

# LAW ON THE RENEWABLE AND ALTERNATIVE SOURCES OF ENERGY AND THE BIOFUELS

*Prom. SG. [49/19 Jun 2007](#), [amend. SG. 98/14 Nov 2008](#)*

## **Chapter one. GENERAL PROVISIONS**

Art.1. This Law shall settle the public relations, related to promotion of production and consumption of electric, heat and/or cooling energy generated using renewable energy sources and from alternative energy sources, also the production and consumption of biofuels and other renewable fuels for transport.

Art. 2. The main objectives of this Law are:

1. promoting the development and use of technologies for production and consumption of electric, heat and/or cooling energy generated using renewable energy sources and alternative energy sources;
2. promoting the development and use of technologies for production and consumption of biofuels and other renewable fuels for transport;
3. diversification of energy supply;
4. increasing the capacity of small and medium sized enterprises, the producers of energy from renewable energy sources and alternative energy sources, and the producers of biofuels and other renewable fuels;
5. environmental protection;
6. establishing conditions for achieving sustainable development at local and regional level.

Art. 3. The objectives, as referred to in Art. 2 shall be achieved through:

1. introducing mechanisms for promoting the production and the consumption of energy, generated using renewable energy sources and alternative energy sources, and the production and the consumption of biofuels and other renewable fuels for transport;
2. regulating the rights and obligations of the bodies of the executive energy and the self-government at conducting the state policy for promotion of the use of renewable energy sources, alternative energy sources, biofuels and other renewable fuels;
3. creating national public informational system for:
  - a) the resources of renewable energy sources, alternative energy sources, biofuels and other renewable fuels available;
  - b) the energy producers from renewable energy sources and alternative energy sources;
  - c) the producers of biofuels and other renewable fuels.
3. supporting the scientific researches and research work, related to production and use of renewable energy sources, alternative energy sources and biofuels.

**Chapter two.**  
**STATE POLICY FOR PROMOTING THE USE OF RENEWABLE  
ENERGY SOURCES, ALTERNATIVE ENERGY SOURCES, BIOFUELS  
AND OTHER RENEWABLE FUELS**

Art. 4. (1) The Council of Ministers:

1. shall determine the state policy for promoting the use of renewable energy sources, alternative energy sources and the production and consumption of biofuels and other renewable fuels;

2. shall adopt national indicative targets for consumption of electric energy, generated using renewable energy resources and shall determine the terms for their achieving;

3. shall adopt national indicative targets for consumption of biofuels and other renewable fuels and shall determine the terms for achieving.

(2) In order to achieve the national indicative targets the Council of Ministers shall adopt long-term and short-term programs for promotion of consumption of renewable energy sources that include measures for achieving the targets under para 1, item 2.

(3) In order to achieve the national indicative targets the Council of ministers shall adopt long-term and short-term programs for promotion of consumption biofuels and other renewable fuels for transport, which include measures for achieving the targets under para 1, item 3.

Art. 5. (1) The Minister of Economy and Energy:

1. shall conduct the state policy for promotion the production and consumption of energy from renewable energy sources, alternative energy sources and also the production and consumption of biofuels and other renewable fuels for transport;

2. shall work out and submit for adoption by the Council of Ministers the national indicative targets as referred to in Art. 4, para 1, item 2 and shall compile annual reports for their achieving, in which the extend of correspondence of the measures taken to the obligations for preventing the climatic changes, as well as the measures for authenticity of the certificates of origin under Art. 19, para 1 shall be indicated;

3. shall work out and submit for adoption the national indicative targets under Art. 4, para 1, item 3 jointly with the Minister of Transport;

4. shall work out and submit for adoption by the Council of Ministers national long-term and short-term programs for promotion the use of renewable energy sources and shall control their fulfillment;

5. jointly with the Minister of Transport shall work out and submit for adoption by the Council of Ministers national long-term and short-term programs for promotion the consumption of biofuels and other renewable fuels for transport and shall control their fulfillment;

6. shall approve programs for promoting the use of alternative energy sources;

7. shall gather and store information for using renewable energy sources, alternative energy sources and biofuels;

8. shall organize creation and maintenance of the national public informational system as referred to in Art. 3, item. 3;

9. shall provide the competent institutions of the European Communities with the information, settled by the Law of the European Communities, by the procedure of the ordinance under Art. 9, para 4 of the Law of the Energy Sector;

10. shall organize popularization of the measures for promoting the production and consumption of energy from renewable energy sources and alternative energy sources, the production and consumption of biofuels and other renewable fuels for transport;

11. shall interact with the branch organizations and the other non-profit legal persons at conducting the policy of promoting the consumption of renewable energy sources, alternative energy sources and of the consumption of biofuels and other renewable fuels for transport.

(2) The National long-term programs under para 1, items 4 and 5 shall be worked out for a period of 10 years, and the short-term programs under para 1, items 4 and 5 – for a period of 3 years.

Art. 6. The regional governors:

1. shall provide the implementation of the state policy for promoting the production and consumption of renewable energy sources of energy, alternative energy sources and the production and consumption of biofuels and other renewable fuels for transport on the territory of the region;

2. shall coordinate the activities, concerning the municipalities in the region, related to conducting the policy for promoting the production and consumption of renewable energy sources of energy, alternative energy sources and the production and consumption of biofuels and other renewable fuels for transport

3. shall provide the Minister of Economy and Energy with information, related to the fulfillment of the programs under Art. 7, item 1 on the territory of the region;

4. shall organize the update and maintenance of the public informational system as referred to in Art. 3, item 3 on the territory of the region.

Art. 7. The mayors of municipalities:

1. shall work out and submit for adoption by the municipal councils municipal long-term and short-term programs for promoting the use of renewable energy sources, as well as alternative energy sources and the consumption of biofuels and of other renewable fuels for transport and shall control their fulfillment;

2. shall work out and apply schemes for promotion of use of renewable energy sources, alternative energy sources and biofuels depending on the specific conditions in the municipality;

3. shall organize informational campaigns for the residents of the respective municipalities in correspondence with the national programs for promotion of

renewable energy sources and alternative energy sources, biofuels and other renewable fuels for transport;

4. shall provide the regional governors with information for fulfillment of the programs under item. 1;

5. shall organize on the territory of the municipality the update and maintenance of the public informational system under Art. 3, item 3.

### **Chapter three.**

## **GENERATING ENERGY USING RENEWABLE ENERGY SOURCES AND ALTERNATIVE ENERGY SOURCES**

### **Section I.**

#### **General provisions**

Art. 8. (1) Construction of energy sites for production of energy from renewable energy sources and alternative energy sources shall be carried out following working out the investment researches in correspondence to the ordinance under Art. 83, para 3 of the Law of the Energy Sector, an integral part of which is the assessment of the available and prognostic potential of the resource.

(2) The conditions and the procedure for carrying out the assessment under para 1 shall be specified by an ordinance, issued by the Minister of Economy and Energy.

(3) The provision of para 1 shall not apply in cases when the production of electric energy from renewable energy sources is carried out by consumers of electric energy for household needs.

Art. 9. The production of energy from renewable energy sources and alternative energy sources shall be promoted when:

1. taking into account the characteristics of the different types of renewable energy sources and alternative energy sources and technologies for production of electric energy;

2. taking into account the principles of the energy market;

3. providing the producers of electric energy with at least the equivalent effect of preferential treatment regarding their revenue from a unit of produced electric energy in changing the mechanisms of promotion of the production of electric energy from renewable and alternative energy sources;

4. compulsory connecting the producers of energy from renewable energy sources and alternative energy sources, as well as the producers of biofuels to the electrical network;

5. specifying preferential price for purchasing the energy generated using renewable energy sources and alternative energy sources;

6. assuagement of the administrative regulation at production of energy from renewable energy sources and alternative energy sources, as well as at construction of the necessary installations.

## **Section II.**

### **Promotion of production of electric energy from renewable energy sources**

Art. 10. (1) The national indicative targets for consumption of electric energy, generated using renewable energy sources shall be determined as a percentage of the annual gross consumption of electric energy in the state for the next ten years, considered from the year following the acceptance of the objectives, which shall be specified by the Council of Ministers at proposal of the Minister of Economy and Energy.

(2) The national indicative targets under para 1 shall be updated in every 5 years.

Art. 11. (1) Annually by 31 March the Minister of Economy and Energy shall submit for approval by the Council of Ministers a report for the course of fulfillment of the indicative targets as referred to in Art. 10, para 1 for the previous calendar year.

(2) The report under para 1 shall include account and analysis of the fulfillment of the measures for achieving the indicative targets for consumption of electric energy, generated using renewable energy sources, specified in the programs under Art. 5, item.4.

(3) The Minister of Economy and Energy shall publish the approved report under para 1 in the Internet site of the Ministry of Economy and Energy.

Art. 12. Regarding investment projects, connected to construction, enlargement or modernization of capacities for production of electric and heat energy from renewable energy sources and by alternative energy sources, as well as of the related infrastructure – public state or municipal property, the provisions of the Law for encouragement of investments shall be applied.

## **Section III.**

### **Rights and obligations of the participants on the market of energy, generated using renewable energy sources and alternative energy sources**

Art. 13. (1) The transfer enterprise and the distribution enterprises shall include in their annual investment and repair programs resources for development of the networks, related to promoting the production of electric energy from renewable energy sources and alternative energy sources.

(2) The transfer enterprise and/or the distribution enterprises shall connect with priority any producer of electric energy from renewable energy sources and alternative energy sources, who meets the specific conditions for connecting to the network, specified by the ordinance under Art. 116, para 7 of the Law of the Energy Sector.

(3) The producer of electric energy from renewable energy sources and alternative energy sources shall submit in the transfer or the respective distribution

enterprise a written request for exploring the conditions and the way for connection of the energy site to the network, along with documents enclosed, specified in the ordinance under para 2.

(4) In cases, when the request and the documents under para 3 do not meet the requirements of the ordinance under para 2 and/or are not complete, the transfer or the respective distribution enterprise shall notify the producer in 14 days term about the incompleteness and the discrepancies and may ask for additional information about the characteristics of the connected energy site.

(5) The procedure for connecting the energy site of the producer shall be terminated, in case the producer do not remove the incompleteness and the discrepancies or do not present the additional documents in 30 days term, considered from the date of receiving the notification under para 4.

(6) The transfer, respectively the distribution enterprise shall carry out research in 90 days term, considered from the date of submitting the request under para 3, shall notify the producer in writing about the conditions and the procedure for connecting the energy site to the network and shall conclude a preliminary contract for connecting.

(7) The term for connecting of the energy site to the transfer of the respective distribution network shall be specified in a contract for connecting and shall be no longer than the term for entering into exploitation of the energy site, requested by the producer.

(8) In 30 days term from submitting the request under para 3 by a producer of electric energy, who as well is a consumer of electric energy for household needs, the respective distribution enterprise shall inform him/her in writing about the conditions and the term for connecting. The term for connecting of the energy site to the network shall be no longer than three months, considered from the date of submitting the request.

Art. 14. (1) The obligation for connecting of a producer of electric energy from renewable sources and alternative energy sources shall arise for the transfer and the respective distribution enterprise, which is situated the nearest to the location of the energy site.

(2) The border of property of the electrical installations and the location of the equipment for trade measurement shall be specified in accordance with the requirements of the ordinance under Art. 116, para 7 of the Law of the Energy Sector and the rules, as referred to in Art. 83, para 1, item 6 of the same law. In case the site of connecting does not coincide with the border of property of the electrical installations, the provision of Art. 116, para 5 of the Law of the Energy Sector shall be applied.

(3) The distribution enterprise shall be obliged to connect to its network any producer of electric energy from renewable energy sources, who as well is a consumer of electric energy for household needs. The border of property of the electrical installations and the site of the appliance for trade measurement shall be in immediate nearness to the existing ones between the distribution enterprise and the consumer.

(4) The transfer and distribution enterprises under the conditions for connecting shall be obliged to point out the minimal scheme of connecting, by

providing the connecting to be carried out towards the nearest existing point of the transfer or distribution network, as well as the preliminary value of the price for connecting. The distribution or the transfer enterprise shall also be obliged to indicate as possibility for connecting the installations of producers or consumers - connected or being connected.

Art. 15. (1) The costs, necessary for connecting the producer's energy site to the respective network to the border of property of the electrical installations, shall be at the producer's expense.

(2) The costs, necessary for connecting the producer's energy site to the respective network from the border of property of the electrical installations to the site of connecting, shall be at the expense of the transfer or the respective distribution enterprise, as the producer shall owe price for connecting, specified by the procedure of the respective ordinance under Art. 36, para 3 of the Law of the Energy Sector, which shall only include the direct costs, made by the transfer or the respective distribution enterprise concerning its connecting.

(3) The costs for enlargement and reconstruction of the transfer and/or distribution network, related to connecting the energy site of the producer under Art. 13, para 2, shall be at the expense of the transfer, respectively the distribution enterprise and shall not be included in the price for connecting of the producers of electric energy from renewable sources.

Art. 16. (1) The public provider, respectively the end suppliers, shall purchase the whole quantity of electric energy, for which there is a certificate issued for by the procedure of the ordinance under Art. 19, para 3, except for the quantities, regarding which the producer has concluded contracts by the procedure of Chapter nine, section VII of the Law of the Energy Sector or with which he/she takes part on the balancing market, as well as the quantity of energy, produced for its personal needs.

(2) The public provider, respectively the end suppliers, shall purchase the electric energy, generated using renewable energy sources or alternative energy sources, except for the energy, produced by hydroelectric power stations with installed capacity up to 10 MW, at preferential price for purchase of electric energy, specified by the order of the respective ordinance under art. 36, para 3 of the Law of the Energy Sector.

Art. 17. (1) The public provider, respectively the end suppliers, shall purchase the whole quantity of electric energy from renewable energy sources, produced using a combined method, at prices, determined by the procedure of the respective ordinance under art. 36, para 3 of the Law of the Energy Sector, except for the quantities, which the producer uses for his/her personal needs or has contracts concluded by the procedure of Chapter nine, Sector VII of the Law of the Energy Sector or with which he/she takes part in the balancing market.

(2) The producer of electric energy, generated using renewable energy sources using a combined method, can sell the electric energy, produced by him/her, at one of the following preferential prices:

1. preferential price for purchasing electric energy, generated using renewable energy sources, as referred to in Art. 16, para 2, or

2. preferential price for purchasing electric energy, generated using combined production of electric and heat energy, as referred to in Art. 162, para 2 of the Law of the Energy Sector.

Art. 18. The public provider, respectively the end suppliers, shall purchase at prices, determined by the procedure of the ordinance under Art. 36, para 3 of the Law of the Energy Sector, the electric energy, produced using combined burning of renewable energy sources and non-renewable energy sources, and corresponding to the share of the quantity of renewable energy sources that has been put into.

Art. 19. (1) The State Commission for Energy and Water Regulation (SCEWR) shall issue certificates of origin for energy from renewable energy sources, called „certificates of origin" to the producers.

(2) The State Commission for Energy and Water Regulation shall acknowledge the certificates of origin, issued by the competent bodies in the other Member States of the European Union, under the conditions of mutuality.

(3) The form, content, the conditions and procedure for issuing the certificates of origin shall be specified in an ordinance, adopted by the Council of Ministers by proposal of SCEWR.

Art. 20. (1) On the basis of the issued origin certificate under Art. 19, para 1 SCEWR shall issue "green certificate" to the producers of energy from renewable energy sources.

(2) The rules for introducing a market mechanism for promotion of the generation of electric and heat energy using renewable energy sources shall be determined by a special law.

## **Section IV.**

### **Prices of electric energy from renewable sources**

Art. 21. (1) Annually by 31 March the State Commission for Energy and Water Regulation shall determine preferential prices for selling electric energy, generated using renewable or alternative energy sources, except for the energy, produced by hydroelectric power stations with installed capacity over 10 MW.

(2) The preferential price under para 1 of the electric energy , generated using renewable energy sources, shall be specified in amount of 80 percentage of the average sale price for the previous calendar year of the public or the end suppliers and a supplement, determined by SCEWR following criteria in accordance with the type of



the primary energy source pursuant to the respective ordinance under Art. 36, para 3 of the Law of the Energy Sector.

(3) The supplement under para 2 for the next calendar year shall not be less than 95 percentage of the value of the supplement for the previous year.

## **Chapter four.**

### **PROMOTION OF THE CONSUMPTION OF BIOFUELS AND OTHER RENEWABLE FUELS FOR TRANSPORT**

#### **Section I.**

##### **General provisions**

Art. 22. (1) The biofuels and their products shall be used for transport as pure fuel or blended as an integral part of liquid fuels for internal-combustion engines.

(2) The production and consumption of biofuels shall be promoted when:

1. determining the national indicative targets for promoting the consumption of biofuels and other renewable fuels for transport;
2. providing effective work of the engines at keeping the technical and quality norms at production of biofuels;
3. stable development of agriculture and forestry;
4. reducing the amount of emissions of harmful substances, emitted by vehicles in the atmosphere.

Art. 23. (1) The national indicative targets for consumption of biofuels and other renewable fuels for transport shall be determined by the Council of Ministers at proposal of the Minister of Economy and Energy and the Minister of Transport as minimal share of the final annual consumption of automobile petrol and diesel fuel.

(2) Annually by 30 April the Minister of Economy and Energy shall submit for approval by the Council of Ministers a report for fulfillment of the national indicative targets under para 1 concerning the previous calendar year.

(3) The report under para 2 shall contain account and analysis of the fulfillment of the measures for achieving the indicative targets for consumption of biofuels and other renewable fuels for transport, specified in the programs as referred to in Art. 5, para 1, item 5.

(4) The Minister of Economy and Energy shall publish the report, approved by the Council of Ministers under para 2 on the Internet site of the Ministry of Economy and Energy.

#### **Section II.**

##### **Requirements for quality, control and release of biofuels and their mixtures on the market**

Art. 24. (In force from 01.01.2008) The producers and importers of liquid fuels for the needs of transport shall be obliged to offer on market fuels of petroleum

origin, blended with biofuels in percentage proportion, specified by the ordinance under Art. 8, para 1 of the Law of the Purity of Atmospheric Air.

Art. 25. Blending biofuels and liquid fuels of petroleum origin and offering them on market, shall be carried out only in tax warehouses, licensed by the procedure of the Law on Excises and Tax Warehouses.

Art. 26. The technical and quality requirements for the biofuels and their mixtures with liquid fuels of petroleum origin, as well as the conditions, the procedure and the way of control shall be specified by the ordinance under Art. 8, para 1 of the Law of the Purity of Atmospheric Air.

Art. 27. The quality control of the biofuels and their mixtures with liquid fuels of petroleum origin shall be carried out by the chairman of General Directorate of "Liquid Fuels Quality Control" in accordance with the Law of the Purity of Atmospheric Air.

#### **Chapter five.**

### **PROVIDING INFORMATION ABOUT THE QUANTITIES OF ENERGY, GENERATED USING RENEWABLE ENERGY SOURCES, ALTERNATIVE ENERGY SOURCES AND BIOFUELS**

Art. 28. (1) The public provider and the end suppliers shall present data by sources, concerning purchased and sold quantities of electric energy from renewable energy sources and alternative energy sources.

(2) The content, conditions, procedure and the way for providing the information under para 1 shall be specified by an ordinance, issued by the Minister of Economy and Energy.

Art. 29. (1) Each producer using a combined method for generating energy from renewable energy sources, including for personal needs, shall provide data for the produced quantities of electric and heat energy by the procedure of the ordinance under Art. 28, para 2.

(2) Accounting the quantity of electric energy from renewable energy sources, generated using combined method, shall be carried out in accordance with the ordinance under Art. 162, para 3 of the Law of the Energy Sector.

Art. 30. Each producer of electric energy generated using combined burn of biomass and non-renewable energy sources, including also for personal needs, shall provide data for the quantity of the electric energy generated using biomass and the actual quantity and quality of the biomass put in, by the procedure of the ordinance under Art. 28, para 2.

Art. 31 Each producer of heat and/or cooling energy from renewable energy sources, including for personal needs, shall provide data for the generated quantities of energy by the of the ordinance under Art. 28, para.2.

Art. 32. Each producer of biofuels, including for personal needs, shall provide data for the quantities of biofuels in any form, produced and released on market by the procedure under Art. 28, para 2.

## **Chapter six.**

### **ADMINISTRATIVE PENALTY PROVISIONS**

Art. 33. A regional governor or a mayor of municipality, who does not organize the maintenance of public informational system as referred to in Art. 6, item 4, respectively in Art. 7, item 5, shall be punished with fine in the amount of 1000 BGN.

Art. 34. A regional governor or a mayor of municipality, who does not provide the Minister of Economy and Energy, respectively the regional governor, with information about the fulfillment of the programs under Art. 7, para 1, shall be punished with fine in amount of 1000 BGN.

Art. 35. (1) An energy enterprise, which does not connect with priority a producer of electric energy under Art. 13, para 2, shall be punished with proprietary sanction in amount of 50 000 BGN.

(2) Energy enterprise, which does not connect with priority a producer of electric energy in the terms under Art. 13, para 7, shall be punished with proprietary sanction in the amount of 30 000 BGN.

(3) At repeated offence under para 1 and 2 the proprietary sanction shall be three times the amount, determined considering the maximum amount of the sanction under para 1.

Art. 36. (1) Public provider, respectively end suppliers, who do not fulfill their obligations under Art. 16, 17 and 18, shall be punished with proprietary sanction in amount of from 7000 to 20 000 BGN.

(2) At repeated offence under para 1 the proprietary sanction shall be three times the amount, determined considering the maximum amount of the sanction under para 1.

Art. 37. (1) A producer, who does not provide the data by the procedure of chapter five, shall be punished with proprietary sanction in amount of 2000 BGN.

(2) At repeated offence under para 1 the proprietary sanction shall be three times the amount, determined considering the maximum amount of the sanction under para. 1.

Art. 38. (1) A Producer, an importer or a provider of liquid fuels of petroleum origin, who does not fulfill his/her obligation under Art. 24 for compulsory blending, shall be punished with proprietary sanction in amount of from 7000 to 20 000 BGN.

(2) At repeated offence under para 1 the proprietary sanction shall be three times the amount, determined considering the maximum amount of the sanction under para 1.

Art. 39. (1) A public provider and end suppliers, who do not provide the data by the procedure of Chapter five, shall be punished with proprietary sanction in amount of 2000 BGN.

(2) At repeated offence under para 1 the proprietary sanction shall be three times the amount, determined considering the maximum amount of the sanction under para 1.

Art. 40. (1) The acts that administrative offences are being ascertained with, shall be compiled by officials, determined by an order of the Minister of Economy and Energy.

(2) The penal provisions shall be issued by the Minister of Economy and Energy.

(3) Ascertaining the offences, issuing, appeal and fulfillment of the penal provisions shall be carried out by the procedure of the Law for the Administrative Offences and Sanctions

### **Additional provisions**

§ In the meaning of this Law:

1. "Renewable energy sources" shall be natural energy sources, which contain sun, wind, water and geo-thermal energy, including the waves energy and such from high and low tides, which are restored without any obvious exhaustion at their consumption, as well as waste heat, the energy from biomass and the energy from industrial and household waste.

2. "Alternative energy sources" shall be hydrogen, waste products from technological processes and others.

3. "Biofuels" shall be liquid or gaseous fuel for transport produced from biomass. Biofuels shall be considered to be:

a) "bioethanol": ethanol generated using biomass and/or the biodegradable fraction of waste, to be used as biofuel;

b) "biodiesel": a methyl-ester generated using vegetable or animal oil, of diesel quality, to be used as biofuel;

c) "biogas": a gaseous fuel generated using biomass and/or from the biodegradable fraction of waste, that can be purified to natural gas quality, in order to be used as biofuel;

d) "biomethanol": methanol generated using biomass, to be used as biofuel;  
e) "biodimethylether": dimethylether generated using biomass, to be used as biofuel;

f) "bio-ethyl-tertio-butyl-ether": ethyl-tertio-butyl-ether produced on the basis of bioethanol, as the percentage by volume of bio- ethyl-tertio-butyl-ether that is calculated as biofuel is 47 ;

g) "bio-methyl-tertio-butyl-ether": a fuel produced on the basis of biomethanol, as the percentage by volume of bio-methyl-tertio-butyl-ether that is calculated as biofuel is 36 ;

h) "synthetic biofuels": synthetic hydrocarbons or mixtures of synthetic hydrocarbons, which have been generated using biomass;

i) "biohydrogen": hydrogen generated using biomass, and/or from the biodegradable fraction of waste, designated to be used (exploited) as biofuel;

j) "pure vegetable oil": oil generated using oil plants through pressing, extraction or comparable procedures, crude or refined but chemically unmodified, when its usage is compatible with the type of engines involved and the corresponding emission requirements.

4. The forms of biofuels under item 3 offered on market shall be:

a) "pure" – pure biofuels or liquid fuels, in which the biofuel is of high concentration with specific qualities for transport application;

b) "mixtures" – mixtures of biofuels with liquid fuel in correspondence with the requirements for quality of the fuels of petroleum origin, as set in the technical specifications for automobile gasoline (BSS EN 228) and fuel for diesel engines (BSS EN 590), where the biofuel is with maximum percentage;

c) "biofuels derivatives" shall be liquid fuels, derived from biofuels, as for example ethyl-tertio-butyl-ether with percentage of the biofuel no less than 47.

5. "biomass" means the biodegradable fraction of products, waste and residues from agriculture including vegetal and animal substances, from forestry, as well as the biodegradable fraction of industrial and household waste, which can be used as fuel, also the following waste, used as fuel:

a) vegetal waste from the agriculture and forestry;

b) vegetal waste from the food industry, if the generated heat is utilized;

c) vegetal plants from the production of pulp of wood in the production of paper from the pulp, if burned jointly at the place of production and the generated heat is utilized;

d) cork waste;

e) wood waste, with exception of those containing holomorphic organic substances or heavy metals;

f) sediments from purification stations.

g) animal substances.

6. "Other renewable fuels" means renewable fuels, other than biofuels, produced from renewable energy sources and used for transport.

7. "Energy content" means the lower work calorific value of a certain fuel.

8. "Electric energy generated using renewable energy sources" shall be the electric energy generated by installations using only renewable energy sources, as well as the part of the electric energy generated using renewable energy sources in hybrid

systems, using also conventional energy sources and including renewable electricity for filling in storing systems and excluding electricity produced as result of storing systems.

9. "Green certificate" shall be a document with a fixed period of validity, certifying the production of certain quantity electric or heat energy from renewable energy sources or using a combined method, indicating the date and site of production, the production power and its owner, transferable separately from the physical electric or heat energy, which production it certifies.

10. "Combined burning" shall be burning renewable energy sources and non-renewable energy sources, at which at least 20 percentage of the fuel used for the production of electric or heat energy are renewable energy sources.

11. "Minimal scheme of connecting" shall be the most economic combination of electrical appliances and electricity transferring lines for connecting a certain site, specified in correspondence with the requirements of the legislation in force concerning the spatial planning, construction, safety and exploitation of the electricity networks, the technical specifications and the installations and technologies used by the transfer, respectively the distribution enterprise for construction and repair and exploitation service of the network infrastructure.

12. "Place of connection to the electric network" shall be any point of the construction of the transfer or/and distribution electricity networks, to which the facilities for connection of one or more sites of producers or consumers of electric energy are connected.

13. "Consumer of electric and/or heat energy for household needs" shall be a natural person – owner or user of a property, using electric and/or heat energy for his/her household.

14. "Consumption of electric energy (gross internal consumption of electric energy)" shall be the national production of electric energy, to which the production for personal needs shall be added as well as the import of electric energy and the export shall be deducted from the total sum.

15. "Certificate of origin" shall be an official and untransferable document, certifying the producer, the quantity of electric and heat energy, generated using renewable energy sources, indicating the period of generating, the generating power station, its energy and other data and indices, determined by the ordinance under Art. 19, para. 3.

16. "Heat and/or cooling energy from renewable energy sources shall be the energy, derived through using sun radiation, geo-thermal water, burning biomass, alternative sources and the waste heat during the production and energy processes.

§ 2. This Law shall implement the provisions of Directive 2001/77EC of the European Parliament and the Council on the promotion the production and consumption of electricity generated using renewable energy sources in the internal electricity market and of Directive 2003/30/EC of the European Parliament and of the Council on the promotion of the use of biofuels and other renewable fuels for transport.

## **Transitional and concluding provisions**

§ 3. (1) (amend. - SG 98/08, in force from 14.11.2008) The obligatory purchase of electric energy as referred to in Art. 16 and 17 shall be carried out following purchase contracts. The term of the contracts shall be 25 years - for electric energy, produced from geothermal and solar energy, and 15 years - for electric energy, produced from other types of renewable energy resources. The terms for compulsory repurchase shall commence:

1. (\*) – for the existing producers of electric energy from renewable energy sources, except for hydroelectric power stations with installation energy over 10 MW - after renegotiation, but by 31 March 2009 at latest;

2. regarding all new producers of electricity from renewable energy sources, except for hydroelectric power stations with installation energy over 10 MW - from the start of the electric energy production, but by 31 December 2015 at latest.

(2) Till the 31st of December 2011 the Minister of Economy and Energy shall draw up and submit to the Council of Ministers for approval a bill, introducing market mechanism for promoting the production of electric energy from renewable energy sources, which may not apply to the producers of electric energy from renewable energy sources under para 1.

§ 4. Till entering into force of the licenses for carrying out the activity of supplying with electric energy by end suppliers, the obligations of the end suppliers, arising from this Law, shall be carried out by the existing public providers.

§ 5. In the Law of the Energy Sector (Prom. SG 107 from 2003; amend. and suppl. SG 18 from 2004, SG 18 and 95 from 2005 and SG 30, 65 and 74 from 2006) the following amendments shall be made:

1. In Art. 1 the words "and using restorable energy sources" shall be deleted.

2. In Art. 2, para 1, item 5 shall be revoked.

3. In Art. 4, para 2, items 9 and 10 shall be revoked.

4. In Art. 33:

a) in para 1 the words "from restorable energy sources under Art. 159, para 2 and" shall be deleted;

b) para 2 shall be revoked.

5. In Art. 35, para 2, item 3 the words "Art. 159 and 162" shall be replaced by "Art. 162 and under Art. 15 of the Law on the Renewable and Alternative Sources of Energy and the Biofuels".

6. In the title of Chapter Eleven the words "from restorable energy sources and" shall be deleted.

7. In chapter eleven, Section I "Production of electric power from restorable energy sources" with Art. 157-160 shall be revoked.

8. In Art. 206, para 1 the words "7000 to 20 000" shall be replaced by "20 000 to 1 000 000".

9. In art. 207, para 1 the words "7000 to 20 000" shall be replaced by "20 000 to 1 000 000".

10. In Art. 208, para 1 the words "5000 to 15 000" shall be replaced by "10 000 to 100 000".

11. In Art.210, para 1 the words "7000 to 20 000" shall be replaced by "20 000 to 1 000 000".

12. In Art. 211, para 1 the words "10 000 to 25 000" shall be replaced by "20 000 to 1 000 000".

13. Art. 212 shall be revoked.

14. In Art. 216 the words "500 to 1000" shall be replaced by "1000 to 5000".

15. In Art. 219, para 1:

a) the words "and 212" shall be deleted;

b) the words "500 to 5000" shall be replaced by "from 1000 to 8000".

16. In Art.225, para 2 the number "212" shall be deleted.

17. In § 1 of the Additional provision items 3, 6, 18 and 52 shall be revoked.

18. Paragraph 127 from the Transitional and Concluding provisions of the Law for Amendment and Supplement of the Law of the Energy Sector (SG 74 from 2006 r.) shall be revoked.

§ 6. (1) The normative acts for implementation of this Law shall be adopted in 6 months term, considered from its entering into force.

(2) The normative acts for implementation of the Law of the Energy Sector shall be adjusted to this Law in the term under para 1.

§ 7. The Council of Ministers shall adopt:

1. the indicative targets under Art. 4, para 1, item 3 – in three months term after the entering into force of the Law;

2. the programs under Art. 4, para 2 and 3 – in 6 months term after entering into force of the Law.

§ 8. The provision of Art. 24 shall enter into force on the 1st of January 2008.

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The Law was adopted by the 40th National Assembly on the 7th of June 2007 and was affixed with the official seal of the National Assembly.

## **Transitional and concluding provisions TO THE LAW ON ENERGY EFFICIENCY**

(PROM. - SG 98/08, IN FORCE FROM 14.11.2008)



§ 18. The term under § 3, Para 1, Item 1 of the Transitional and Concluding Provisions to the Law on Renewable and Alternative Sources of Energy and the Biofuels shall commence from entry into force of this Law.

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§ 20. This Law shall enter into force from its promulgation in the State Gazette, except the provision of Art. 29, Para 2, which shall enter into force one year after entry into force of this Law, and the provisions of Art. 38, Para 3 and 4, which shall enter into force 6 months after its entry into force.