

Enabling framework  
of pilot countries:

# BULGARIA



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## Introduction

**Buildings are responsible for well over one third of the EU's greenhouse gas emissions and energy demand. The entire building stock will need to be highly energy efficient and carbon-neutral by 2050 to achieve the EU's climate objective.<sup>1</sup> In order to meet these ambitious targets, different strategies and potentials have to be explored.**



The project [Citizen-Led Renovation](#) aims to empower energy communities and put citizens in the driver's seat for energy-saving renovation projects. In the course of the project, four energy communities in four different countries are assisted to deliver citizen-led energy renovations and renewable energy installations within their energy community. This country factsheet provides an overview of the current policy and incentive framework in the countries and regions of the selected pilots. It starts with a brief overview on the EU policy and financing framework, followed by a more detailed overview of the national policy and enabling framework. It considers the state of play in terms of legislation, regulation and administrative procedures that are relevant to the integration of building energy renovation and energy communities.



↑ Bulgaria © Photo by Natalya Letunova on Unsplash.

1 EU Renovation Wave, COM/2020/662 final, [\[Link\]](#)

## EU policy framework



End of 2019, the European Commission launched the **European Green Deal**<sup>2</sup> setting the 2050 goal for zero greenhouse gas emissions, which became enshrined in the 2021 Climate Law together with an intermediate emission reduction goal of 55% by 2030. Building renovation is a crucial component of the European Green Deal, as the EU recognises that buildings are a significant source of energy consumption and greenhouse gas emissions, accounting for about 40% of energy use and 36% of CO<sub>2</sub> emissions in the region.<sup>2</sup> Building renovations are seen as a key tool to reduce emissions and provide healthy and affordable living and working environment for all.

Therefore, the European Commission decided in 2020 to kick off a Renovation Wave as a follow-up to the Green Deal.

The **Renovation Wave**<sup>1</sup> is a strategic communication with the aim to double annual energy renovation rates in the next ten years and renovate 35 million buildings in Europe by 2030. Together with a very ambitious decarbonisation of heating this should enable to cut direct building sector greenhouse-gas emissions by 60% until 2030 (based on 2015 levels) as laid down in the Climate Target Plan 2030 (CTP). The initiative builds on the national long-term building renovation strategies that are part of building-related aspects of Member States National Energy and Climate Plans.

Meanwhile new energy and climate targets have been agreed by the EU's legislators within the framework of the **Fit-for-55**<sup>3</sup> package, which was launched in 2021, in order to deliver the reduction of greenhouse gas emissions by 55% by 2030. The Fit-for-55 package includes among others, recasts to the **Energy Performance of Buildings Directive**<sup>4</sup> (EPBD), **Energy Efficiency Directive**<sup>5</sup> (EED) and the **Renewable Energy Directive**<sup>6</sup> (RED) and therefore significantly affects the building renovation sector. The revision of the EPBD targets to set the European building stock on a clearly planned trajectory towards deep renovation to meet the EU 2050 carbon neutrality goals. The EED recast targets to make buildings more energy efficient and boost the use of renewable energies in buildings.

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2 EU Green Deal, COM/2019/640 final, [\[Link\]](#)

3 Fit for 55, COM/2021/550 final, [\[Link\]](#)

4 EPBD recast, COM/2021/802 final, [\[Link\]](#)

5 EED recast, COM/2021/558 final, [\[Link\]](#)

6 RED recast, COM/2021/557 final, [\[Link\]](#)

In March 2022, the European Commission launched the **REPower EU**<sup>7</sup> communication with the aim to reduce the EU's dependency on Russian fossil fuel imports. The REPower EU plan encourages Member States to find the quickest and cheapest ways to address the current energy crisis. The package includes a number of strategies, action plans and recommendations to increase the capacity of renewable energy (e.g. solar PV and heatpump capacity should be doubled) in the European Union and therefore also affects the renovation of residential buildings.

In support of the latest policy packages that were listed above, the European Commission is fostering the use of EU funds for the investment in energy efficiency of buildings and has been further developing financial instruments. The following enumeration lists the most relevant funding streams and programs and financial instruments for the residential building renovation sector:



- European Fund for Regional Development (ERDF), European Social Fund + (ESF+) and Cohesion Fund (CF): 330.2 billion Euro, climate share 30%
- Recovery and Resilience Facility (RRF): 672.5 billion Euro (till 2026), climate share 37%
- InvestEU (“Sustainable Infrastructure”): guarantee of 26.2 billion Euro (9.9 billion Euro for sustainable infrastructure), climate share 30%. The guarantee aims to leverage private investments of up to 650 billion Euro.
- Just Transition Fund: 17.5 billion Euro, climate share 100%.
- Modernisation fund in the context of EU ETS: ~14 billion Euro; at least 70% for energy efficiency.

As none of these programs are specifically earmarked for investments in buildings, it is difficult to estimate, how much will actually feed into this sector. It can be assumed that an annual 8-16 billion Euro will be available from these programs for energy renovation of buildings.<sup>8</sup>

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7 REPower EU, SWD(2022) 230 final, [Link](#)

8 A.Hermelink and K.Bettgenhäuser, “The European Commission’s Renovation Wave Initiative for the Building Sector”, Climate Change 53/2021, German Environment Agency



## National policy framework Bulgaria

Bulgaria has one of the highest levels of energy poverty, with a fourth of the population unable to adequately warm their home.<sup>9</sup> Energy efficiency measures and renewable energy installations are crucial to reduce energy poverty and achieve a decarbonised and energy-efficient building stock in Bulgaria. Bulgaria offers an enabling framework of energy efficiency measures and renewable energy installations consisting of subsidies and grants, support services as well as tariffing and tax incentives. Bulgaria has specific renovation targets in place and substantial funding and support services, such as one-stop-shops, are available. However, Bulgaria's renovation rate remains low, with an estimated 1.3% of medium and 0.1% of deep renovations.<sup>10</sup>



At present, Bulgaria needs to renovate almost 19 million m<sup>2</sup> of residential space by 2030 in order to meet the targets set in the long-term renovation strategy for the renewal of the national building stock of over 111 million m<sup>2</sup> by 2050. This would lead to emission reductions of 1065 kilotons of CO<sub>2</sub> by 2030 and 6220 kilotons by 2050.<sup>1</sup>



↑ Bulgaria © Photo by Georgi Kalaydzhiev on Unsplash.

9 Long Term Renovation Strategy Bulgaria, [\[Link\]](#)

10 European Commission, Directorate-General for Energy, Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU : final report, Publications Office, 2019 [\[Link\]](#)

Bulgaria faces the following national challenges related to residential buildings:

- **Bulgaria's renovation rate remains low, especially among multifamily buildings.** Only a small percentage of multi-family dwellings have been renovated and a large percentage of energy-poor households live in single-family dwellings.<sup>11</sup>
- **Bulgaria has a high level of energy poverty,** with a fourth of the population unable to adequately warm their home. In 2020, the average income level of Bulgarians is one fourth of the EU average and energy costs are almost 60% of the EU average, which means that the share of energy costs in the average household in Bulgaria is much higher than in other EU households.<sup>11</sup>
- **Bulgaria lacks a register of buildings** by administrative region with information on year of construction, type of construction, etc. Prioritizing buildings according to their condition is difficult because buildings with the worst characteristics can only be assessed as such after registration and certification.
- **Bulgaria lacks a national survey and criteria for the readiness of buildings for intelligent management.** A large part of the houses in Bulgaria have poor energy characteristics and realize large heat losses in winter.<sup>12</sup>
- **There is no plan yet for the rehabilitation of individual houses and the replacement of heating systems with efficient and economically accessible systems based on renewable energy sources.** Although there is a recent support scheme on “Renewable energy support for households” (BGRRP-4.026), there is room for improvement and the allocated budget will cover only a small number of households.
- There is a and lack of coherence between different energy efficiency programs.

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11 National Energy and Climate Plan Bulgaria, [\[Link\]](#)

12 According to an analysis by Ministry of Regional Development and Public Works, the share of buildings with the worst energy performance (classes E, F and G) is high - over 90% (94% for panel buildings; 92.4% for reinforced concrete buildings).

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## Legislation related to renovation



### Implementation of EPBD in Bulgaria

The implementation of the **EPBD** into national law is under the responsibility of the Ministry of Energy. The Bulgarian **Energy Efficiency Act**<sup>13</sup> regulates the implementation of energy efficiency measures and the provision of energy services. Buildings have been placed at the centre of the decarbonisation requirement, with the need to define new milestones (2030, 2040 and 2050). To meet the legal EU requirements, including the prioritisation of the "Energy Efficiency First" principle, Bulgaria had to undertake the dynamic adaptation of the Energy Efficiency Act to ensure a stable and predictable regulatory framework for the next ten years. The Law has been amended in March 2021, and wherewith, the requirements of Directive (EU) 2018/844 have been transposed into Bulgarian legislation.

The amended Energy Efficiency Act defines that the energy performance requirements for a new building shall be certified by an "Energy Performance Certificate of New Buildings". The Energy Efficiency Act also sets out the legislative and technical measures that must, by law, be applied to existing buildings. The energy performance of existing buildings is established by an energy audit, which is completed with the issuing of an EPC of the building. The "Energy Performance Certificate of Existing Building" shall be updated following any change in the energy performance of the building, for example after a change of use, deep renovation, or major renovation. Minimum energy performance requirements for existing buildings have been gradually tightened since the EPBD was first implemented. At present, these requirements are set with the goal of achieving cost-optimal levels and have been defined for ten categories of buildings, depending on their assigned use.<sup>14</sup>

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13 Energy Efficiency Act [\[Link\]](#)

14 EPBD implementation in Bulgaria, [\[Link\]](#)

## Implementation of EED in Bulgaria

The implementation of the EED into national law is the responsibility of the Ministry of Energy. The activities implementing the State energy efficiency improvement policy are carried out by the executive agency under the Minister of Energy – Sustainable Energy Development Agency (SEDA). The full transposition of the EED revised in 2018 is regulated in the last amendment of the Energy Efficiency Law and the Energy Law. Most of the policies and measures were already announced with the NECP and the National LTRS in 2020. In Bulgaria the EED obligations are also subject to secondary legislation under the Energy Efficiency Law. National Energy Efficiency Targets are set in the Integrated Energy and Climate Plan of the Republic of Bulgaria 2021-2030. The mandatory energy savings for the period 2021 to 2030 according to the NECP amount to 4,357.55 ktoe. This can be achieved by a decrease in the consumption of primary energy by 27.89 % and a decrease by 31.67 % in final energy consumption in 2030 as compared to the PRIMES 2007 reference scenario. According to Bulgarian Energy Efficiency Law, to help reach the national energy efficiency target, measures to enhance the energy performance of at least 5% of the total floor area shall be taken annually in all heated and/or cooled State-owned buildings occupied by the State administration.<sup>15</sup>

## National Energy and Climate Plan Bulgaria

The **National Energy and Climate Plan (NECP)** of Bulgaria 2021-2030<sup>16</sup> sets several long-term goals for the development of the energy sector in Bulgaria. The NECP sets out a long-term renovation strategy for the renovation of the national building stock of residential and non-residential buildings (public and private), including policies, measures and actions to promote cost-effective large-scale renovation and policies and actions targeted at the segments of the national building stock with the worst characteristics. The NECP is designed to meet the country's 2030 target for greenhouse gas emissions not covered by the EU Emission Trading System (non-ETS) of the 2005 level. Nevertheless, the energy efficiency target shows only little ambition, as Bulgaria's contribution to the EU's 2030 target is 17.5 Mtoe for primary energy consumption and 10.3 Mtoe for final energy consumption. It is however acknowledged, that energy efficiency is an essential component of national and EU policies on energy and climate change and is a top priority. The NECP does not explicitly deal with the implementation of the 'energy efficiency first' principle.

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15 EED implementation in Bulgaria, [\[Link\]](#)

16 NECP Bulgaria, [\[Link\]](#) The final version of the Plan was presented to the European Commission and published.

## Long Term Renovation Strategy Bulgaria

The [Long-term national support strategy for the renovation of the national building stock from residential and non-residential buildings to 2050](#)<sup>17</sup> includes below listed objectives measures aiming to achieve a highly energy-efficient and decarbonised building stock, to construct new buildings and transform existing ones into near-zero energy buildings, to improve the energy performance of residential and non-residential buildings, and to promote the introduction of smart technologies in the building sector.

**Objective 1:** Ensure a **modern and economically efficient regulatory framework by introducing the "Energy Efficiency First" principle** in the process of harmonising Bulgarian legislation with EU legislation, ensuring security of investments in energy efficiency of buildings, with a gradual reduction of public costs of administrative regulation and improved control of compliance with the requirements of the legislation.

- Harmonisation of national regulations with European legislation.
- Improvement of the conditions for investment in construction products that consider the sustainable use of natural resources and the application of the principles of circular economy, energy efficiency, climate change and green infrastructure;
- Preparing buildings for smart management, promoting high levels of energy efficiency and achieving near zero energy building requirements.
- Development of a system for tracking and reporting on the results of building retrofitting programs by monitoring technical parameters and energy savings

**Objective 2:** Provide **sustainable financial instruments** for the implementation of the Long-Term Strategy for the renovation of buildings in Bulgaria.

- Provision of financial instruments suitable for different target groups and building types. Using public funding to leverage additional private sector investment;
- Development of the scheme of obligations for energy efficiency, provision of opportunities for participation in funds and mechanisms for fulfilling obligations and developing the market for energy efficiency services.

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17 LTRS Bulgaria, [\[Link\]](#)

**Objective 3:** Support for **building the administrative and professional capacity** of the national administration and local authorities, and of the participants in the investment process.

- Development of administrative and technical capacity of state and local authorities for the implementation of building renovation programs
- Implementation of a communication campaign to increase understanding of the benefits of energy efficiency and to change public attitudes to support of the whole process of building renovation and maintenance
- Support for research and applied activities for innovation and new technologies for energy savings and renewable energy in buildings.

## Recovery and Resilience Plan Bulgaria

Bulgaria's **Recovery and Resilience Plan**<sup>18</sup> consists of 56 investments and 47 reforms. Almost 60% of the total grant of €6.27 billion supports climate objectives<sup>19</sup>. The Plan supports the green transition in general, including a clear framework to phase-out coal, tripling power generation from renewables by 2026, and the removal of financial and regulatory bottlenecks for energy efficiency investments.

**Around €1 billion is foreseen for energy-efficient renovation of the building stock, and additional €1.7 billion investments in renewable energy sources, electricity storage and interconnection capacities.**

The Plan also places money to support: i) one stop shop; ii) quality of the energy efficiency certificates; iii) digital system for management of the process; and iv) the assessment of the sustainability of projects. With funding from the national budget, Bulgaria plans to implement reforms to pilot and scale up regional one-stop shops, which could be highly relevant to drive citizen-led renovation projects. The aim is to set up an initial 6 and later a total of 28 regional centres, which will focus mainly on providing advice and technical assistance.

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18 EC, Assessment of the final national energy and climate plan of Bulgaria, [\[Link\]](#) RRP Bulgaria, [\[Link\]](#)

19 Factsheet Bulgaria's RRP [\[Link\]](#)

For the renovation of private, public and commercial buildings, the plan contains a comprehensive national support scheme for energy efficiency renovation. It is foreseen that investment of €924 million will result in the renovation of at least 3.6 million m<sup>2</sup> in residential buildings, and that the project will help to achieve at least 30% primary energy demand savings<sup>8</sup>. Further benefits mentioned are the reduction of energy waste, lower carbon emissions, while also ensuring positive social, health and environmental implications.

Although the plan allocates significant resources for energy efficient renovations and makes direct references to Bulgaria's Long-Term Renovation Strategy, it has been criticized that the delivery milestones are not aligned to the national targets defined in the Long-Term Renovation Strategy.<sup>20</sup>

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## Legislation related to Energy Communities



In September 2023, Bulgaria adopted the **Renewable Energy Act**<sup>21</sup> (was a bill amending and supplementing the Act on Energy from Renewable Sources) in second reading. The draft law defines and regulates “Civil Energy Communities”. The energy communities are defined as equal participants in the energy markets that can generate, consume, store and sell energy from renewable sources, more precisely excess amounts of energy, including through bilateral electrical energy purchase agreements. The Renewable Energy Act defines that civil energy communities will be able to share the energy produced by community-owned facilities within the community, respecting the rights and responsibilities of members as consumers and having non-discriminatory access to all appropriate energy markets.

Article 92b. defines that end customers may participate in civil energy communities without losing their rights or obligations as end customers and without implementing unreasonable conditions or procedures that would hinder their participation in the civil energy community. It also defines that civil energy communities may be organized in the form of a commercial company, a cooperative, a non-profit association or a civil society. The relations between the members of the civil energy community are determined by a statute or contract according to the chosen organizational form.

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20 RenovateEurope, 2021, Bulgaria, [\[Link\]](#)

21 Renewable Energy Act, [\[Link\]](#)

The development of civil energy communities is promoted through following measures:

- Removal of unreasonable regulatory and administrative obstacles
- Application of the requirements of this law when selling energy
- Ensuring cooperation with the relevant distribution network operator and/or heat transfer company for the transfer of energy in the community;
- Implementation by competent authorities of fair, proportionate and transparent administrative procedures, including registration and licensing,
- Application of non-discriminatory treatment to communities in relation to their activities, rights and obligations as end users, producers, suppliers or as other market participants
- Accessibility of all users to participate in communities, including households in a situation of energy poverty or vulnerable customers
- Facilitating access to financing and information
- Provision of regulatory support and assistance for building the capacity of public authorities in facilitating and creating energy communities
- Introduction of rules to guarantee the equal and non-discriminatory treatment of users participating in the civil energy community.

As the Renewable Energy Act has only recently been amended, there are currently no registered energy communities in Bulgaria. The administrative processes are also not yet established. According to the recently adopted law, public authorities should play a key role in the licensing process and regulatory support for energy communities. To date, local and regional authorities may be aware of energy communities, but they often lack the technical knowledge to support community energy projects and have little awareness of the active role they could play in the development of community energy in Bulgaria.





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## National Enabling Framework Bulgaria

Bulgaria offers an enabling framework for energy efficiency measures and renewable energy installations consisting of subsidies and grants, support services as well as tariffing and tax incentives. Table 1 summarises the most relevant support mechanisms.



Table 1: Summary table of support mechanisms

Name of the program	What can be funded/ financed	Who can apply	<a href="#">Link to application</a>
BG16FFPR003-2.001 “Concepts for integrated territorial investments”	Energy efficiency and sustainable renovation of residential and public buildings	Municipalities	<a href="#">Link to application</a>
BG-RRP-4.024 - Support for sustainable energy renovation of the residential building fund - stage ii	Sustainable energy renovations	Multifamily buildings, designed before April 26, 1999	<a href="#">Link to application</a>
BG-RRP-4.026 - Support for energy from renewable sources for households - Call 1	Solar installations for domestic hot water supply, solar photovoltaic systems up to 10 kWp, including the electrical energy storage systems	Natural persons owning a single-family residential building or owning home in a multi-family building	<a href="#">Link to application</a>
Energy Efficiency and Renewable Sources Fund	Energy efficiency, renewable energy	Enterprises, municipalities and private individuals	<a href="#">Link to application</a>

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## Subsidies and grants



The Energy Efficiency Act (see national legal framework) lists the following schemes and mechanisms that may be used to promote energy efficiency:

1. Energy performance contracts
2. Energy savings certificates
3. Financing from the energy efficiency and renewable sources fund or from other financial intermediaries
4. Other national or European support schemes and mechanisms

During the 2021-2027 program period, projects for the implementation of energy efficiency measures in residential buildings will be able to be financed under the [Regional Development Program 2021-2027 \(RDP\)](#)<sup>22</sup> through the European Regional Development Fund (ERDF). Beneficiaries under this program can be municipalities and public-private partnerships between municipalities and natural persons or legal entities.

Under the new RDP, energy efficiency measures are financed for both **single-family and multi-family residential buildings**, but it is not planned to finance independent measures and partial measures for remediation, but activities for the **complete energy renovation of the building**.

An obligatory condition for the implementation of the measures for the renovation of residential buildings is the presence of a prepared survey for energy efficiency and a technical audit of the building, and in relation to the set national goals, measures with which the building achieves a high energy class will be supported.

Projects identified on the basis of a “bottom-up” approach will be supported and a mandatory requirement will be that they are reflected in the relevant territorial strategies at the municipal and regional level - Plans for the integrated development of municipalities and the integrated territorial strategies for the development of the regions at the level 2.

The government frequently publishes calls for applications, covering different topics.

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22 [Regional Development Program 2021-2027 \[Link\]](#)

## **BG16FFPR003-2.001 - CONCEPTS FOR INTEGRATED TERRITORIAL INVESTMENTS is open in ISUN with an application deadline of 27.09.2023.<sup>23</sup>**

The call is open for the big city **municipalities** and for the smaller municipalities with no less than 15,000 residents. The call is also open for **public-private partnerships**. The financing is in several directions, as one of them is the RDP, which includes subsidies for various activities, one of which is “**Energy efficiency and sustainable renovation of residential and public buildings**, incl. schools and student dormitories”. The total budget of the RDP is BGN 3.9 billion, and each direction can receive up to 10% of its value.

Under this open application procedure, municipalities and public-private partnerships can apply with concepts for ITI - Project idea for one or several activities/investments, which in combination with each other or with others already implemented or upcoming investments in a given territory with common characteristics and/or development potentials, serve for the realisation of a specific goal or priority by the integrated territorial strategy for the development of the relevant level 2 planning region, providing for funding from the “Regional Development” Program, “Environment” Program, “Education” Program, “Human Resources Development” Program, “Competitiveness and Innovation in Enterprises” Program, “Research, Innovation and Digitalisation for Smart Transformation” Program for the period 2021-2027.

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23 BG16FFPR003-2.001, [\[Link\]](#)

## **BG-RRP-4.024 - SUPPORT FOR SUSTAINABLE ENERGY RENOVATION OF THE RESIDENTIAL BUILDING FUND - STAGE II with application deadline of 16.01.2024.<sup>24</sup>**

The call is open for **multifamily buildings**, designed before April 26, 1999. The total amount of funds for this procedure is BGN 282,470,400. Approved buildings will receive up to 80% grant funding. The owners' association should ensure its self-participation in the current procedure through its own financial resources in the amount of 20% of the value of the eligible costs of the project.

The main objective of this open application procedure for funding from the Ministry of Education and Culture is the **sustainable energy renovation** of the national housing stock. Specific objectives are:

- Improving the energy characteristics of the national building stock of residential buildings, by applying integrated energy-efficient measures;
- Achieving a minimum “B” energy consumption class after implementing energy-saving measures in residential buildings;
- Stimulating a minimum of 30% primary energy savings for renovated residential buildings;
- Resource efficiency, economic expediency, decarbonisation through RES, sustainable construction process;
- Reducing energy poverty by reducing energy costs;
- Improving the conditions and quality of life of the population in the country through technological renewal and modernisation of the building stock.

In stage I of the programme, building owners could receive 100% grant funding. Therefore, the number of applicants was much higher than the available funding. The funding rate was reduced to 80% in stage II. Unofficial information suggest that current application numbers in stage II are low.

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24 BG-RRP-4.024, [\[Link\]](#)

### **BG-RRP-4.026 - Support for energy from renewable sources for households - Call 1 with application deadline of 10.11.2023.<sup>25</sup>**

The call is open for **natural persons** owning a **single-family residential building or owning home in a multi-family building**. The total amount of funds for this procedure is BGN 80,000,000. Maximum amount of funding:

Component 1: Purchase of solar installations for domestic hot water supply - up to 100% of the value of the installation, but not more than BGN 1,960.83.

Component 2: Purchase of photovoltaic systems up to 10 kWp, including the electrical energy storage systems - up to 70% of the value of the system, but not more than BGN 15,000. The aim of the scheme is to increase the use of renewable energy in households' final energy consumption by financing the purchase of the best equipment for solar water heating and photovoltaic systems.

### **Energy Efficiency and Renewable Sources Fund<sup>26</sup>**

There is also the Energy Efficiency and Renewable Sources Fund (EERSF), which was established through the Energy Efficiency Act adopted by the Bulgarian Parliament in February 2004. The initial capitalisation of EERSF is entirely with grant funds, its major donors being: the Global Environment Facility through the International Bank for Reconstruction and Development (the World Bank) – USD 10 million; the Government of Austria – Euro 1.5 million; the Government of Bulgaria – Euro 1.5 million and several private Bulgarian companies.

The fund provides possibilities of attracting credit financing for the implementation of energy efficiency or renewable energy measures. It can be complementary to grants and/or ESCO funding, bridging, or one that fully covers the financial needs of the projects.

Main activities of the Fund are:

- Facilitates Energy Efficiency Investments
- Pursues Substantial Reduction of Greenhouse Gases
- Promotes the Development of a Working Energy Efficiency Market in Bulgaria

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25 BG-RRP-4.026, [\[Link\]](#)

26 Energy Efficiency and Renewable Sources Fund (EERSF), [\[Link\]](#)




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## Support services



### Energy auditing

Before energy efficiency measures can be implemented in residential buildings, an energy audit of the building must be carried out. The verification of the energy audits is carried out by the SEDA (Sustainable Energy Development Agency) through systematic or random sampling of the audited buildings. The activity of the energy auditors is controlled by:

-  Checking the validity of the input data of the building used to issue the EPC (Energy Performance Certificate) and the results stated in the certificate;
-  Checking the input data entered into the EPC and verifying the results, including the recommendations for energy efficiency improvement;
-  a full verification of the data, results and measures prescribed for energy efficiency improvement through a site visit to check the validity between the data stated in the EPC and the certified building.

Contracting entities are obliged to obtain an EPC of the building. This applies to new construction projects and, in the case of existing buildings, to alterations, major renovations, overhauls and refurbishments. Compliance with the prescribed measures is assessed through energy audits carried out by companies registered with the SEDA. The Energy Efficiency Act, the Spatial Planning Act and the relevant regulations based on these Acts set out the legislative and technical measures that must be applied to existing buildings by law.

## One-stop shops

At present, three municipal energy efficiency centres have been opened in Bulgaria, which operate on a one-stop-shop basis. These centres have been opened in the cities of Bourgas, Gabrovo and Sofia and have attracted considerable interest from citizens. They provide up-to-date information and administrative support for the implementation of energy efficiency and renewable energy projects by citizens and local businesses. They also provide information on the requirements for participation in current national calls for sustainable energy projects, maintain a register of local providers of related services such as energy efficiency audits, building certification, design, professional management of the building stock, financing and vocational training. They also provide an ongoing opportunity to discuss possible new activities and initiatives, with the participation of a specially created local advisory board, to guide investment decisions and change the behaviour of local communities towards sustainable energy consumption.

## Energy Saving Companies

Contracts by energy saving companies (ESCOs) are regulated by the Energy Efficiency Act. Potential beneficiaries, including households and municipalities, can also benefit from expert advice from the Alliance for Energy Efficiency on how to use the ESCO mechanism. ESCOs offer owners of public or residential buildings the opportunity to bear the initial costs of investing in feasibility studies and implementing energy-saving measures. In addition to providing a financial resource, ESCO companies also guarantee the achievement of energy savings, which in turn allows the owners to pay back the investments made in energy-saving measures with peace of mind. The issue is also relevant because ESCO contracts have been included in the latest version of the application guidelines for the upcoming second phase of the National Housing Rehabilitation Programme.



## Other support services

In order to achieve maximum transparency in the preparation and implementation of energy efficiency and renewable energy projects and to achieve good coordination, stakeholders can freely use the [SUNShINE online platform](#)<sup>27</sup>, which is suitable for apartment owners, ESCO companies, investors, financial institutions and municipalities.

Furthermore, [Energy Efficiency and Renewable Sources Fund \(EERSF\)](#)<sup>28</sup> has the combined capacity of a lending institution, a credit guarantee facility and a consulting company. It provides **technical assistance** to Bulgarian enterprises, municipalities and **private individuals** in developing energy efficiency investment projects and then assists their financing, co-financing or plays the role of guarantor in front of other financing institutions. The underlying principle of EERSF's operations is a public-private partnership. The Fund pursues an agenda fully supported by the Government of Bulgaria, but it is structured as an independent legal entity, separate from any governmental, municipal and private agency or institution.

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## Tax incentives



According to the Local Taxes and Fees Act, buildings that were put into operation before January 1, 2005 and that have obtained an energy performance certificate with an energy efficiency class of B, C or D are exempt from real estate tax. This exemption can be for three, five, seven or ten years depending on the date of commissioning, the energy efficiency class, and whether renewable energy is used to offset the consumption of the building itself.

At the beginning of 2023, the obligation to register a tax warehouse and pay excise duty will be abolished for persons who produce and consume electricity from renewable energy sources for their own use from an installation with a total installed capacity of up to 1 MW. There are no other legal tax benefits.

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27 [SUNShINE online platform](#) [\[Link\]](#)

28 [Energy Efficiency and Renewable Sources Fund \(EERSF\)](#), [\[Link\]](#)

## Conclusion

**Bulgaria has one of the highest levels of energy poverty, with a fourth of the population unable to adequately warm their home. Combating energy poverty therefore can be an important driver for Citizen-led renovations. Bulgaria has specific renovation targets in place and substantial funding and support services, such as one-stop-shops, are available.**



At the moment there are some open calls, funds and support services that citizens can apply for or use. However, awareness of funding opportunities and trust in the responsible institutions remain low. In addition, most funding opportunities require private co-investment and upfront costs, such as for energy audits of buildings. In October 2023, the definition of an energy community has been finally officially introduced in Bulgarian legislation. As this amendment of the Renewable Energy Act was done just recently, collective actions on energy efficiency and renewable energy measures are not prevalent in Bulgaria. Therefore there are also no dedicated support mechanisms for Citizen-led renovation via energy communities. These challenges need to be overcome in order to empower citizens of all income levels to undertake renovations and renewable energy installations. If these barriers can be overcome, citizen-led renovations can be a key factor in tackling fuel poverty and improving people's quality of life.



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Citizen-led renovation is managed by the European  
Commission Directorate-General for Energy

