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## **Renewable and Alternative Energy Sources and Biofuels Act**

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*Prom. SG. 49/19.06.2007*

#### **Chapter one**

#### **GENERAL PROVISIONS**

**Art. 1.** This Act regulates the public relations aiming to promote the production and use of electrical, heating and/or cooling power generated from renewable and alternative energy sources, as well as the production and use of biofuels and other renewable fuels in the transport sector.

**Art. 2.** The basic objectives of this Act are:

1. to promote development and implementation of technologies for production and use of energy generated by renewable and alternative energy sources;
2. to promote the use and development of technologies for production and consumption of biofuels and other renewable fuels in the transport sector;
3. to diversify energy supplies;
4. to increase the output of small and medium-size enterprises generating energy from renewable and alternative energy sources, and producers of biofuels and other renewable fuels;
5. environment protection;
6. to set the grounds for sustainable local and regional development.

**Art. 3.** The objectives of Art. 2 can be achieved through:

1. introducing mechanisms for promoting the production and use of energy generated from renewable and alternative energy sources, as well as production and use of biofuels and other renewable fuels in the transport sector;
2. regulating the rights and responsibilities of executive authorities and local governments in implementing the state policy measures towards promoting use of renewable and alternative energy sources, biofuels and other renewable fuels;
3. creating a public national information system covering:
  - a) available renewable energy resources, biofuels and other renewable fuels;
  - b) producers of energy generated from renewable and alternative energy sources;

c) producers of biofuels and other renewable fuels;

4. supporting research and development related to production and use of renewable and alternative energy sources and biofuels.

## **Chapter Two**

### **STATE POLICIES TOWARDS ENCOURAGEMENT OF USE OF RENEWABLE AND ALTERNATIVE ENERGY SOURCES, BIOFUELS AND OTHER RENEWABLE FUELS**

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

1. determine the state policies for promotion of production and use of energy generated from renewable and alternative energy sources, as well as the production and use of biofuels and other renewable fuels in the transport sector;

2. define the national indicative targets for use of electricity generated from renewable energy sources and the periods for their implementation;

3. define the national indicative target use of biofuels and other renewable fuels and determine the period for its achievement.

(2) For the purpose of achieving the national indicative targets, the Council of Ministers shall adopt long- and short-term national programs for promotion of renewable energy sources in the transport sector, which shall include measures for achieving the targets set forth in para. 1, item 3.

(3) For the purpose of achieving the national indicative targets, the Council of Ministers shall adopt long- and short-term national programs promoting the use of biofuels and other renewable fuels in the transport sector, which shall include measures for achieving the targets set forth in para. 1, item 3.

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

1. implement the state policies towards promotion of the production and use of energy generated from renewable and alternative energy sources, as well as the production and use of biofuels and other renewable fuels in the transport sector;

2. develop and present to the Council of Ministers for adoption national indicative targets under Art. 4, para. 1, item 2 and shall prepare annual implementation reports, indicating also the level of compliance of undertaken measures with the obligations for prevention of climate changes, as well as measures taken to ensure reliability of the certificates of origin under art. 19, para 1 ;

3. in cooperation with the Minister of Transport, define and present for adoption by the

Council of Ministers the national indicative targets under Art. 4, para. 1, item 3 ;

4. define and present for adoption by the Council of Ministers the long- and short-term national programs promoting the use of renewable energy sources and shall monitor the implementation of such programs;
5. in cooperation with the Minister of Transport, develop and present for adoption by the Council of Ministers the long- and short-term national programs for promotion of biofuels and other renewable fuels in the transport sector and shall monitor the implementation of such programs;
6. approve programs for promotion of alternative energy sources;
7. collect and store information about the use of renewable and alternative energy sources and biofuels;
8. organize the establishment and maintenance of the national public information system specified in Art. 3, item 3 ;
9. submit to the competent authorities of the European Communities the information envisaged in the *acquis communautaire* according to the relevant ordinance referred to in Art. 9, para. 4 of the Energy Act;
10. organize promotion to the public of the policies measures encouraging production and use of energy generated from renewable and alternative energy sources, as well as the production and use of biofuels and other renewable fuels in the transport sector;
11. cooperate with branch chambers and organizations and other non-profit organizations in implementation of the policy measures promoting production and use of energy generated from renewable and alternative energy sources, as well as production and use of biofuels and other renewable fuels in the transport sector.

(2) The national long-term programmes mentioned in para. 1, items 4 and 5 shall be developed for a period of 10 years, while the short-term programmes mentioned in para. 1, items 4 and 5 shall cover a period of 3 years.

**Art. 6.** The regional governors shall:

1. work for implementation of the state policy promoting production and use of energy generated from renewable and alternative energy sources, as well as the production and use of biofuels and other renewable fuels in the transport sector on the territory of the region;
2. coordinate the activities pertaining to the implementation of policy measures promoting production and use of energy generated from renewable and alternative sources, as well as production and use of biofuels and other renewable fuels in the transport sector within their region;
3. submit information to the Minister of Economy and Energy about the implementation on the territory of their region of the programs mentioned in Art. 7, item 1;
4. organize the update and maintenance of the public information system, stipulated by Art.

3, item 3, on the territory of their region.

**Art. 7.** The Mayors shall:

1. workout and present to the Municipal Councils for approval long- and short-term municipal programs for promotion of renewable and alternative energy sources and use of biofuels and other renewable fuels in the transport sector, and shall monitor the implementation of such programs;
2. develop and implement mechanisms promoting the use of renewable and alternative energy sources and biofuels suitable for the specific needs and conditions of their municipality;
3. organize public awareness campaigns in line with the national programs for promotion of renewable and alternative energy sources, and biofuels in the transport sector;
4. submit to their respective regional governors information about the implementation of programs provisioned in item 1;
5. organize and update the public information system (stipulated in Art. 3, item 3) on the territory of their municipality.

### **Chapter Three**

#### **PRODUCTION OF Energy From Renewable and Alternative Energy Sources**

##### **Section I**

##### **General Provisions**

**Art. 8.** (1) Construction of facilities for generation of energy from renewable and alternative sources shall only commence after completion of investment surveys in conformity with the regulation stipulated by Art. 83, para. 3 of the Energy Act, integral part to which shall be the assessment of availability and estimated potential of the resource.

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

(3) The provisions of para. 1 shall not apply to cases when the electric power from renewable and alternative energy sources is produced by household consumers of electric power.

**Art. 9.** Generation of electric power from renewable and alternative energy sources shall be encouraged with view of:

1. the characteristics of the various renewable and alternative energy sources and the technologies for generation of electricity;

2. the mechanisms of the energy market;
3. providing equal preferential treatment to the producers of electric power in respect of their income per unit of electricity produced in case of change in the mechanisms promoting the energy generated from renewable and alternative energy sources;
4. mandatory inclusion of utilities generating electricity from renewable and alternative energy sources, and biofuels into the national grid;
5. setting up preferential prices for purchasing energy generated through the use of renewable and alternative energy sources;
6. reducing the administrative burdens for the producers of energy from renewable and alternative energy sources and on construction of relevant facilities.

## **Section II**

### **Encouraging Production of Electricity Generated From Renewable Energy Sources**

**Art. 10.** (1) The national indicative targets for promotion of the consumption of electricity produced from renewable energy sources shall be set as percentage of the national gross annual electricity consumption in the ten years following the year of adoption of these targets by the Council of Ministers on a motion by the Minister of Economy and Energy.

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

**Art. 11.** (1) Each year not later than 31 March, the Minister of Economy and Energy shall present for approval by the Council of Ministers a report on the achievement of the indicative targets under Art. 10, para. 1 for the preceding calendar year.

(2) The report under para. 1 shall contain a review and analysis on the progress of the measures for achieving the indicative targets pertaining to consumption of energy generated from renewable energy sources set forth in the programmes under Art. 5, item 4.

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

**Art. 12.** The provisions of the Act on Promotion of Investments shall apply to all investment projects for construction, expansion or rehabilitation of facilities for production of electric and heat power from renewable and alternative energy sources, as well as the related infrastructure - public or municipal property.

## **Section III**

### **Rights and Obligations of Participants on the Renewable and Alternative Energy Market**

**Art. 13.** (1) Each year, while the preparing their investment and maintenance programmes, the transmission and distribution enterprises shall allocate resources for grids development aiming to promote production of electric power from renewable and alternative energy sources.

(2) The transmission company and/or distribution companies shall be obligated to assign priority to connecting all facilities for production of electric power from renewable and alternative energy sources, which comply to the specific conditions for connection to the grid as defined by the ordinance stipulated by Art. 116, para. 7 of the Energy Act.

(3) The producers of energy from renewable and alternative energy sources shall request in writing from the transmission company or the relevant distribution company a survey of the terms and conditions for connecting the power plant to the grid, enclosing to its request all documents specified by the ordinance stipulated by para. 2.

(4) In case the information contained in the request or the enclosed documents under para. 3 do not comply with the provisions of the ordinance stipulated by para. 2 and/or are incomplete, the transmission company or the relevant distribution company shall, within 14 days from receipt of the request, notify the producer about such incompleteness and deficiencies in the documentation and may request additional information about the parameters of the energy plant for which connection is requested.

(5) In case the producer fails to rectify the missing information and deficiencies in the request, or fails to present additional information about the parameters of the energy plant within 30 days from receipt of the notification under para. 4, the procedure for connecting the energy plant to the grid shall be terminated.

(6) Within 90 days from receipt of the request under para. 3, the transmission company or the relevant distribution company shall perform the survey, inform the producer in writing about the terms and conditions for connecting the energy plant to the grid and conclude a preliminary contract for connection.

(7) The contract shall determine the period for connecting the energy plant to the transmission grid or the respective distribution grid, which period may not exceed the term specified by the producer for putting the energy plant into operation.

(8) In case the applicant is also a household consumer of electric power, the transmission company or the relevant distribution company shall inform the latter in writing about the terms and conditions for connecting the energy site to the grid within 30 days from receipt of the request under para. 3. The period for connecting the energy site to the grid may not exceed 3 months from receipt of the request.

**Art. 14.** (1) The obligation for connecting a producer of electric power generated from renewable energy sources shall arise for the transmission company or the relevant distribution company, which is located in the closest proximity to the energy plant.

(2) The property boundaries of the electric power facilities of the producer and the location of the commercial metering devices shall be determined according to the relevant ordinance referred to in Art. 116, para. 7 and Art. 83, para. 1, item 6 of the Energy Act. In cases where the interconnection point is not located within the property boundaries of the

producer's facilities, the provisions of Art. 116, para. 5 of the Energy Act shall apply.

(3) The distribution company shall be obligated to connect to its network every producer of energy generated from renewable energy sources, which is also a household consumer of electric power. The property boundaries of the electric facilities of the producer and the location of the commercial metering devices shall be in close proximity to the existing ones owned by distribution company and the producer.

(4) The transmission company and the distribution company shall determine minimum connection requirements by specifying the connection point, which is closest to the transmission or distribution grid, and the provisional connection fee. The transmission company or the distribution company shall also inform the producer about the possibility to connect the facilities of other producers or consumers who have already been connected or are being connected to the same grid.

**Art. 15.** (1) The costs related to the connection of the energy plant of the producer incurred within the property boundaries of the electric facilities shall be borne by the producer.

(2) The costs pertaining to the connection of the energy site of the producer to the relevant grid outside the property boundaries of the electric facilities up to the interconnection point shall be borne by the transmission company or the relevant distribution company, whereby the producer shall pay connection fee covering only the direct connection costs incurred by the transmission company or the relevant distribution company according to the relevant ordinance referred to in Art. 36, para. 3 of the Energy Act.

(3) The costs pertaining to the expansion and reconstruction of the transmission and or distribution network with regard to the connection of the energy plant of the producer under Art. 13, para. 2, shall be borne by the transmission company or the distribution company, respectively, and may not be included in the fee for connecting the producers of renewable energy.

**Art. 16.** (1) The public utility company and the end suppliers, respectively, shall purchase the entire quantity of generated electric power, for which there is a certificate of origin in place according to the relevant ordinance referred to in Art. 19, para. 3, except for the contracted quantities in accordance with Chapter Nine, Section VII of the Energy Act or the quantities subject to balancing transactions, as well as the quantities generated for producer's own needs.

(2) The public utility company and the end suppliers, respectively, shall purchase the entire quantity of energy generated from renewable and alternative energy sources, except for the power generated by hydroelectric power plants with installed capacity over 10 MW, at preferential purchase prices according to the relevant ordinance referred to in Art. 36, para. 3 of the Energy Act.

**Art. 17.** (1) The public utility company and the end suppliers, respectively, shall purchase the entire quantity of energy generated from renewable energy sources through the use of combined generation technology, except for quantities generated by the producer for its own needs or the contracted quantities in accordance with Chapter Nine, Section VII of the Energy Act, or the quantities subject to balancing transactions according to the relevant ordinance referred to in Art. 36, para. 3 of the Energy Act.

(2) The producer of energy generated from renewable energy sources through use of combined generation technology may sell the quantities produced at one of the following preferential prices:

1. preferential price for purchasing electricity generated from renewable energy sources in accordance with the provisions of Art. 16, para. 2 , or
2. preferential price for purchasing electricity generated in combined heat and electric power production in accordance with the provisions of Art. 162, para. 2 of the Energy Act.

**Art. 18.** The public utility company, respectively the end suppliers, shall purchase the electricity generated from combined use of renewable and non-renewable energy sources, depending on the share of input renewable energy sources, at prices set in accordance with the ordinance referred to in Art. 36, para. 3 of the Energy Act.

**Art. 19.** (1) The State Energy and Water Regulatory Committee (SEWRC) shall issue to the producers certificates of origin of the energy generated from renewable energy sources, called hereinafter <>

(2) The State Energy and Water Regulatory Commission shall accept the validity of certificates of origin issued by competent authorities in other EU member states based on the principles of reciprocity.

(3) The form, content, terms and procedure for issuance of certificate of origin shall be established by an ordinance adopted by the Council of Ministers on a motion by the SEWRC.

**Art. 20.** (1) On the grounds of the certificate issued under Art. 19, para. 1, the SEWRC shall issue to the producers of energy from renewable energy sources a <>green certificate<>

(2) The rules and procedures for implementing market mechanisms for encouraging production of electric and heating power from renewable energy sources shall be determined by a special law.

## **Section IV**

### **Prices of Electricity Generated from Renewable Energy Sources**

**Art. 21.** (1) Each year no later than 31 March, the State Energy and Water Regulatory Committee shall determine the preferential prices for sale of electricity generated from renewable or alternative energy sources, except for electricity generated by hydroelectric power plants with installed capacity exceeding 10 MW.

(2) The preferential price of electricity generated from renewable energy sources under para. 1 shall be determined at 80 percent of the average sale price for public utilities or end suppliers for the preceding calendar year plus an addition determined by the SEWRC depending on the type of primary energy source as indicated by the relevant ordinance

stipulated by Art. 36, para. 3 of the Energy Act.

(3) The addition referred to in para. 2 for the next calendar year may not be less than 95 percent of the addition for the current year.

## **Chapter Four**

### **ENCOURAGING USE OF BIOFUELS AND OTHER RENEWABLE FUELS IN THE TRANSPORT SECTOR**

#### **Section I**

##### **General Provisions**

**Art. 22.** (1) Biofuels and related byproducts are used in the transport sector in pure form or blended into petroleum-based liquid fuels for internal combustion engines.

(2) The production and use of biofuels is encouraged by:

1. setting up national indicative targets for promoting the use of biofuels and other renewable fuels in the transport sector;
2. ensuring efficient operation of engines through compliance with the technical and quality standards for production of biofuels;
3. sustainable development of the agriculture and forestry;
4. reducing the harmful emissions released in the atmosphere by the transport sector.

**Art. 23.** (1) The national indicative targets for the use of biofuels and other renewable fuels in the transport sector shall be determined by the Council of Ministers on a motion of the Minister of Economy and Energy and the Minister of Transport as a minimum percentage of the annual consumption of gasoline and diesel fuel.

(2) Each year no later than 30 April, the Minister of Economy and Energy shall present for approval by the Council of Ministers a report on the achievement of the indicative targets under para. 1 for the previous calendar year.

(3) The report under para. 2 shall contain a review and analysis on the progress of the measures for achieving the indicative targets pertaining to use of biofuels and other renewable fuels set forth in the programs under Art. 5, para. 1, item 5.

(4) The Minister of Economy and Energy shall publish the approved report under para. 2 on the web site of the Ministry of Economy and Energy.

## **Section II**

### **Requirements to Quality, Control and Market Distribution of Pure and Blended Biofuels**

**Art. 24.** (to enter into force from 1.01.2008 - SG 49/2007) Producers and importers of liquid fuels for the transport sector are obliged to sell to the market petroleum-based fuels mixed with biofuels in proportion specified in the ordinance referred to in Art. 8, para. 1 of the Clean Air Act.

**Art. 25.** Blending biofuels into petroleum-based fuels and their sale to the market may only be performed in tax warehouses licensed in accordance with the provisions of the Excise Duties and Tax Warehouses Act.

**Art. 26.** The technical and quality standards for the pure or blended biofuels as well as the procedures, terms and conditions for their control shall be determined in an ordinance under Art. 8, para. 1 of Clean Air Act.

**Art. 27.** The President of the National Agency for Metrology and Technical Control through its Chief Directorate for Quality Supervision on Liquid Fuels in accordance with the Clean Air Act.

## **Chapter Five**

### **REPORTING REQUIREMENTS WITH REGARD TO THE QUANTITIES OF ENERGY GENERATED FROM RENEWABLE AND ALTERNATIVE ENERGY SOURCES AND BIOFUELS**

**Art. 28.** (1) The public utility company and respectively the end suppliers shall provide data on the sold and purchased quantities of electricity generated from renewable and alternative energy sources by various types of sources.

(2) The content, rules and procedures for submission of data under para. 1 shall be determined by ordinance of the Minister of Economy and Energy.

**Art. 29.** (1) Each producer of energy from renewable energy sources using combined generation technologies, including energy generated for its own needs, shall submit data on the produced quantities of electric and heating power according to the ordinance referred to in Art. 28, para. 2 .

(2) Reporting of quantities of energy generated from renewable energy sources using combined generation technologies shall be done in accordance with the ordinance referred to in Art. 162, para. 3 of the Energy Act.

**Art. 30.** Each producer of energy using combined generation from biomass and non-renewable energy sources, including energy generated for its own needs, shall submit data on the quantities of electricity generated from biomass and the actual quantity and quality of input biomass according to the ordinance referred to in Art. 28, para. 2 .

**Art. 31.** Each producer of heating and/or cooling energy from renewable energy sources, including energy generated for its own needs, shall submit data on the produced quantities of energy according to the ordinance referred to in Art. 28, para. 2.

**Art. 32.** Each producer of biofuels, including for its own needs, shall submit data on the produced and sold biofuels on the market regardless of their form according to the ordinance referred to in Art. 28, para. 2 .

## **Chapter Six**

### **ADMINISTRATIVE AND PENALTY PROVISIONS**

**Art. 33.** A fine in the amount of 1,000 BGN shall be imposed on any regional governor or municipality mayor, who fails to organize the maintenance of a public information system as stipulated by Art. 6, item 4, and Art. 7, item 5, respectively.

**Art. 34.** A fine in the amount of 1,000 BGN shall be imposed on any regional governor or municipality mayor who fails to submit to the Minister of Economy and Energy the information on the implementation of the programs specified in Art. 7, item 1 .

**Art. 35.** (1) A penalty payment in the amount of 50,000 BGN shall be imposed on any energy company, which fails to connect with priority a producer of electric power according to Art. 13, para. 2.

(2) A penalty payment in the amount of 30,000 BGN shall be imposed on any energy company, which fails to connect a producer of electric power within the terms specified under Art. 13, para. 7.

(3) In case of repeated violation under para. 1 and 2, the penalty payment shall be three times the maximum amount of the sanction specified under para. 1.

**Art. 36.** (1) A penalty payment from 7,000 to 20,000 BGN shall be imposed on any public utility company and end supplier, respectively, who fails to observe its obligations under Art. 16 , 17 and 18.

(2) In case of repeated violation under para. 1 the penalty payment shall be three times the maximum amount of the sanction specified under para. 1.

**Art. 37.** (1) A penalty payment in the amount of 2,000 BGN shall be imposed on any producer, who fails to present the data specified under Chapter Five.

(2) In case of repeated violation under para. 1 the penalty payment shall be three times the maximum amount of the sanction specified under para. 1.

**Art. 38.** (1) A penalty payment from 7,000 to 20,000 BGN shall be imposed on any producer, importer or supplier of petroleum-based liquid fuel, who fails to observe its obligations for mandatory blending under Art. 24.

(2) In case of repeated violation under para. 1 the penalty payment shall be three times the

maximum amount of the sanction specified under para. 1.

**Art. 39.** (1) A penalty payment in the amount of 2,000 BGN shall be imposed on any public utility company and end supplier, respectively, which fails to present the data specified under Chapter Five.

(2) In case of repeated violation under para. 1 the penalty payment shall be three times the maximum amount of the sanction specified under para. 1.

**Art. 40.** (1) Violations under this Act shall be established by statements issued by state officials authorized by the Minister of Economy and Energy.

(2) Penalty enactments shall be issued by the Minister of Energy and Energy or by a person authorized by the latter.

(3) Establishment of the violations, issuance, appeal and execution of penalty enactments shall be carried out under the terms and conditions as provided in the Administrative Violations and Sanctions Act.

## **COMPLEMENTARY PROVISIONS**

**§ 1.** For the purposes of this Act:

1. "Renewable energy sources" shall include non-fossil sources such as solar, wind, geothermal, hydroelectric, water wave or tidal energy, which are capable of renewing without visible depletion during their use, as well as waste heat, biomass energy, industrial and household waste energy.

2. "Alternative energy sources" include hydrogen, waste products of technological processing and others.

3. "Biofuels" include gas or liquid fuels for transport vehicles, derived from biomass. Biofuels include the following products:

a) "Bioethanol": ethanol derived from biomass and/or biodegradable fractions of waste, which can be used as biofuel;

b) "Biodiesel": methyl esters derived from vegetable oils or animal fats, having the properties of petroleum-derived diesel, which can be used as biofuel;

c) "Biogas": gas derived from biomass and/or biodegradable fractions of waste, which can be refined to the quality of the natural gas and be used as biofuel ;

d) "Biomethanol": methyl alcohol derived from biomass, which can be used as biofuel;

- e) "Biodimethylether": dimethylether derived from biomass, which can be used as biofuel;
- f) "Bio-ethyl-tertiary-butyl-ether": ethyl-tertiary-butyl-ether derived from bioethanol with 47 percent volume content of of bio-ethyl-tertiary-butyl-ether, which can be used as biofuel;
- g) "Bio-methyl-tert-butyl-ether": fuel derived from biomethanol with 36 percent volume content of bio-methyl-tertiary-butyl-ether, which can be used as biofuel;
- h) "Synthetic biofuels": synthetic hydrocarbons or mixtures of such hydrocarbons derived from biomass;
- i) "Biohydrogen": hydrogen derived from biomass and/or biodegradable fractions of waste, which can be used as biofuel;
- j) "Pure vegetable oil": oil derived from oil-bearing plants through pressing, extraction or comparable proceses, crude or refined but chemically unmodified, can also be used as biofuel in specific cases where its use is compatible with the type of engines involved and relevant emissions requirements.

4. The forms of selling the biofuels listed in item 3 on the market are:

- a) "pure" - pure biofuels or liquid fuels with high biofuel content and specific properties for use in the transport sector;
- b) "blended" - biofuels blended into liquid fuels, which meet the quality standards for oil-derived fuels such as gasoline (BDS EN 228) and diesel fuels (BDS EN 590), containing the maximum possible percentage of biofuel;
- c) "biofuel derivatives" - liquid fuels derived from biofuels, such as bio-ethyl-tert-butyl-ether with 47 percent content of biofuel.

5. "Biomass" is the biologically decomposing part of agricultural products, waste and residues, including vegetable and animal wastes, forestry residues, as well as biologically decomposing fractions of industrial and household waste, which can be used as fuel, as well as the following waste products:

- a) vegetal waste from agriculture and forestry;
- b) vegetal waste from the food processing industry, if the generated heat is utilized;
- c) vegetal waste from the production of wood pulp and production of paper from the pulp, if they are incinerated at the production site and the generated heat is utilized;
- d) cork waste
- e) wood waste, except such containing hologenic organic compounds or heavy metals;
- f) sediments from waste water treatment facilities;

g) animal substances.

6. "Other renewable fuels" include renewable fuels different from biofuels, generated from renewable energy sources and used in the transport sector.

7. "Energy content" is the minimum operative heat emitted during combustion of a fuel.

8. "Electric power generated from renewable energy sources" is the electricity generated by facilities using only renewable energy sources as well as the portion of electricity generated from renewable energy sources in hybrid systems using also conventional energy sources and including the renewable electricity for charging storage systems and cut-off electricity generated by storage systems.

9. "Green certificate" is a document with a limited term of validity certifying the production of a certain volume of electricity from renewable energy sources or by a combined generation method, indicating the date and place of generation, the generation facility and its owner; transferable separately from the physical electric or heat energy the generation of which it certifies.

10. "Combined combustion" is combustion of renewable and non-renewable energy sources in a single process where at least 20 percent of the fuels for heat/power generation come from renewable energy sources.

11. "Minimum connection scheme" is the most economically viable combination of electric facilities and power transmission lines for connecting an energy plant to the grid, defined in conformity with the applicable regulations governing the territorial infrastructure, management, safety and operations of the electric power grids, the technical specifications, facilities and technology used by the transmission, respectively, the distribution company in the construction and maintenance of the grid infrastructure.

12. "Point of connection to the electric power grid" is any point along the route of the transmission and/or distribution grids at which the connecting facilities of one or more producers and/or consumers of electricity are connected.

13. "Household user of electricity and/or heating power" is a physical person who owns or rents a property and uses electricity and/or heating power for its household.

14. "Electricity consumption (gross domestic electricity consumption)" is the sum of national electricity generation for domestic consumption and imported electricity, less exported electricity.

15. "Certificate of origin" is an official nontransferable document verifying the producer, the quantity of electricity and heating power generated from renewable energy sources, the power plant, its capacity and other data and indicators set forth in the ordinance stipulated by Article 19, para. 3.

16. "Heating and/or cooling power generated from renewable energy sources" is the energy generated through the use of solar, geothermal and biomass resources, alternative sources and waste heat from industrial and energy production processes.

**§ 2.** This Act implements the provisions of Directive 2001/77/EC of the European

Parliament and the European Council aiming to promote production and use of energy generated from renewable energy sources on the domestic market and Directive 2003/30/EC of the European Parliament and the European Council aiming to promote the production and use of biofuels and other renewable fuels in the transport sector.

## TRANSITIONAL AND FINAL PROVISIONS

**§ 3.** (1) The mandatory purchase of energy stipulated by Art. 15 shall be effected through sale and purchase contracts. The term of validity of these contracts shall be 12 years:

1. from enactment of the Act for Amendments and Supplements to the Energy Act (SG. 74/2006) - for all existing producers of energy generated from renewable energy sources except for hydroelectric power plants with installed capacity which exceeds 10 MW;
2. As from the start of generation of electric power, but no later than 31 December 2010 - for all new producers of energy generated from renewable energy sources except for hydroelectric power plants with installed capacity which exceeds 10 MW.

(2) Not later than 31 December 2011, the Minister of Economy and Energy shall prepare and submit for approval by the Council of Ministers a bill on the market mechanisms for encouraging production of electricity and heating power from renewable energy sources, which may not necessarily be applicable to producers of energy from renewable energy sources specified under para. 1.

**§ 4.** Until enactment of the licensing regime for end suppliers of electricity, the obligations of end suppliers arising out of or in connection with this Act shall be performed by the existing public utility companies.

**§ 5.** The Energy Act (promulgated, SG No. 107 / 2003; as amended and supplemented, No. 18 / 2004, No. 18 and 95 / 2005 and No. 30, 65 and 74 / 2006) shall be amended as follows:

1. The words "and the use of renewable energy sources" in Art. 1 shall be deleted.
2. Art. 2, para. 1, item 5 shall be repealed.
3. Art. 4, para. 2, items 9 and 10 shall be repealed.
4. Art. 33 shall be amended as follows:
  - a) the words "from renewable energy sources under Art. 159, para. 2 and" in para. 1 shall be deleted;
  - b) para. 2 shall be repealed.
5. The words "Art. 159 and 162" in Art. 35, para. 2, item 3 shall be replaced with "Art. 162 and under Art. 15 of the Renewable and Alternative Energy Sources and Biofuels Act".
6. The words in the title of Chapter Eleven "from renewable energy sources and" shall be

deleted.

7. Chapter Eleven, Section I "Production of electricity from renewable energy sources" containing Art. 157 - 160 shall be revoked.

8. The words "7,000 to 20,000" in Art. 206, para. 1 shall be replaced with "20,000 to 1,000,000".

9. The words "7,000 to 20,000" in Art. 207, para. 1 shall be replaced with "20,000 to 1,000,000".

10. The words "5,000 to 15,000" in Art. 208, para. 1 shall be replaced with "10,000 to 100,000".

11. The words "7,000 to 20,000" in Art. 210, para. 1 shall be replaced with "20,000 to 1,000,000".

12. The words "10,000 to 25,000" in Art. 211, para. 1 shall be replaced with "20,000 to 1,000,000".

13. Art. 212 shall be repealed.

14. The words "500 to 1,000" in Art. 216 shall be replaced with "1,000 to 5,000".

15. Art. 219, para. 1 shall be amended as follows:

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

b) the words "500 to 5,000" shall be replaced with "from 1,000 to 8,000".

16. The number "212" in Art. 225, para. 2 shall be obliterated.

17. Items 3, 6, 18 и 52 in § 1 of the Additional Provisions shall be repealed.

18. Para. 127 of the Transitional and Final Provisions of the Act for Amendments and Supplements to the Energy Act (SG No. 74 / 2006) shall be repealed.

**§ 6.** (1) By-laws for application of this Act shall be adopted within six months of its enforcement.

(2) By-laws for application of the Energy Act shall be amended in line with the provisions of this Act within the period specified under para. 1.

**§ 7.** The Council of Ministers shall adopt:

1. the indicative targets under Art. 4, para. 1, item 3 - within three months of the enforcement of this Act;

2. the programs under Art. 4, para. 2 and 3 - within six months of the enforcement of this Act.

**§ 8.** The provisions of Art. 24 shall enter into force on 1 January 2008.

This Act was passed by the 40th National Assembly on 7 June 2007 and the Great Seal of the National Assembly was attached to it.

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