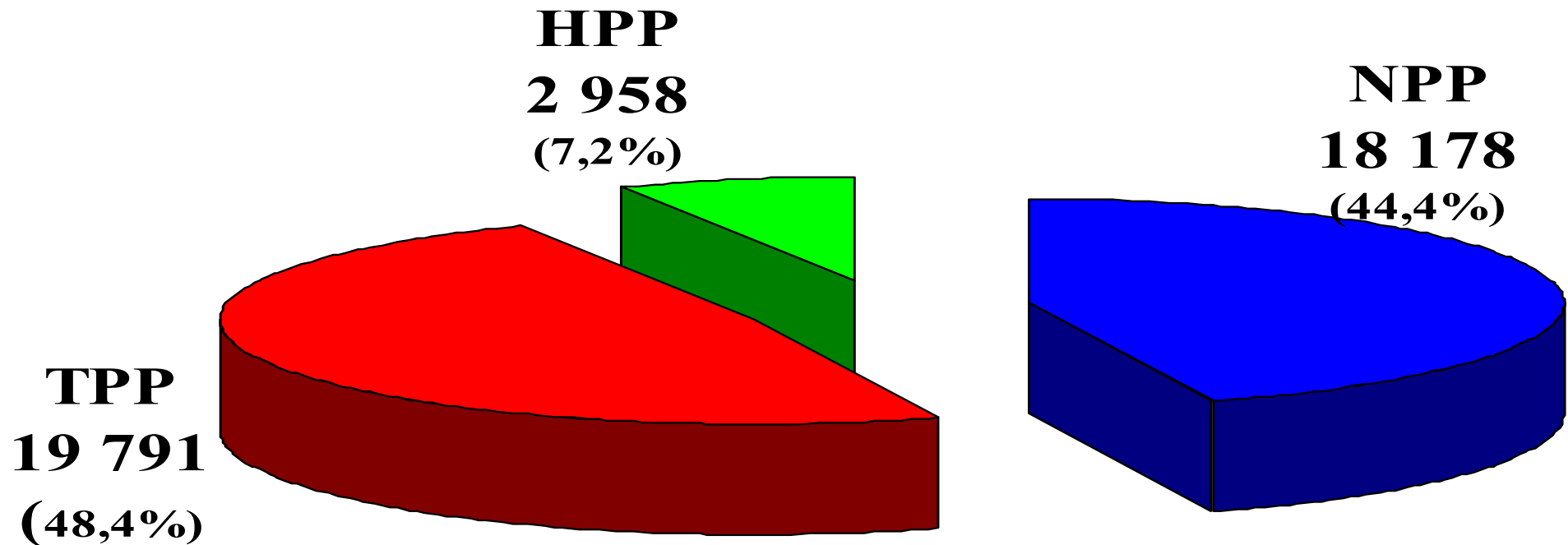
# **BASIC DATA**

- Installed capacities – 13 200 MW
- Annual electric power production – 40 927 GWh
- Annual consumption – 36 300 GWh
- High-voltage lines – 14 109 km  
(8 800 miles)
- Medium- and low-voltage lines – 150 000 km  
(9 300 miles)



# **Electricity generation – year 2000**

## **GWh**



May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.





**STATE ENERGY REGULATORY COMMISSION - BULGARIA**

# **NATIONAL ELECTRICITY COMPANY**

- NEK – state company
- TSO – Transmission System Operator
- Producers in NEK
- Enterprise “High-voltage”
- Owns and manages the high-voltage lines
- Transforms the power generated by independent power producers. Transmits, transforms and supplies with electric power the 8 power distribution companies.
- Supplies the high-voltage end consumers with power.

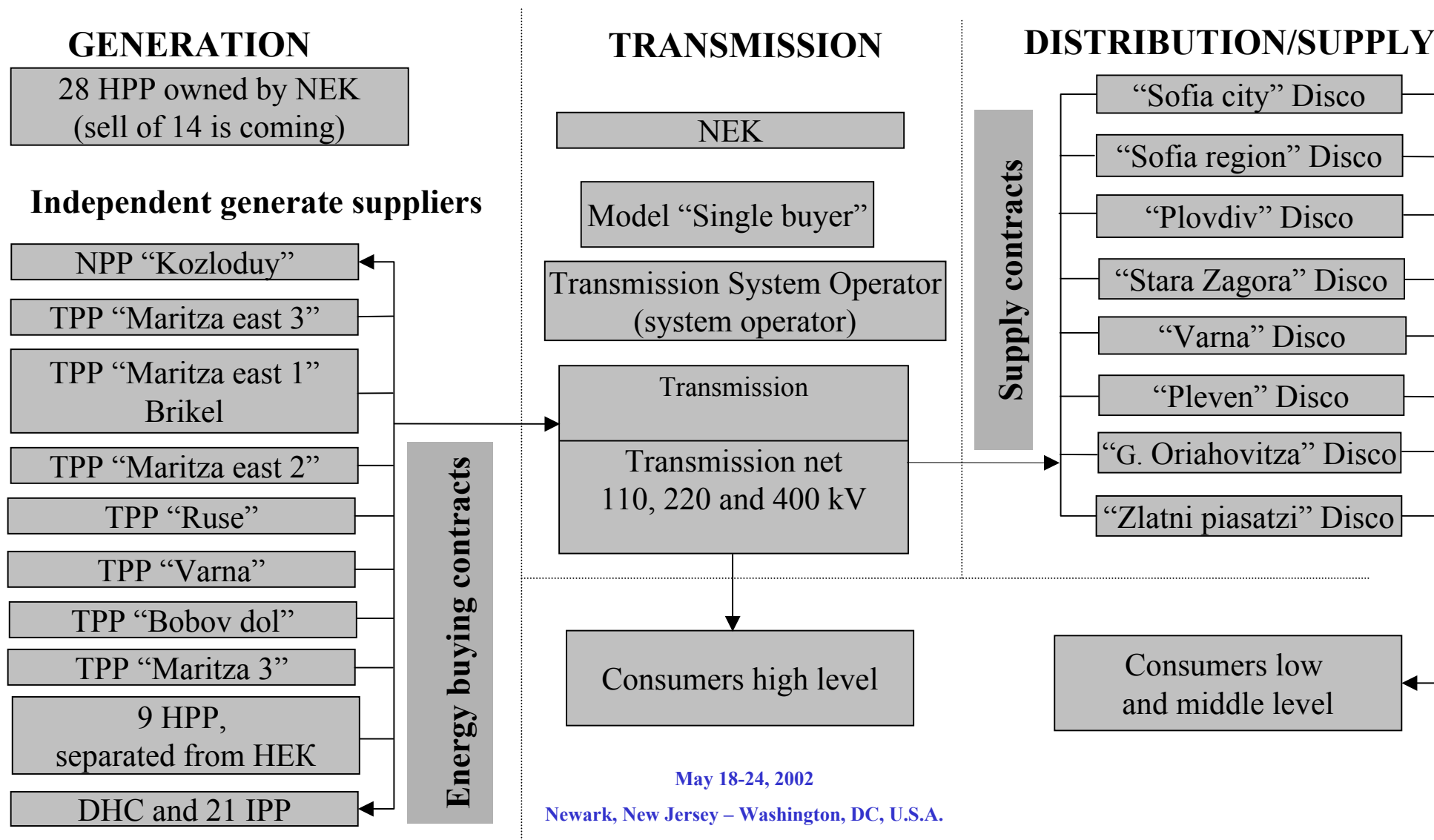
May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



# STATE ENERGY REGULATORY COMMISSION - BULGARIA

## MODEL “SINGLE BUYER”





# **LEGAL BASIS**

- The Energy and Energy Efficiency Act — 16.07.1999.
- The SERC is established.
- NEK is unbundled — 06.2000.
- The separate companies are granted licenses.
- The licenses granted are supervised.



# **LICENSING BY THE SERC**

1. Production of:
  - Electric power – 7 licenses
  - Combined production – 20 licenses
2. Transmission – 1 license
3. Distribution – 8 licenses





# **CONTROL**

- Development of internal rules and control instructions
- Preparation of annual control timetables
- Control of the companies licensed under the timetable
- Preparation of reports and directions for the companies after the inspection
- Protection of the consumers interests – 64 appeals reviewed



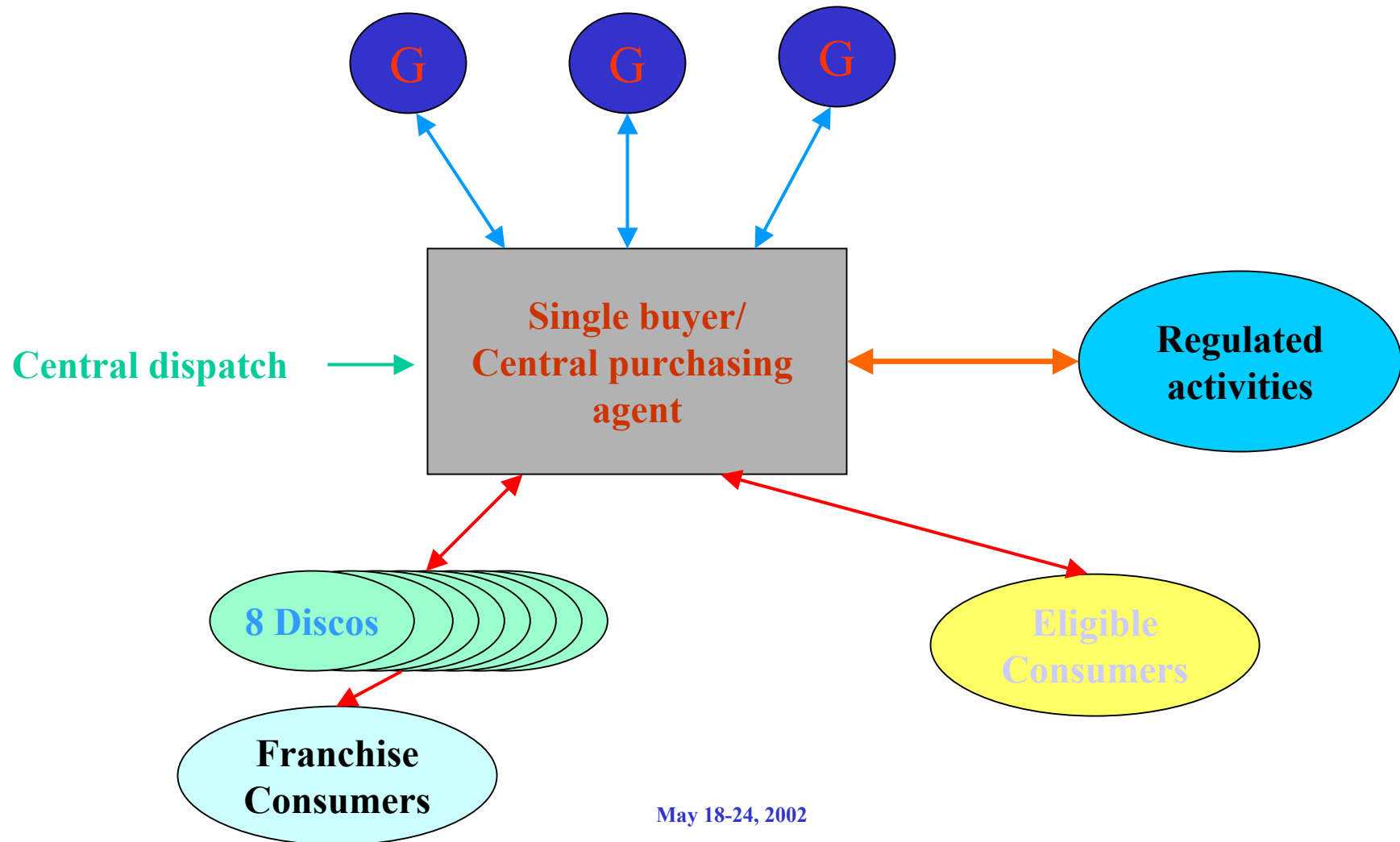
# **MARKET MODEL**

1. Market structure:
  - Bilateral contracts;
  - Balancing market.
2. Market opening:
  - Ordinance for Access of Eligible Customers – 2002;
  - Technical rules;
  - Commercial rules.
3. Market opening criteria – 2002.  
 $100 \text{ GWh/y.} = 18,9\%$



# STATE ENERGY REGULATORY COMMISSION - BULGARIA

## MODEL “SINGLE BUYER”



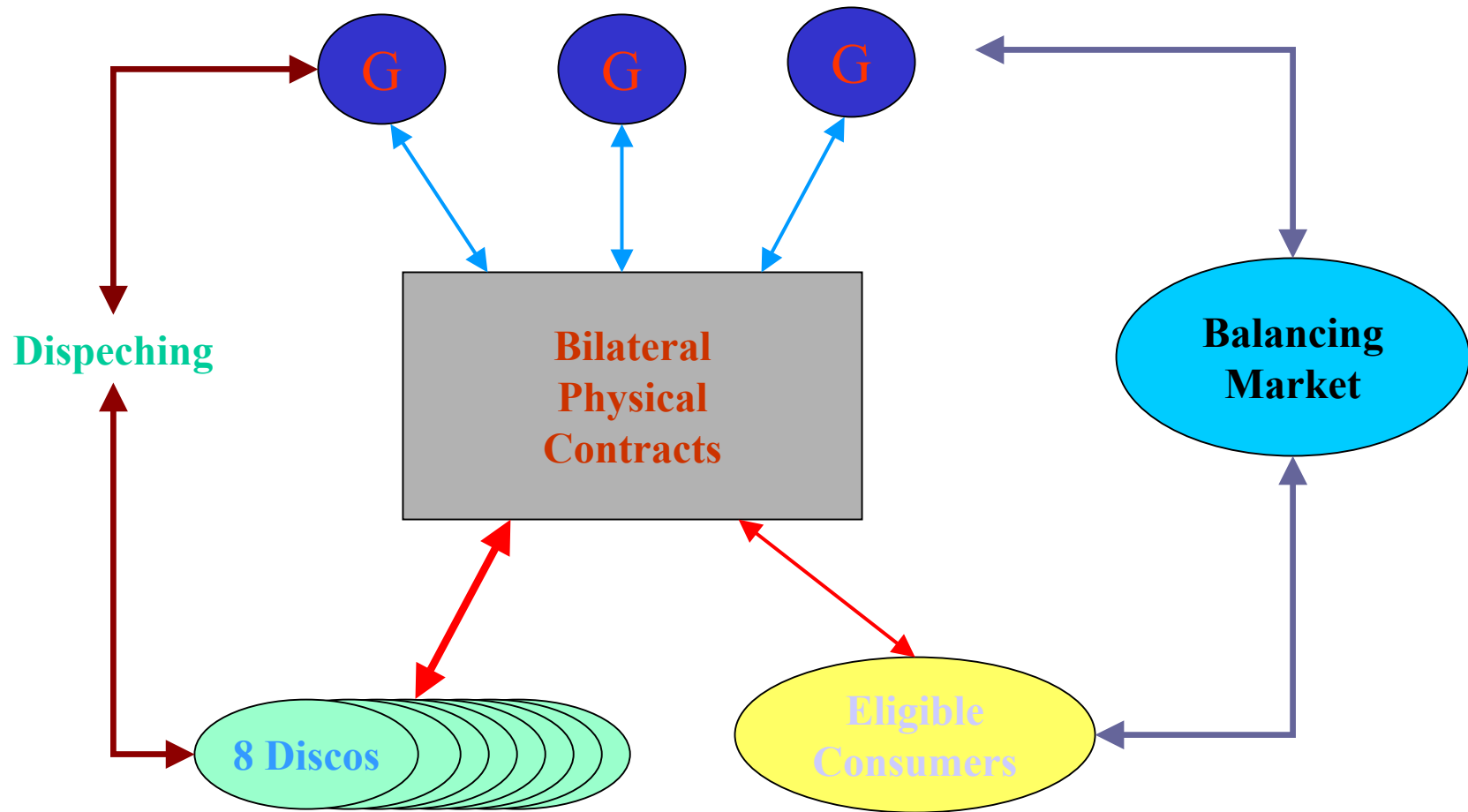
May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



# STATE ENERGY REGULATORY COMMISSION - BULGARIA

## BILATERAL MARKET MODEL



May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



# **The role of the SERC in the process**

- Regulates the free access (through the development of secondary legislature approved by the Council of Ministers);
- Defines the choice criteria for eligible customers;
- Controls the independent producers market share (in the period before full market opening) in order to prevent monopoly behavior on the market;
- Develops technical and commercial rules, and monitors their amendments.



# **IN-COMING TASKS**

- A new law on energy and energy resources;
- Development of technical and commercial rules;
- Price regulation;
- Energy sector privatization;
- Licensing of the newly privatized companies;
- Control.





# **PROBLEMS TO BE SOLVED**

- Tariff improvement;
- Development of electric power quality assessment;
- Tariff development for renewable energy resources;
- Staff training;
- Participation in international forums.



# **STATE ENERGY REGULATORY COMMISSION - BULGARIA**

**Thank you for the attention**

**Valeriy Vlatchkov**

**tel.: + 359 2/ 986 5738; fax: + 359 2/ 9888 782**

**e-mail: [vvlatchkov@dker.bg](mailto:vvlatchkov@dker.bg)**

**May 18-24, 2002**

**Newark, New Jersey – Washington, DC, U.S.A.**