

Renewable and Alternative Energy Sources and Biofuels Act

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Chapter One

GENERAL DISPOSITIONS

Article 1. This act regulates the public relations associated with promotion of generation and consumption of electric, thermal and/or cooling power from renewable energy sources and from alternative energy sources, of production and consumption of biofuels and other renewable fuels in the transportation sector.

Article 2. The primary objectives of this act are as follows:

1. promotion of the development and use of technologies for generation and consumption of energy generated from renewable energy sources and alternative energy sources;
2. promotion of the development and use of technologies for production and use of biofuels and other renewable fuels in the transportation sector;
3. diversification of energy supplies;
4. increasing the capacity of small- and medium-size enterprises, of producers of energy from renewable energy sources and alternative energy sources and of producers of biofuels and other renewable fuels;
5. environmental protection;
6. creation of conditions for achieving sustainable development at the local and regional level.

Article 3. The objectives referred to in Article 2 shall be achieved by:

1. introducing mechanisms for promotion of generation and consumption of energy produced from renewable energy sources and alternative energy sources and of production and use of biofuels and other renewable fuels in the transportation sector;
2. stipulating the rights and obligations of the executive government and local self-government authorities for implementing the state policy for promotion of the use of renewable energy sources, alternative energy sources, biofuels and other renewable fuels;
3. creating a national public information system regarding:
 - (a) available resources of renewable energy sources, alternative energy sources, biofuels and other renewable fuels;
 - (b) producers of energy from renewable energy sources and alternative energy sources;
 - (c) producers of biofuels and other renewable fuels;
4. supporting scientific research and development, 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

Article 4. (1) The Council of Ministers:

1. shall determine the state policy for promoting generation and consumption of energy from renewable energy sources, alternative energy sources and the production and consumption of biofuels and other renewable fuels;
 2. shall adopt national indicative targets for the consumption of electricity generated from renewable energy sources and shall set the deadlines for the attainment thereof;
 3. shall adopt national indicative targets for the consumption of biofuels and other renewable fuels in the transportation sector and shall set the deadlines for the attainment thereof.
- (2) For the purpose of attaining the national indicative targets, the Council of Ministers shall adopt national long-term and short-term programs for promoting the use of renewable energy sources which shall contain measures for attaining the targets referred to in Paragraph 1 Item 2.
- (3) For the purpose of attaining the national indicative targets, the Council of Ministers shall adopt national long-term and short-term programs for promoting consumption of biofuels and other renewable fuels in the transportation sector, which shall contain measures for attaining the targets referred to in Paragraph 1 Item 3.

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

1. shall conduct the state policy for promoting generation and consumption of energy from renewable energy sources, alternative energy sources and the production and consumption of biofuels and other renewable fuels in the transportation sector;
2. shall develop and submit for approval to the Council of Ministers the national indicative targets referred to in

Article 4 Paragraph 1 Item 2 and shall prepare annual reports on their attainment wherein he/she shall indicate also the degree of compliance of the measures taken with the obligations for climate change prevention, as well as the measures for ensuring the authenticity of the certificates of origin referred to in Article 19, Paragraph 1.

3. jointly with the Minister of Transport, shall develop and submit for approval to the Council of Ministers the national indicative targets referred to in Article 4 Paragraph 1 Item 3;
4. shall develop and submit for approval to the Council of the Ministers national long-term and short-term programs for promoting the use of renewable energy sources and shall exercise control over their implementation;
5. jointly with the Minister of Transport, shall develop and submit for approval to the Council of Ministers a national long-term program and national short-term programs for promoting the consumption of biofuels and other renewable fuels in the transportation sector and shall exercise control over their implementation;
6. shall approve programs for promoting the use of alternative energy sources;
7. shall collect and store information on the use of renewable energy sources, alternative energy sources and biofuels;
8. shall organize the setting up and maintenance of the national public information system referred to in Article 3 Item 3;
9. shall provide to the competent European Communities' institutions the information provided for in EU acquis, according to the procedure stipulated in the ordinance referred to in Article 9 Paragraph 4 of the Energy Act;
10. shall organize the publicizing of the measures for promoting generation and consumption of energy from renewable energy sources and alternative energy sources, the production and consumption of biofuels and other renewable fuels in the transportation sector;
11. shall interact with the branch associations and with other non-profit legal entities when implementing the policy for promoting the use of renewable energy sources, alternative energy sources and the consumption of biofuels and other renewable fuels in the transportation sector.

(2) The national long-term programs referred to in Paragraph 1 Items 4 and 5 shall be developed for a time span of 10 years, whereas the short-term programs referred to in Paragraph 1 Items 4 and 5 - for a time span of 3 years.

Article 6. The regional governors:

1. shall ensure within the territory of the region the implementation of the state policy for promoting generation and consumption of energy from renewable energy sources, alternative energy sources and production and consumption of biofuels and other renewable fuels in the transportation sector;
2. shall coordinate between the municipalities in the region the activities for implementation of the policy for promoting generation and consumption of energy from renewable energy sources, alternative energy sources and production and consumption of biofuels and other renewable fuels in the transportation sector;
3. shall submit to the Minister of Economy and Energy information on the implementation of the programs referred to in Article 7 Item 1 within the territory of the region;
4. shall organize within the territory of the region the updating and maintenance of the public information system referred to in Article 3 Item 3.

Article 7. The mayors of municipalities:

1. shall develop and submit for approval to the municipal councils long-term and short-term municipal programs for promoting the use of renewable energy sources, alternative energy sources and the consumption of biofuels and other renewable fuels in the transportation sector and shall exercise control over the implementation thereof;
2. shall develop and implement schemes for promoting the use of renewable energy sources, alternative energy sources and biofuels, depending on the specific circumstances in the municipality;
3. shall organize awareness-raising campaigns amongst the population of the respective municipalities in accordance with the national programs for promoting the use of renewable energy sources, alternative energy sources and biofuels in the transportation sector;
4. shall submit to the regional governors information on the implementation of the programs referred to in Item 1;
5. shall organize within the territory of the municipality the updating and maintenance of the public information system referred to in Article 3 Item 3.

Chapter Three

GENERATION OF ENERGY FROM RENEWABLE ENERGY SOURCES AND ALTERNATIVE

ENERGY SOURCES

Section I

General dispositions

Article 8. (1) Energy facilities for generation of energy from renewable energy sources and alternative energy sources shall be built after conducting the appropriate investment feasibility studies in accordance with the ordinance referred to in Article 83 Paragraph 3 of the Energy Act, an integral part of these investment feasibility studies being the assessment of the existing and forecast resource potential.

(2) The terms and procedure for performing the assessment referred to in Paragraph 1 shall be stipulated in an ordinance issued by the Minister of Economy and Energy.

(3) The provision of Paragraph 1 shall not apply in cases, when generation of electricity from renewable energy sources is performed by consumers of electricity for household needs.

Article 9. Generation of energy from renewable energy sources and alternative energy sources shall be promoted while:

1. taking into account the characteristics of the various kinds of renewable energy sources and alternative energy sources and electricity generation technologies;
2. taking into account the energy market principles;
3. providing to electricity producers at least an equivalent effect of preferential treatment in terms of their revenue per unit of electricity generated in the cases of alteration of the mechanisms for promoting generation of electricity from renewable and alternative energy sources;
4. mandatorily interconnecting to the power grid generators of energy from renewable energy sources and alternative energy sources and the producers of biofuels;
5. setting a preferential price for the purchasing of energy generated from renewable energy sources and alternative energy sources;
6. alleviating the administrative regulation of generation of energy from renewable energy sources and alternative energy sources, as well as of the construction of the necessary facilities.

Section II

Promoting generation of electricity from renewable energy sources

Article 10. (1) The national indicative targets for the consumption of electricity, generated from renewable energy sources, shall be expressed as a percentage of the forecast gross annual electricity consumption in this country for the next 10 years starting from the year of adoption of the targets, where this percentage shall be stipulated by the Council of Ministers on a proposal from the Minister of Economy and Energy.

(2) The national indicative targets referred to in Paragraph 1 shall be updated every 5 years.

Article 11. (1) By March 31st of each year the Minister of Economy and Energy shall submit for approval to the Council of Ministers a progress report on the attainment of the indicative targets referred to in Article 10 (1) for the previous calendar year.

(2) The report referred to in Paragraph 1 shall contain an account and analysis of the implementation of the measures for attainment of the indicative targets for the consumption of electricity, generated from renewable energy sources, as specified in the programs referred to in Article 5 Item 4.

(3) The Minister of Economy and Energy shall publish the approved report referred to in Paragraph 1 on the web page of the Ministry of Economy and Energy.

Article 12. The provisions of the Investment Promotion Act shall be applied to investment projects for construction, expansion or modernization of facilities for generation of electric and thermal power from renewable energy sources and alternative energy sources, as well as of the associated infrastructure that are in public state or municipal ownership.

Section III

Rights and obligations of the participants in the market for energy from renewable energy sources and alternative energy sources

Article 13. (1) The transmission company and the distribution companies shall include in their annual investment and repair programs financial resources for development of the grids, related to promoting generation of electricity from renewable energy sources and alternative energy sources.

(2) The transmission company and/or the distribution companies shall interconnect on a priority basis every generator of electricity from renewable energy sources and alternative energy sources that meets the special

requirements for interconnection to the grid as stipulated in the ordinance referred to in Article 116 Paragraph 7 of the Energy Act.

(3) The generator of electricity from renewable energy sources and alternative energy sources shall file before the transmission company or the respective distribution company a written request for a survey of the terms and mode of interconnection of the energy facility to the power grid, enclosing therewith the documents stipulated in the ordinance referred to in Paragraph 2.

(4) In those cases when the request and the documents referred to in Paragraph 3 do not meet the requirements of the ordinance referred to in Paragraph 2 and/or are incomplete, the transmission company or the respective distribution company shall, within 14 days, notify the generator of such omissions and non-conformities with the requirements and may request additional information on the characteristics of the energy facility that is being interconnected.

(5) The procedure for interconnection of the generators's energy facility shall be terminated in those cases when the generator fails to rectify the omissions and non-conformities or fails to submit the additional documents within 30 days of the date of receiving the notification referred to in Paragraph 4.

(6) Within 90 days of the filing of the request referred to in Paragraph 3, the transmission company or the respective distribution company shall perform a survey and notify in writing the generator of the terms and mode of interconnection of the energy facility to the power grid and shall enter into a preliminary interconnection agreement.

(7) The deadline for interconnection of the energy facility to the transmission grid or the respective distribution grid shall be set in an interconnection agreement and shall not exceed the deadline announced by the generator for commissioning the energy facility into operation.

(8) Within 30 days of the filing of the request referred to in Paragraph 3 by an electricity generator, who is also a household electricity consumer, the respective distribution company shall notify him/her in writing of the terms and deadline for interconnection. The deadline for interconnection of the energy facility to the power grid shall not exceed three months from the date when the request was filed.

Article 14. (1) The obligation to interconnect a producer of electricity from renewable energy sources and alternative energy sources shall be incumbent on the transmission company or the respective distribution company which is situated in nearest proximity to the energy facility to be interconnected.

(2) The ownership boundary of the electrical facilities and the location of the commercial metering devices shall be determined in accordance with the requirements of the ordinance referred to in Article 116 Paragraph 7 of the Energy Act and the rules of Article 83 Paragraph 1 Item 6 of that same act. When the point of interconnection does not coincide with the ownership boundary of the electric facilities, the provision of Article 116 Paragraph 5 of the Energy Act shall apply.

(3) The distribution company shall be obligated to interconnect to its grid every generator of electricity from renewable energy sources who is also a household electricity consumer. The ownership boundary of the electric facilities and the location of the commercial metering devices must be in immediate proximity to those existing between the distribution company and the consumer.

(4) In the terms and conditions for interconnection, the transmission and the distribution companies shall be obligated to specify the minimal interconnection scheme, by planning for the interconnection to be at the nearest existing point from the transmission or distribution grid, as well as by providing a preliminary estimate of the cost of interconnection. The distribution or transmission company shall be obligated to indicate as an interconnection option the facilities of generators or consumers that are already interconnected or are being interconnected.

Article 15. (1) The expenses needed for interconnection of the generator's energy facility to the respective grid up to the ownership boundary of the electric facilities shall be born by the generator.

(2) The expenses needed for interconnection of the generator's energy facility to the respective grid, from the ownership boundary of the electric facilities to the point of interconnection, shall be born by the transmission company or the respective distribution company, where the generator shall owe an interconnection price covering only the direct expenses incurred by the transmission company or the respective distribution company for the interconnection, this price being determined according to the procedure stipulated in the respective ordinance referred to in Article 36 Paragraph 3 of the Energy Act.

(3) The expenses for the expansion and reconstruction of the transmission grid and/or the distribution grid associated with the interconnection of the generator's energy facility pursuant to Article 13 Paragraph 2 shall be born by the transmission company or the respective distribution company and shall not be included in the price for interconnection of generators of electricity from renewable energy sources.

Article 16. (1) The public provider, the end suppliers respectively, shall purchase the entire electricity amount for which a certificate had been issued pursuant to the ordinance referred to in Article 19 Paragraph 3, with the

exception of the amounts for which the producer has concluded contracts pursuant to Chapter Nine, Section VII of the Energy Act and with which the producer participates in the balancing market, as well as the amount of energy produced for own needs.

(2) The public provider, the end suppliers respectively, shall purchase the electricity generated from renewable energy sources or alternative energy sources, with the exception of the energy generated by hydroelectric power plants of installed capacity of more than 10 MW, at the preferential price for the purchase of electricity, determined according to the procedure stipulated in the respective ordinance referred to in Article 36 Paragraph 3 of the Energy Act.

Article 17. (1) The public provider, the end suppliers respectively, shall purchase the entire electricity amount generated from renewable energy sources by co-generation, with the exception of the amounts which the generator uses for own needs, for which the producer has concluded contracts pursuant to Chapter Nine, Section VII of the Energy Act, or with which the generator participates in the balancing market, at prices determined according to the procedure, stipulated in the respective ordinance referred to in Article 36 Paragraph 3 of the Energy Act.

(2) The generator of electricity from renewable energy sources by co-generation may sell the electricity generated by him/her at one of the following preferential prices:

1. preferential price for purchase of electricity generated from renewable energy sources pursuant to Article 16 Paragraph 2, or
2. preferential price for purchase of electricity generated by co-generation of electric and thermal power pursuant to Article 162 Paragraph 2 of the Energy Act.

Article 18. The public provider, the end suppliers respectively, shall purchase the electricity amount generated by combined combustion of renewable energy sources and non-renewable energy sources, that is commensurate with the share of the amount of renewable energy sources use as an input, at prices determined according to the procedure stipulated in the ordinance referred to in Article 36 Paragraph 3 of the Energy Act.

Article 19. (1) The State Energy and Water Regulatory Commission (SEWRC) shall issue to the producers certificates of origin of the energy from renewable energy sources referred to as "certificates of origin".

(2) The State Energy and Water Regulatory Commission shall recognize the certificates of origin issued by the competent authorities of the other Member States of the European Union on the terms of reciprocity.

(3) The form, content, terms and procedure for issuing the certificates of origin shall be stipulated in an ordinance adopted by the Council of Ministers on a proposal from the SEWRC.

Article 20. (1) On the basis of the certificate of origin issued pursuant to Article 19 Paragraph 1, the SEWRC shall issue a "green certificate" to the generators of energy from renewable energy sources.

(2) The rules for putting in place a market mechanism for promoting generation of electric and thermal power from renewable energy sources shall be stipulated by a special law.

Section IV

Prices for electricity from renewable energy sources

Article 21. (1) By March 31st of each year the State Energy and Water Regulatory Commission shall set preferential prices for the sale of electricity, generated from renewable or alternative energy sources, with the exception of the energy, generated from hydroelectric power plants of installed capacity of more than 10 MW.

(2) The preferential price, referred to in Paragraph 1, for electricity generated from renewable energy sources shall be set to 80% of the average selling price for the previous calendar year of the public provider and end suppliers, plus a mark-up set by the SEWRC according to criteria depending on the type of the primary energy source pursuant to the respective ordinance referred to in Article 36 Paragraph 3 of the Energy Act.

(3) The mark-up referred to in Paragraph 2 for the next calendar year may not be less than 95% of the mark-up for the previous calendar year.

Chapter Four

PROMOTING THE CONSUMPTION OF BIOFUELS AND OTHER RENEWABLE FUELS IN THE

TRANSPORTATION SECTOR

Section I

General dispositions

Article 22. (1) Biofuels and their derivatives shall be consumed in the transportation sector either in pure form or as blending components of the liquid fuels of crude oil origin for internal combustion engines.

(2) Production and consumption of biofuels shall be promoted in the process of:

1. defining the national indicative targets for promoting consumption of biofuels and other renewable fuels in the transportation sector;
2. ensuring the efficient operation of the engines while adhering to the technical and qualitative standards for production of biofuels;
3. sustainable development of agriculture and forestry;
4. reducing the amount of emissions of harmful substances released into the atmosphere by transportation vehicles.

Article 23. (1) The national indicative targets for the consumption of biofuels and other renewable fuels in the transportation sector shall be defined by the Council of Ministers on a proposal from the Minister of Economy and Energy and the Minister of Transportation as a minimal share of the ultimate annual consumption of automotive petrol and diesel fuel.

(2) By April 30th of each year the Minister of Economy and Energy shall submit for approval to the Council of Ministers a report on the attainment of the indicative targets referred to in Paragraph 1 for the previous calendar year.

(3) The report referred to in Paragraph 2 shall contain an account and analysis of the implementation of the measures for attainment of the indicative targets for consumption of biofuels and other renewable fuels in the transportation sector as stipulated in the programs referred to in Article 5 Paragraph 1 Item 5.

(4) The Minister of Economy and Energy shall publish on the web page of the Ministry of Economy and Energy the report referred to in Paragraph 2 after it is approved by the Council of Ministers.

Section II

Requirements to the quality, control and placing on the market of biofuels and biofuel blends

Article 24. (Effective 1.01.2008 - SG, No. 49/2007) The producers and importers of liquid fuels for transportation needs shall be obligated to offer on the market fuels of crude oil origin, blended with biofuels at a percentage ratio stipulated by the ordinance referred to in Article 8 Paragraph 1 of the Clean Ambient Air Act.

Article 25. The blending of biofuels with liquid fuels of crude oil origin and their offering on the market shall be performed only in tax warehouses licensed pursuant to the Excise Duties and Tax Warehouses Act.

Article 26. The technical and qualitative requirements to the biofuels and their blends with liquid fuels of crude oil origin, as well as the terms, procedure and method of controlling the compliance therewith shall be stipulated by the ordinance referred to in Article 8 Paragraph 1 of the Clean Ambient Air Act.

Article 27. Control over the quality of the biofuels and their blends with liquid fuels of crude oil origin shall be exercised by the Chairman of the State Agency for Metrologic and Technical Supervision through General Directorate "Control over the Quality of Liquid Fuels" in accordance with the Clean Ambient Air Act.

Chapter Five

SUBMISSION OF INFORMATION ON THE AMOUNTS OF ENERGY GENERATED FROM RENEWABLE ENERGY SOURCES, ALTERNATIVE ENERGY SOURCES AND BIOFUELS

Article 28. (1) The public provider and the end suppliers shall submit data on the purchased and sold quantities of electricity from renewable energy sources and alternative energy sources, where the data shall be organized by sources.

(2) The content, terms, procedure and method for submitting the information referred to in Paragraph 1 shall be stipulated by an ordinance of the Minister of Economy and Energy.

Article 29. (1) Every generator of energy by a co-generation from renewable energy sources, including for his/her own needs, shall submit data on the quantities of electric and thermal power generated according to the procedure stipulated in the ordinance referred to in Article 28 Paragraph 2.

(2) The accounting of the quantities electricity from renewable energy sources, obtained by co-generation, shall be

performed pursuant to the ordinance referred to in Article 162 Paragraph 3 of the Energy Act.

Article 30. Every generator of electricity by combined combustion of biomass and non-renewable energy sources, including for his/her own needs, shall submit data on the electricity quantity, generated from biomass and on the actual quantity and quality of the biomass used as input, according to the procedure stipulated in the ordinance referred to in Article 28 Paragraph 2.

Article 31. Every generator of thermal and/or cooling energy from renewable energy sources, including for his/her own needs, shall submit data on the quantities of energy generated, according to the procedure stipulated in the ordinance referred to in Article 28 (2).

Article 32. Every producer of biofuels, including for his/her own needs, shall submit data on the amounts of biofuels produced and placed on the market in all their forms, according to the procedure stipulated in the ordinance referred to in Article 28 Paragraph 2.

Chapter Six

ADMINISTRATIVE PENAL PROVISIONS

Article 33. A regional governor or municipality mayor who fails to organize the keeping of a public information system as referred to in Article 6 Item 4, Article 7 Item 5 respectively, shall be punishable by a fine in the amount of BGN 1,000.

Article 34. A regional governor or municipality mayor who fails to submit to the Minister of Economy and Energy, to the regional governor respectively, information on the implementation of the programs referred to in Article 7 Item 1 shall be punishable by a fine in the amount of BGN 1,000.

Article 35. (1) A financial penalty in the amount of BGN 50,000 shall be imposed on a power company which fails to interconnect on a priority basis a generator of electricity pursuant to Article 13 Paragraph 2.
(2) A financial penalty in the amount of BGN 30,000 shall be imposed on a power company which fails to interconnect a generator of electricity within the deadlines referred to in Article 13 Paragraph 7.
(3) In the case of repeated violation of Paragraph 1 or 2, the financial penalty shall be three times the maximum financial penalty stipulated in Paragraph 1.

Article 36. (1) A financial penalty in the amount of between BGN 7,000 and BGN 20,000 shall be imposed on the public provider, on end suppliers respectively, which fail to comply with their obligations under Articles 16, 17 and 18.
(2) In the case of repeated violation of Paragraph 1, the financial penalty shall be three times the maximum financial penalty stipulated in Paragraph 1.

Article 37. (1) A financial penalty in the amount of BGN 2,000 shall be imposed on a generator which/who fails to submit the data pursuant to Chapter Five.
(2) In the case of repeated violation of Paragraph 1, the financial penalty shall be three times the maximum financial penalty stipulated in Paragraph 1.

Article 38. (1) A financial penalty in the amount of between BGN 7,000 and BGN 20,000 shall be imposed on a producer, importer or supplier of liquid fuels of crude oil origin which/who fails to comply with the obligation referred to in Article 24 for mandatory blending.
(2) In the case of repeated violation of Paragraph 1, the financial penalty shall be three times the maximum financial penalty stipulated in Paragraph 1.

Article 39. (1) A financial penalty in the amount of BGN 2,000 shall be imposed on the public provider or end suppliers which/who fail to submit the data pursuant to Chapter Five.
(2) In the case of repeated violation of Paragraph 1, the financial penalty shall be three times the maximum financial penalty stipulated in Paragraph 1.

Article 40. (1) The statements of finding administrative violations shall be drawn up by officials designated by an order of the Minister of Economy and Energy.
(2) The penal decrees shall be issued by the Minister of Economy and Energy or by an official authorized by him/her.
(3) The finding of violations, the issuing, the appealing against and the execution of the penal decrees shall be

done according to the procedures stipulated in the Administrative Violations and Sanctions Act.

SUPPLEMENTARY PROVISIONS

§ 1. For the purpose of this act:

1. "Renewable energy sources" are non-fossil energy sources which contain solar, wind, water and geothermal energy, including wave energy and tidal energy, which renew themselves without any visible depletion when used, as well as residual thermal energy, energy from biomass and energy from industrial and municipal waste.
2. "Alternative energy sources" are hydrogen, waste products from technological processes, etc.
3. "Biofuels" are liquid or gaseous fuels produced from biomass for transportation purposes. Some examples of products considered to be biofuels are:
 - (a) "bioethanol": ethanol produced from biomass and/or from biodegradable fractions of waste, intended to be used as biofuel;
 - (b) "biodiesel": methyl ester produced from vegetal or animal fat, having diesel fuel grade, intended to be used as biofuel;
 - (c) "biogas": gaseous fuel produced from biomass and/or from biodegradable fractions of waste, which can be purified until reaching natural gas grade and which is intended to be used as biofuel;
 - (d) "biomethanol": methanol produced from biomass and intended to be used as biofuel;
 - (e) "biodimethylether": dimethylether produced from biomass and intended to be used as biofuel;
 - (f) "bio-ethyl-tertio-butyl-ether": ethyl-tertio-butyl-ether produced based on bioethanol given that the percentage by volume of the bio-ethyl-tertio-butyl-ether, computed as biofuel is 47;
 - (g) "bio-methyl-tertio-butyl-ether": fuel produced based on biomethanol given that the percentage by volume of the bio-methyl-tertio-butyl-ether, computed as biofuel is 36;
 - (h) "synthetic biofuels": synthetic hydrocarbons or synthetic hydrocarbon blends produced from biomass;
 - (i) "biohydrogen": hydrogen produced from biomass and/or from biodegradable fractions of waste and intended to be used as biofuel;
 - (j) "pure vegetable oil": oil produced from oil plants by pressing, extraction or similar processes, crude or refined but chemically unmodified, to the extent to which its use is compatible with the type of engine concerned and with the relevant emission requirements.
4. The forms of offering on the market the biofuels referred to in Item 3 are:
 - (a) "pure" - pure biofuels or liquid fuels with high biofuel content possessing the specific properties for being used for transportation purposes;
 - (b) "blends" - blends of biofuels and liquid fuels in accordance with the quality requirements to fuels of crude oil origin, laid down in the technical specifications for automotive petrol fuel (Bulgarian State Standard EN 228) and diesel engine fuel (Bulgarian State Standard EN 590) wherein the biofuel content is a given maximum percentage;
 - (c) "biofuel derivatives" are liquid fuels derived from biofuels, such as ethyl-tertio-butyl-ether, with a percentage content of biofuel of not less than 47 for example.
5. "Biomass" is a biologically degradable part of products, waste and residues from the agricultural sector, including vegetal and animal substances, from the forestry industry, as well as biologically degradable fractions of industrial and household waste which can be used as fuel, and the following types of waste used as fuel:
 - (a) vegetal waste from the agriculture and forestry
 - (b) vegetal waste from the food-processing industry, if the generated heat is utilized;
 - (c) vegetal waste from production of pulp from wood and production of paper from pulp, if they are incinerated together at the production site and the generated heat is utilized;
 - (d) cork waste;
 - (e) wood waste, with the exception of the one containing hologenic organic compounds or heavy metals;
 - (f) precipitations from treatment plants;
 - (g) animal substances.
6. "Other renewable fuels" are renewable fuels other than the biofuels produced from renewable energy sources and used in the transportation sector.
7. "Energy content" is the lower calorific value of combustion of a particular fuel.
8. "Electricity generated from renewable energy sources" is the electricity generated by installations, using only renewable energy sources, as well as the proportion of electricity generated from renewable energy sources in hybrid systems using also conventional energy sources, and including renewable electricity used for filling storage systems, and excluding electricity generated as a result of storage systems;
9. "Green certificate" is a document with a specified term of validity attesting to the generation of a certain amount of electric or thermal power from renewable energy sources or by co-generation, indicating the date and the place of generation, the generation capacity and its owner, transferable separately from the actual electric or thermal power whose generation it is attesting to.
10. "Combined incineration" is the incineration of renewable energy sources and non-renewable energy sources,

in the case of which at least 20% of the fuel used for the generation of electric or thermal power is from renewable energy sources.

11. "Minimal interconnection scheme" is the most economical combination of electrical installations and electricity transmission lines for the interconnection of a given facility, specified in accordance with the requirements of the currently effective legislative and regulatory framework for spatial development and for the layout, safety and operation of the electric grids, the technical specifications and the equipment and technologies used by the transmission company or the distribution company respectively for building, repairing and maintaining the grid infrastructure.

12. "Point of interconnection to the electric grid" is any of the points in the structure of the transmission and/or distribution electric grids, to which the equipment for interconnection of one or more facilities of generators and/or consumers of electricity are connected.

13. "Household consumer of electric and/or thermal power" is a natural person who is an owner or user of a property and who uses electric and/or thermal power for his/her household.

14. "Electricity consumption (gross domestic electricity consumption)" is the national electricity generation plus the generation for own needs plus the imports of electricity minus the exports of electricity.

15. "Certificate of origin" is an official non-transferable document, certifying the producer, the amount of electric and thermal power generated from renewable energy sources, indicating the production period, the generating power plant, its capacity and other data and parameters as stipulated in the ordinance referred to in Article 19 Paragraph 3.

16. "Thermal and/or cooling power from renewable energy sources" is the energy obtained by using solar radiation, geothermal waters, incineration of biomass, from alternative sources and the waste thermal power from industrial and power processes.

§ 2. This act introduces the provisions of Directive 2001/77/EC of the European Parliament and the Council on promoting the production and consumption of electricity from renewable energy sources on the internal electricity market and of Directive 2003/30/EC of the European Parliament and the Council on promoting the use of biofuels and other renewable fuels in the transportation sector.

TRANSITIONAL AND FINAL PROVISIONS

§ 3. (1) The mandatory purchasing pursuant to Article 15 shall be done under purchasing contracts. The term of the contracts shall be 12 years:

1. from the entry into force of the Energy Act Amendment and Supplementation Act (SG No. 74/2006) - for the existing generators of electricity from renewable energy sources, with the exception of hydroelectric power plants of installed capacity of more than 10 MW;

2. from the start of the production of electricity but not later than from 31 December 2010 - for all the new producers of electricity from renewable energy sources, with the exception of hydroelectric power plants of installed capacity of more than 10 MW.

(2) By 31 December 2011 the Minister of Economy and Energy shall prepare and submit for approval to the Council of Ministers draft act for introducing a market mechanism for promoting generation of electric and thermal power from renewable energy sources, which does not have to be applied to the generators of electricity from renewable energy sources referred to in Paragraph 1.

§ 4. Pending the entry into force of the licences for electricity supply by end suppliers, the end suppliers' duties under this act shall be performed by the existing public suppliers.

§ 5. The following amendments to the Energy Act (Promulgated SG No.107/2003; Amended and supplemented SG No.18/2004, No.18 and 95/2005 and No. 30, 65 and 74/2006) are hereby made:

1. In Article 1: the words "and use of renewable energy sources" are deleted.

2. In Article 2 Paragraph 1: Item 5 is repealed.

3. In Article 4 Paragraph 2: Items 9 and 10 are repealed.

4. In Article 33:

(a) in Paragraph 1: the words "from renewable energy sources under Article 159 Paragraph 2 and" are deleted;

(b) Paragraph 2 is repealed.

5. In Article 35 Paragraph 2 Item 3: the words "Articles 159 and 162" are replaced with the words "Article 162 and under Article 15 of the Renewable and Alternative Energy Sources and Biofuels Act".

6. In the title of Chapter Eleven: the words "from renewable energy sources and" are deleted.

7. In Chapter Eleven: Section I "Production of Electricity from Renewable Energy Sources" comprised of Articles 157 - 160 is repealed.

8. In Article 206 Paragraph 1: the words "7,000 to 20,000" are replaced with the words "20,000 to 1,000,000".

9. In Article 207 Paragraph 1: the words "7,000 to 20,000" are replaced with the words "20,000 to 1,000,000".

10. In Article 208 Paragraph 1: the words "5,000 to 15,000" are replaced with the words "10,000 to 100,000".

11. In Article 210 Paragraph 1: the words "7,000 to 20,000" are replaced with the words "20,000 to 1,000,000".

12. In Article 211 Paragraph 1: the words "10,000 to 25,000" are replaced with the words "20,000 to 1,000,000".

13. Article 212 is repealed.
14. In Article 216: the words "500 to 1,000" are replaced with the words "1,000 to 5,000".
15. In Article 219 Paragraph 1:
 - (a) the words "and 212" are deleted;
 - (b) the words "500 to 5,000" are replaced with the words "from 1,000 to 8,000".
16. In Article 225 Paragraph 2: the number "212" is deleted.
17. In § 1 of the supplementary provision: Items 3, 6, 18 and 52 are repealed.
18. § 127 of the transitional and final provisions of the Energy Act Amendment and Supplementation Act (SG No. 74/2006) is repealed.
 - § 6. (1) The subdelegated secondary legislation on the application of the act shall be passed within 6 months after its entry into force.
 - (2) The subdelegated secondary legislation on the application of the Energy Act shall be made consistent with this act within the deadline stipulated in Paragraph 1.
- § 7. The Council of Ministers shall adopt:
 1. the indicative targets referred to in Article 4 Paragraph 1 Item 3 - within 3 months after the act enters into force;
 2. the programs referred to in Article 4 Paragraph s 2 and 3 - within 6 months after the act enters into force.
- § 8. The provision of Article 24 shall enter into force on 1 January 2008.

This Act was passed by the 40th National Assembly on 7 June 2007 and was stamped with the official seal of the National Assembly.