



MINISTRY OF ECONOMY, ENERGY AND
TOURISM



ENERGY EFFICIENCY

AGENCY

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**NATIONAL LONGTERM
PROGRAMME FOR ENERGY EFFICIENCY
UNTILL 2015**

Sofia, 2005

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INTRODUCTION

The implementation of the priority national objective for fast and sustainable economic growth, connected with the existence of an energy sector, responding to the key requirements for:

- high competitiveness;
- security of energy supplies and
- observing the requirements for protecting the environment

is utilization of the high potential for energy saving and large-scale introduction of renewable energy sources.

The priorities of the policy in energy sector ensue from the National Development Plan of the Republic of Bulgaria and are in correlation with the Energy Strategy of the country.

The Energy Strategy of the Republic of Bulgaria has the following main objectives:

- promotion of investments in energy efficiency by the end-users;
- support through state guarantees inclusively to projects for consumption management, which have a significant social effect;
- promotion of development of options economically more efficient than electrical energy for heating and improving the access of population to them;
- redirection of electrical energy towards the more high-tech needs of economy and reducing its price through putting-off the expensive investments. (The construction of effective systems for gasification or central heating requires less resources than the construction of an electric power facility to meet the same consumption needs);
- removal of the deviations by the prices of different kinds of fuel and energy for heating, so as to create operating stimuli for the energy saving by population;
- improving of efficiency of energy transformation processes;
- promotion of the combined heating and electrical power generation;
- reducing the energy losses.

An important aspect, pointed out in the Strategy is increasing energy efficiency. Energy efficiency is a synonym of new view of life and philosophy. It is a means of increasing the quality of energy services at an acceptable price for the society and an opportunity for reducing energy consumption through the introduction of specific measures for energy saving. This policy as an integral part of the energy policy of the Republic of Bulgaria is based on the national priorities and is in harmony with the requirements of European Directives and market mechanisms.

The state governance and the social system for implementing the policy for improving energy efficiency are regulated in the Energy Efficiency Act.

The preparation of a general concept for development of energy efficiency with outlining the long-term objectives and the means for achieving them is the main prerequisite for the successful implementation of this policy. It is based on National Long-term and short-term programmes for energy efficiency.

The Regular Report of the Commission of the European Communities of 2004 for Bulgaria's progress in the process of accession has found that the energy efficiency of Bulgaria is significantly lower than the average for the EU countries, although there is a serious legislative progress.

The primary energy efficiency, represented as a quantity of primary energy resources per unit of Gross Domestic Product GDP (kilograms oil equivalent/€) is one of the main indicators of energy efficiency and an important element of the national competitiveness. Bulgarian economy could not be competitive, in case that for the production of one unit of GDP it uses far more energy compared to the EU countries. At present our economy uses approximately 2 times more primary energy resources for the production of one unit of GDP.

➤ **BASIS FOR DEVELOPMENT**

The National Long-term Energy Efficiency Programme until 2015 (NLEEP) is developed in accordance with the requirements of article 10, paragraph 3 from the Energy Efficiency Act. It is consistent both with the Energy Strategy of Bulgaria from 2002 and with the amendments in the legislative framework from 2004, which defined the development of the energy sector. The legislation mentioned was formulated in the Law of Energy and in the secondary legislative decrees to it, as well as those following the Energy Efficiency Act.

➤ **OBJECTIVE**

The programme specifies in detail the thesis of the Management Programme of the Government and the Energy Strategy of Bulgaria, by formulating the initiatives and measures for increasing the energy efficiency. The main objective is reducing of the energy intensity of the GDP, through reduction of the energy intensity of the GDP in all economic sectors – end-users of fuel and energy: industry, transport, services, households and agriculture. The sectors are analyzed consecutively by taking in mind their shares in the final energy consumption. The implementation of the programme will lead to:

- Reduction of the harmful gas emissions and emissions of green-house gases, emitted in the atmosphere, which would lead to the improvement of the parameters of the environment;
- Reduction of the negative effect from the increase of prices of energy and fuel over the end-users and improvement of the comfort of life of the households;
- The rational use and slowing down of the process of exhaustion of the natural and energy resources;
- Reduction of the country's dependence from the import of energy resources;
- Creation of new opportunities for distributors (producers, services companies, etc.) of energy efficient installations, opening of new job positions;
- Achieving sustainable development.

➤ CONTENTS

The programme includes analysis of the present status and a forecast of the future energy development of the country, and on the basis of the formulated national targets, defines the optimal measures and influences by sectors. As an end product / **output** the programme offers a combination of mechanisms for the implementation of the government policy for increasing the energy efficiency through its integration in the overall policy for economic and social development of the country. The programme offers measures for the improvement of Energy efficiency in the situation of continuous growth of the GDP for the whole ten year period. The offered combination of mechanisms and measures for increasing energy efficiency of the end-users, the actions for optimization of the final consumption, as well as the financial mechanisms for their implementation identify the opportunities and barriers to carrying out the energy efficiency policy in the Republic of Bulgaria.

➤ EXPECTED IMPACTS FROM THE IMPLEMENTATION

The NLEEP defines measures for the reduction of energy consumption in all sectors of the national economy, i.e. for 100 per cent of the final consumption of energy in the country. The precise definition of the necessary resources will be done currently in the framework of the short-term programmes for EE, whereby the closest priorities will be formulated depending on the dynamics of the energy market, the specific development of the different sectors, the expansion of the specific markets and others.

The prognosis for the development of the energy intensity of the macroeconomics envisages gradual reduction of the energy intensity of the GDP, both at the level of the Primary Consumption and at the level of Final Energy consumption. The measures recommended in the Programme, connected with large scale investments and a more intensive legislative support are due to be implemented by the end of the forecast period, in order to bring the energy intensity of the national economy closer to average European level.

The implementation of the NLEEP will lead to a significant reduction of the harmful gas emissions and emissions of green-house gases, emitted in the atmosphere, which would lead to the improvement of the parameters of the environment, sustainable development and implementation of the international commitments our country had undertaken in connection with the EU accession.

The implementation of the Programme shall have a significant effect on the competitiveness of the Bulgarian economy and together with the constant growing of the prices of the energy resources and will exercise a strong impact in the direction of reducing the energy intensity of the GDP of the country in towards the usual European level.

Изпълнението на Програмата ще има значителен ефект върху конкурентността на българската икономика и заедно с непрекъснатото нарастване на цените на енергийните ресурси ще упражни силно въздействие в посока на намаляване на енергийната интензивност на БВП на страната в посока към нормалните европейски нива.