

# Scaling-up Energy Communities in Bulgaria

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# Overview

- ▶ The overall policy environment is downplaying the role of more sustainable and cost-competitive technologies like solar PV
  - ▶ Bulgaria's National Climate and Energy Plan (NCEP) continues to envision a prominent role for both nuclear power and natural gas
  - ▶ Current RES-E goal is 30% by 2030 (from 23,5% in 2020)
- ▶ Projects owned by groups of citizens or by energy communities remain rare in the country
- ▶ Currently, there is a lack of a clear and bankable policy framework for renewable energy projects in Bulgaria
- ▶ Solar PV projects have great potential
  - ▶ It is now the **lowest cost** renewable energy technology in terms of the upfront cost
  - ▶ It is relatively **simple to site** and to install and typically does not require extensive environmental impact analyses
  - ▶ It is **highly modular**
  - ▶ Bulgaria has **excellent solar resources**

# Status of energy communities in Bulgaria

- ▶ Are there any energy communities in Bulgaria?
  - ▶ An apartment complex in Sofia's "Hristo Smirnenski" district
  - ▶ Burgas Municipality - a pioneer among municipalities
  - ▶ Straldzha Municipality - taking advantage of geothermal energy
- ▶ How can energy communities help tackle energy poverty?
- ▶ What business and investment model can be used to finance community energy projects?
  - ▶ CSOPs
  - ▶ "Solar gardens"
  - ▶ Crowdfunding

# Key barriers

## ▶ Policy and regulatory barriers

- ▶ Prosumers and renewable energy communities are not yet legally defined in the current energy legislation

## ▶ Lack of Awareness

- ▶ Low level of awareness regarding the benefits of RES and community energy projects

## ▶ Access to finance

- ▶ Limited options for affordable financing

## ▶ Legal issues

- ▶ There is currently a lack of a clear legal definition and specific legal provisions regarding energy communities both at national and municipal levels in Bulgaria

## ▶ Culture and history

- ▶ History and local culture play an important role in shaping the willingness or interest of individuals to participate in an energy community

## ▶ Tax and VAT Issues

- ▶ The lack of clear rules governing tax rates, and how individual members of an energy community will be taxed, makes it hard to build momentum

# Recommendations

- ▶ Develop a comprehensive policy framework for energy communities
- ▶ Establish clear rules for the compensation and remuneration of net surplus generation
- ▶ Allow participants to erase their own electricity bill by drawing on the electricity supplied by the energy community project
- ▶ Develop a national “one-stop shop” for the establishment and siting of energy community projects
- ▶ Introduce preferential tax treatment for potential participants in a community-based renewable energy projects
- ▶ Establish a series of “solar gardens” nationwide in partnership with municipalities
- ▶ Improve access to finance, specifically in order to help lower and middle-income households
- ▶ Invest in building capacity, awareness, and administrative expertise in the siting, development, and connection of energy community projects
- ▶ Bulgaria should ensure that public and EU funds are channelled to support investments in energy communities