



STATE ENERGY REGULATORY COMMISSION - BULGARIA

SERC – STRUCTURE, FUNCTIONS, AND MAIN ACTIVITIES

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Chairman of SERC

May 18-24, 2002

Newark, New Jersey – Washington, DC, U.S.A.



STATE ENERGY REGULATORY COMMISSION - BULGARIA

On 10 of September 1999 the SERC is established by an
Order of the Council of Ministers N 181

Structure:

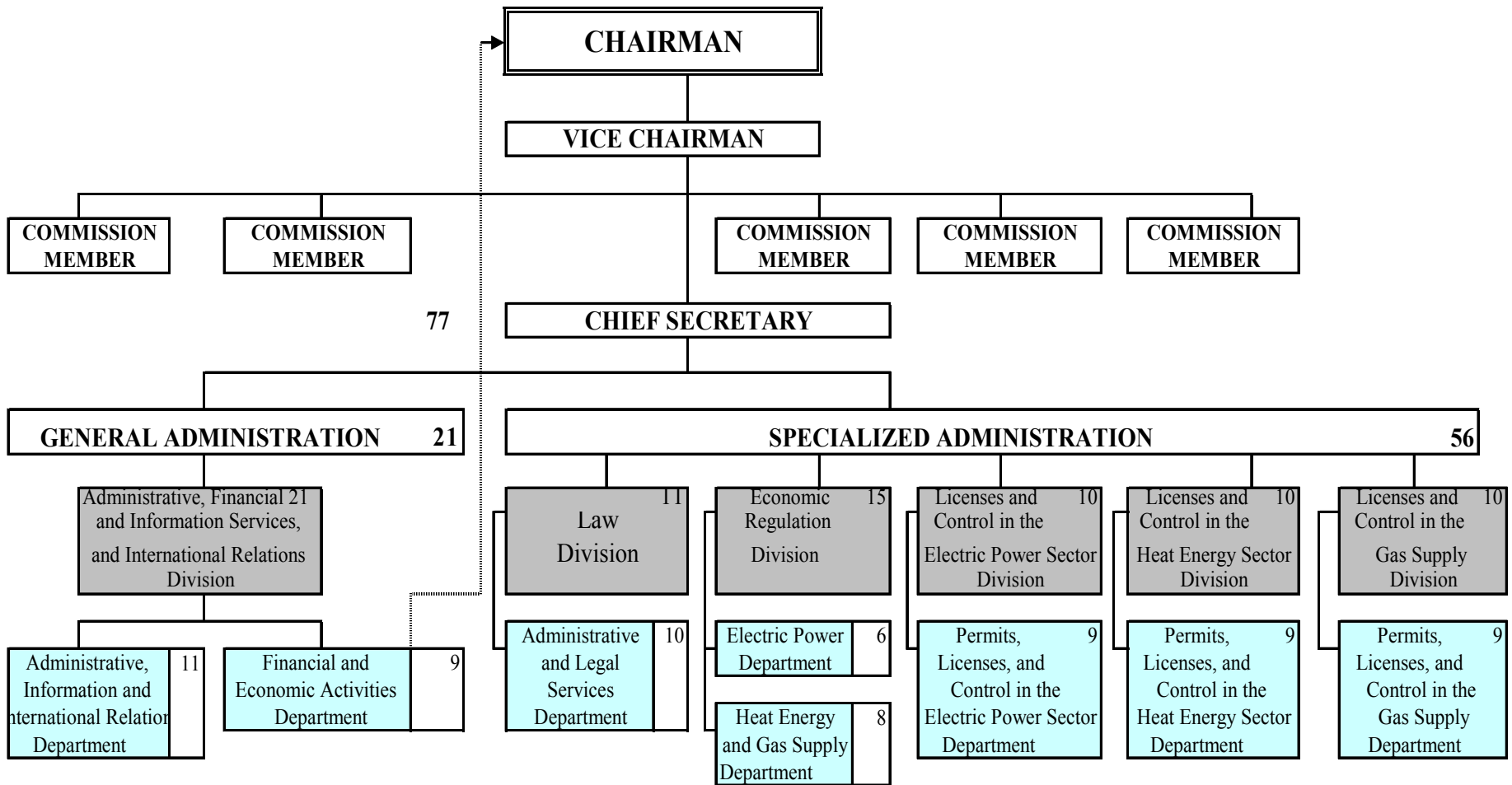
- **7 Commissioners, including the chairman and vice-chairman;**
- **85 employees, the Commissioners included;**
- **6 Division, 5 Specialized Administration Divisions and 1 General Administration Division;**
- **Specialized Administration – 56 persons;**
- **11 jurists;**
- **15 economists;**
- **30 engineers;**

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Main principles in the work of the SERC:

- Balance between the interests of the energy companies and the consumers;
- Incentives for greater efficiency of the energy companies subject to price regulation;
- Non-discrimination in the relations between producers, distributors, and consumers;





Main principles in the work of the SERC:

- Economically grounded expenses, including the expenses for:
 - a) maintenances of back-up capacities;
 - b) supply and maintenance of fuel reserves;
 - c) energy efficiency, environmental protection and nuclear safety;





Main principles in the work of the SERC:

- d) radioactive waste storage and decommissioning of nuclear facilities;
- e) repair schedules and economically justified investment programs;
- Reasonable rate of return;
- Prohibition of cross-subsidies.



The Authorities of the SERC

Issues permits and licenses for:

- heat and/or power generation
- transmission of heat, power and natural gas
- power and natural gas distribution
- transition and storage of natural gas



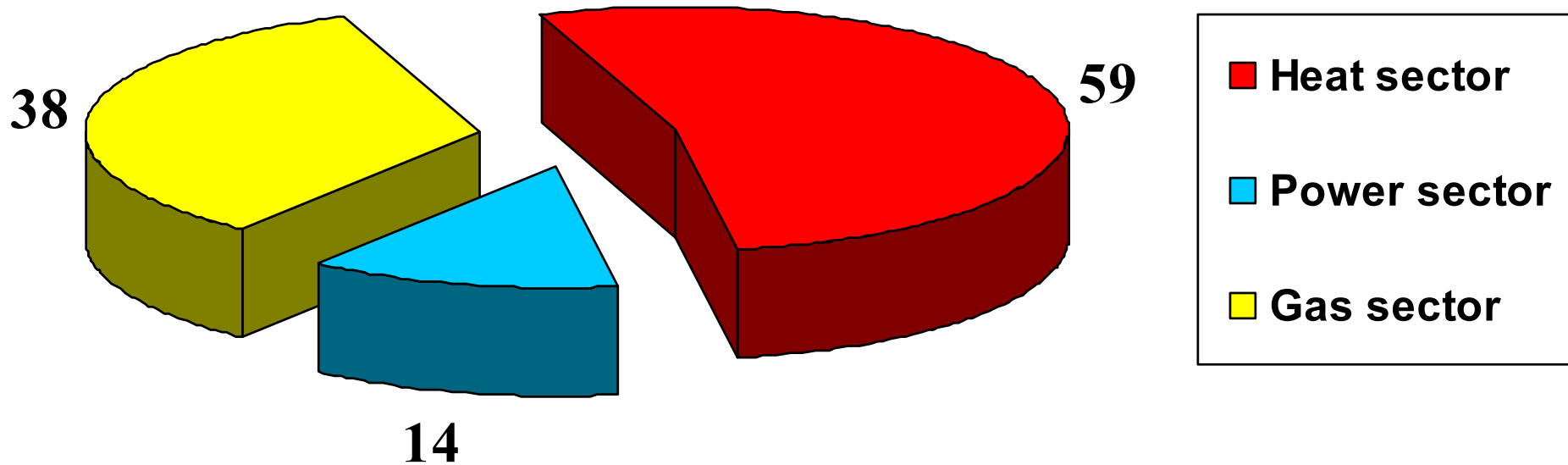


The Authorities of the SERC

- Controls the terms of permits and licenses
- Approves the energy prices
- Prepares the secondary energy legislation

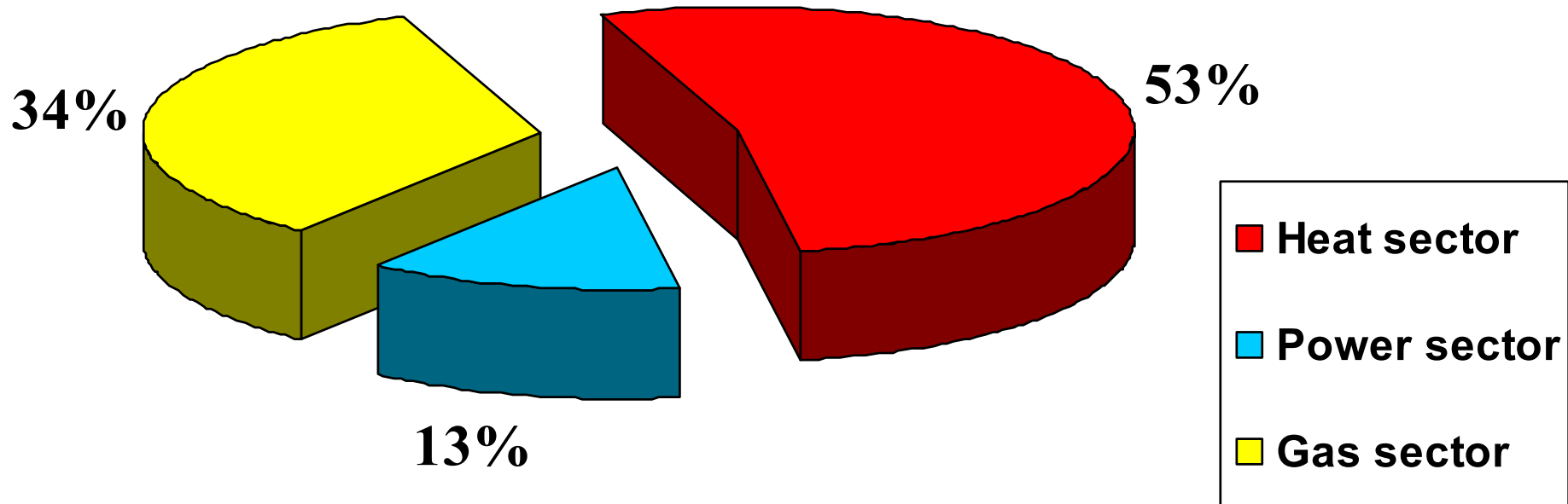


Licenses issued by SERC – total 111





Licenses issued by SERC

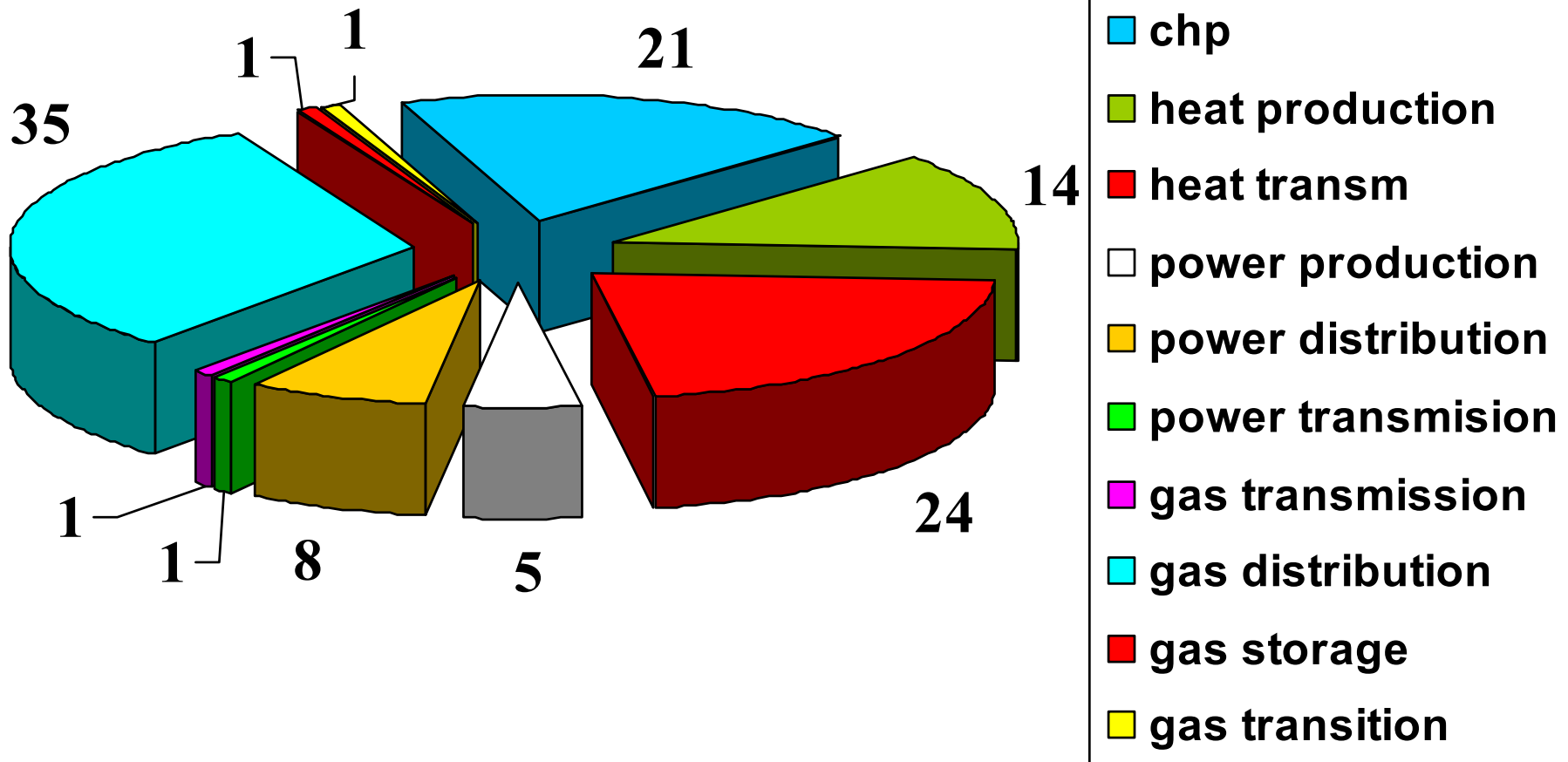


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International Activities

- **Co-operation with the National Association of Regulatory Utility Commissioners (NARUC), USA, and the United States Agency for International Development (USAID)**
- **Active participation in the Energy Regulators Regional Association of the Central/Eastern European and Newly Independent States region (ERRA) and the Standing Committees**
- **European integration:**
 - a) **Programs: PHARE 2000, SARA 2 etc.;**
 - b) **Working group № 14 *Energy Sector* – preparation for EU accession**

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International Activities

Funded Projects

- **PHARE 2000 project “Institution Building at the SERC” – expected to start in September 2002**
- **The World Bank’s project Development of Tender Procedures for Selection of Investors for Natural Gas Distribution Networks – expected to start in June 2002**
- **SERC’s experts’ involvement in the Stability Pact’s project “Southeastern Europe Electrical System Technical Support” (SEETEC) - funded by the Canadian International Development Agency (CIDA)**



International Activities

Main Priorities

The SERC's foreign activities are focused on:

- Strengthening the position of the SERC as an operating regulatory body in the restructuring of the energy sector;
- Preparation for integrating with the European energy markets.



Energy Reform

Main Purposes

- Increasing the private sector share
- Improving the energy efficiency
- Implementing competition rules for and quality standards
- Synchronizing the Bulgarian legislation with the EU one



Results

- Applicable regulatory frames
- Stimulating regulatory regime
- Fair allocation of benefits
- Avoiding unauthorized activities concerning the monopoly position of energy companies
- Effective investment allocation between energy sub-sectors
- Regulator's Responsibilities
- Security and predictability in the sector