Dear Ladies and Gentlemen,

The Ministry of Energy of the Republic of Bulgaria has elaborated a REGULATION for the reduction of the burden related to expenditures on renewable energy, according to the guidelines on State aid for environmental protection and energy for the period 2014 - 2020 years (the Ordinance).

Upon preparing the texts of the Regulation the following questions has arisen regarding Section 3.7.2 of EEAG "Aid for reducing the financial support for renewable energy sources":

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| **Subject:**  | **Section 3.7.2 of EEAG – p.185** |
| **Question (BG):****1. Bulgaria has no reserves and accordingly production of hard coals. In this respect, is it possible to substitute in position 1 of Annex № 3 to the Guidelines (List of eligible sectors in section 3.7.2) with NACE code 510 - mining of hard coal, with NACE code 520 - Mining of coal and lignite?** |
| **Reply:**Point 185 of EEAG sets the general conditions for granting aid in the form of reductions in the funding of support for energy from renewable sources. The sectors eligible for support under point 185 of EEAG are listed in Annex 3 of EEAG. It (the list) is based on the fulfilment of certain criteria regarding their electro-intensity and their exposure to international trade (further specified in footnote 84).Point 186 of EEAG requires that potential beneficiaries belong to sectors with trade intensity of at least 4% at Union level. A list of mining and manufacturing sectors that meet the trade intensity criteria can be found in Annex 5 to the EEAG. That list does not include NACE code 520 either. Therefore the EEAG do not include mining of coal and lignite as an eligible sector. |