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**Amendments to the Energy Act adopted by SG No. 11 of 02.02.2023 (in force of 06.02.2023) introduce the regulation of electricity storage activities, the increase in the installed capacity threshold for electricity generators subject to licensing and the creation of an exchange market for guarantees of origin.**

- I. The amendments establish a legal framework of electricity storage as one of the activities regulated under the Energy Act. They further introduce new definitions of: 'electricity storage', 'electricity storage facility', and 'storage facility operator', compliant with the definitions contained in Directive 2019/944/EU.

An electricity storage facility shall be constructed:

- i. to a new or existing site for the production or consumption of electricity, with the exception of the sites referred to in Article 25a of the Energy from Renewable Sources Act (sites constructed on roofs/facades of buildings used for the production of electricity for own use);
- ii. as a stand-alone facility.

The electricity storage activity will be carried out freely and is not subject to licensing, except in cases where the storage facility is a stand-alone facility (not built to an existing site) and the operator of that facility concludes transactions with electricity. In this case, the operator of the electricity storage facility shall be subject to licensing as an electricity trader.

Operators of electricity storage facilities will be allowed to store their own or purchased electricity and to trade with the stored electricity and/or provide additional services. Transactions with stored electricity will be performed at freely negotiated prices and the Operators will be a party to each transaction. Operators of electricity storage facilities connected after 1.02.2023 are not obligated to conclude transactions with electricity on the organized power exchange market.

The Energy Act expressly provides that the relevant grid operator is not entitled to deny a connection of a new electricity storage facility based on possible future constraints in the grid capacity of the grid and is obligated to connect any facility provided that the conditions and regulatory requirements for connection to the relevant grid are met. If the electricity storage facility is built on the energy facilities of an electricity producer or an end-consumer that are already connected to the relevant grid, no connection procedure is conducted as only a notification is required.

- II. Further, the amendments to the Energy Act increase the installed capacity threshold for electricity generators subject to licensing. Thus, the generation of electricity by an entity owning a power plant with a total installed capacity of up to and including 20 MW is not subject to the licensing. In this respect licenses issued for the generation of electricity from an energy facility up to and including 20 MW shall be terminated as of the date of entry into force of the amendment.
  
- III. Finally, the amendments to the Energy Act provide for the establishment of an exchange market for guarantees of origin administered by the IBEX. These amendments are not yet reflected in the Energy from Renewable Sources Act and Regulation No. RD-16-1117 of 14.10.2011 on the Conditions and Procedures for the Issuance, Transfer, Revocation and Acceptance of Guarantees of Origin for Renewable Energy. It is published on the IBEX web site that the latter has already taken steps towards implementing a trading platform for the new product, as the creation of an objective, transparent and effectively functioning market for guarantees of origin is one of the IBEX priorities for the current year, but the terms and conditions for trading on this exchange market are not clear yet.

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