

Amendments to the energy sector put forward by the government of Bulgaria contravene EU directives and the so-called Juncker Investment Plan, renewable energy producers say. In a statement, six unions which represent green energy businesses say the idea to levy all electricity producers with a 5% fees that will be transferred to a special fund and will help tackle the billions-worth deficit at the state-owned National Electricity Company (NEK).

The signatories are unions that represent producers of wind, solar or water energy. These include the Association of Producers of Ecological Energy (APEE), the Association Hydropower, the Bulgarian Wind Energy Association (BGWEA), the Bulgarian Photovoltaic Association (BPVA), EKOENERGIYA (a national union of independent energy producers), and the Alliance of the Producers of Ecological Energy (SPEE - BG).

Fixed prices at which green energy producers sell their output mean they will be particularly hurt by the measure, the unions have warned.

In their words, investment conditions will be changed if the fee is approved, and the national electricity regulator KEVR will be able to set the fee based on initial investment without taking losses and operating costs into account generated by shortcomings in the energy system and also by another new proposal that will introduce a threshold to the amount of energy which green producers are selling at preferential prices.

Another major concern voiced by the producers is that "chaos and corruption" will spread throughout the sector if the current preferential regime is scrapped.

Early in the 2010s the previous GERB-led government of PM Boyko Borisov implemented a preferential pricing regime for the energy produced by renewables which is, as a result, much more expensive than that from traditional to help boost the development of the sector in line with EU requirements.

The statement also warns of "state interference" in the energy system.

Unions say some EUR 4.5 B in investment has been made into renewables over the past years, with EUR 2 B of them coming from foreign direct investment (FDI) and the rest from Bulgarian banks. In their opinion, the planned changes will jeopardize Bulgaria's financial stability.

For its part the government says the changes could be a viable alternative to planned electricity price hikes for industrial consumers which KEVR is intending to introduce this summer.

The energy sector in Bulgaria is in a dire financial situation, with NEK having incurred a deficit of more than BGN 3 B (EUR 1.5 B) over the past years.

Meanwhile, Bulgaria's Agriculture Minister Desislava Taneva has told daily 24 Chasa that the European Commission has launched an infringement procedure against Bulgaria over

EUR 28 M in funding absorbed by wind and solar energy producers.

Taneva said that, according to "EU Commission experts", the respective businesses gained unfair advantage as they received double financing, first using the EU's Rural Development Program and then the investment included in the preferential green energy prices.

So far the Commission has provided no information about such an infringement procedure.

source: novinite.com