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 3.7.3 of EEAG**  |
| **Question (BG):****3. According to the Transitional rules in Article 3.7.3, it is required the MS to submit an adjustment plan and to inform the European Commission within 12 months after the enforcement of the present Guidelines.****Since Bulgaria hasn’t applied the Guidelines in Art. 3.7.2 before, is it necessary to work out an adjustment plan for their application? If required, what is the deadline for presenting the plan (taking into consideration that real State Aid according to Art. 3.7.2. has not been provided and it will be granted after the approval of the proposed pattern in the Regulation)? What should this plan contain?** |
| **Reply:**If the aid in the form of reductions in the funding of support for energy from renewable sources satisfies fully the eligibility and proportionality criteria set out in Section 3.7.2. of EEAG there is no need of an adjustment plan. However such aid is still subject to being notified.An adjustment plan is only necessary if aid in the form of reductions in the funding of support for energy from renewable sources was granted to beneficiaries before the application of the EEAG (i.e. prior to 01.07.2014). An adjustment plan shall entail progressive adjustments to the aid levels resulting from the application of the eligibility and proportionality criteria of Section 3.7.2. of EEAG (point 195 of EEAG).The adjustment plan shall be notified to the Commission at the latest 12 months after the date of application of the EEAG (point 200 of EEAG). |