

Opinion of the Trade Union Federation of  
Support to Energy Transition  
in the context of  
the  
Integrated National Energy and Climate  
Plan  
(2021-2030)

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- The Paris Agreement of 21 set as a long-term objective the reduction in global average temperature by 2 015 °C by 2.
- On 25 February 2015, the EC adopted a Framework Strategy for a resilient Energy Union with a forward-looking climate change policy. The headline target is to move towards a low-carbon, healthy and competitive economy.
- Based on the Directive, the EC adopted on 31.07.2017 with Decision 2017/1442 the Reference Document for Large Combustion Plants (LCP) Best Available Techniques. The document introduces new boundaries for the pollutants emitted. \*



# Objectives of the European Energy Union

- Internal energy market
- Security of supply and diversification
- Energy efficiency
- Development of research and innovation for the introduction of new technologies in energy production
- Decarbonisation



# Standard of living

- ✓ Levels of **energy poverty** in the SEE region are on average around 30 %, with 25 % of households being regularly late in paying their energy bills.
- ✓ An assessment of the Bulgarian energy sector by the World Bank found that nearly 60 % of Bulgarians are energy poor, as they spend more than 20 % of their family budget on electricity and heat bills.
- ✓ **Bulgaria is offering the lowest price of electricity to consumers.**
- ✓ **Criteria for energy poverty** — for Brussels to be one, for Bulgaria — others

Targets set by the EU are difficult to achieve

Standard **standard** of living in the Member States

- 3 rd energy market — uniform rules
- Citizens' interests

# Integrated National Energy and Climate Plan by 2030

- The National Plan has been drawn up fully in accordance with the requirements of the Energy Union Governance Regulation (Regulation 2018/1999 of the European Parliament and of the Council of Europe of 11.12.2018), Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU and shall cover the period up to 2030 with a 2050 perspective.
- The national **regulations in the field of** energy labelling, which comply with the Plan, include the Energy Act (ZE), the Renewable Energy Act (ZEVI), the Energy Efficiency Act (ZEE), which transpose the requirements of European climate and energy legislation.
- According to **the Guidance on the content of the National Energy and Climate Plans (Recommendation of the EU Ministerial Council Secretariat of the Energy Community published on 13.06.2018)**, the National Plan demonstrates a comprehensive approach to the five key dimensions of the Energy Union.
- Bulgaria's objective is to align the three strategic documents: the National Energy and Climate Plan for 2021-2030, the National Energy Strategy for 2030, with a vision for 2050 and the Strategy for the Development of the Low-Carbon Economy.
- The national plan should provide long-term predictability and certainty for investment, ensure greater cooperation and consistency between stakeholder approaches.

# The Bulgarian integrated energy and climate plan

## Basic objectives

- promoting the low-carbon development of the economy;
- competitive and secure energy;
- reduction of dependency on fuel and energy imports;
- guaranteeing affordable energy for all consumers.

## National energy priorities are:

- Enhancing energy security through sustainable energy development;
- Developing an integrated and competitive energy market;
- The use and development of renewable energy sources (renewable sources) in accordance with the resources available, the capacity of networks and the national specificities;
- Increasing energy efficiency by developing and implementing new technologies to achieve modern and sustainable energy;
- Consumer protection, by ensuring fair, transparent and non-discriminatory conditions for the use of energy services.

# National strategic objectives and energy and climate priorities under the Five pillar of the Energy Union

- Under the pillar **Decarbonisation** efforts to reduce greenhouse gas emissions, sinks / traps and efforts to increase the share of renewable energy in gross final energy consumption;
- Under the **Energy Efficiency** Pillar — achieving final energy savings and activities related to the production, transmission and distribution of energy as well as improving the energy performance of buildings;
- Under the **Energy Security** pillar — enhancing energy security through the de-carbonisation of energy supply, efficient use of local energy resources and the development of energy infrastructure;
- Under the **Internal Energy Market** pillar — a competitive market through full market liberalisation and integration towards regional and common European markets;
- In the area of **Studies, Innovation and Competitiveness**, to promote the scientific excellence for the deployment of innovative technologies in the field of energy, including clean energy production and efficient use of energy in final consumption.
- Additional pillar **European citizen** \*



# Key objectives of the Blueprint

Dimension	Quantitative target for 2030
National <b>GHG emission reduction</b> target * under Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 (for buildings, agriculture, waste management and transport)	0 %
National target for <b>share of energy from renewable sources in gross final energy consumption</b>	25 %
National <b>energy efficiency</b> target	27 %
National <b>interconnection</b> target	15 %



## **Measures to meet targets under priority axes complying with the 5 pillars of the European Energy Union:**

- **Priority axis 1:Cleaner electricity generationfrom existing coal power plants;**
- **Priority axis 2:A transition to a lower electricity electricity mix;**
- **Priority axis 3:The district heating system, a low-carbon energy tool;**
- **Priority axis 4:Decentralised energy production;**
- **Priority axis 5:Development of low-carbon networks for the transmission and distribution of electricity and natural gas.**

# Highlights

The integrated plan **shall focus** on renewable energy, natural gas as an alternative environmental source of energy (Detailed representation of all national and regional projects, as well as those of common EU interest.), production of energy from biomass, reduction of greenhouse gases in transport and energy efficiency. Special attention shall be given to measures taken by the social assistance system to reduce energy poverty.

- In this context, **the Country Security Policy for the electricity sector is presented in two priority axes:**
- **Efficient use of local energy resources** (mainly coal whose stocks can provide a resource for the production of electricity for the next 60 years. It has been identified as a stabilising energy source for the country. Fired domestic coal accounts for about 48 % of electricity generation and guarantees Bulgaria's energy security and the competitiveness of the Bulgarian economy. This defines the role of **indigenous coal as a strategic energy resource**, in terms of country's energy and national security.);
- **Increasing interconnection** (Diversification between sources and routes of energy supply is important for the country's national security and energy independence as well as the entire region)

The country's energy dependency is significantly lower than the EU 's average watchdog. The objectives set out in the Plan as regards energy security are linked to **increasing the diversification of energy sources and supplies from third countries** and **increasing the flexibility of the national energy system.**

# Priority objectives with regard to increasing the flexibility of the national energy system

- Maintain the **key role of indigenous energy resources (coal)** and use them in existing production capacities, in line with the requirements of environmental legislation. Given the role of coal mining in the Bulgarian energy sector, a serious focus should be placed on the practical problems of the sector and related activities; the opportunities for the development of coal mining in Bulgaria in the context of international, European and national energy policies and the search for possible solutions for its future. Coal is Bulgaria's only energy resource. **40 %** of the electricity generated in **the country** comes from coal.
- Preserving the role of **nuclear energy**, which is considered to be a local energy source;
- Maintaining and developing **the transmission capacity of electricity and natural gas transmission networks**;
- **Demand response** in the energy system **through the development of energy markets** ( Full liberalisation of the electricity market will lead to: a phased elimination of regulated prices for all final consumers and for producers; making the system more flexible by ensuring competitive prices and increasing the liquidity of the electricity market.)
- **Increase the storage capacity of electricity and natural gas** by developing existing and building new storage facilities.



# Cons of NEBs

- use of non-existing words, lack of technical terminology, position divergence, repetitions of the large excerpts of the text, different style of the different parts
- Climate neutrality — not mentioned
- The Plan lacks actions and measures to address other industries in a detailed and effective way. this is necessary because the NEB concerns the whole economy.
- How will the Low-Carbon Plan for each country, because each national economy, and each industry, have a carbon footprint.

**Example:** Why did the State not apply for an exposure project on high speed trains, leading to a drastic reduction of the C-emissions?

# Cons of NEBs

- The Plan in many places lacks answers to the questions raised. There is no position.

## Examples:

- p. 163 Impact assessment following consultation by the EC
- p. 164 — Assessment of the impact of planned policies and measures on macroeconomics, social policy as well as a cost-benefit analysis will be drawn up in agreement with the EC.
- p. 164 — An analysis of the investment needs will be prepared before submitting the final option to the EC.
- p. 165:
  - An assessment of the impact of planned policies and measures on the energy systems of neighbouring countries will be drawn up in coordination with the INEC project with the EC.
  - An analysis of the impact of planned policies and measures on energy prices and the integration of the market in products and energy will be drawn up after consultation of the INEC project with the EC.

# National Energy and Climate Plan, Section Energy:

- **Coal mining is a key sector of the national economy**, but it is not designed in detail as to how this coal production will be developed/reduced in the coming years in the context of greenhouse gas emissions reduction requirements.

— How will the industry stay? What role will it play?

How do coal mining meet the emission requirements?

— How will the industry respond to the requirements in the Reference Document on Large Combustion Plants Best Available Techniques — How could coal plants continue to exist?

- Will the European Emissions **Trading System continue to be effective?**
- Will **energy imports** — **Is the European association of electricity system operators ready? Imports from where?(from third parties; European countries' dependence on gas supply).**

*All these issues need to be answered based on policies and plans that show how this would seem to be real: measures/activities. Because each plant is an element of the country's energy security.*

# For a fair energy transition

The transition is very complex for everyone and we are, unfortunately, poor and it will be the hardest.

The idea of equalising the standards of living in the Member States would help to achieve a single European Energy Union and a well-functioning common energy market.



# Conclusion

Successful liberalisation steps in the energy market are crucial for the effective long-term development of the energy sector with market fundamentals and optimal state intervention through the regulatory mechanisms.

At the same time, in the Bulgarian and European context, there is an urgent need to clearly raise questions related to:

1/осъществяването and investment protection:

- To what extent and in what form should State interference be made in this process;
- Is there clarity regarding government policy relating to the promotion of investment and investment protection, taking into account the leading role of market-based mechanisms and climate and environmental requirements;
- Is it necessary for the state to pursue a specific policy in this field for individual regions and what are the eligible steps in this direction without compromising the leading role of market relations in the sector;

2/ясно national priorities with respect to reforms in the energy sector and their economic and social costs;

3/бъдещето coal mining and related activities and impact on the ecological balance;

4/гражданите as end users — over the short to medium term (planning, reforms, regulatory development and affordable energy price)

Taking steps in the above aspects is necessary in view of a dynamic changing market environment, respect for the rule of law, protection of investors and investment, and the interests of Bulgarian citizens. Both international and European commitments and the economic and social development of specifically affected regions of the country should be clearly taken into account.

Thank you for your attention!

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