

TOWARDS AN INCLUSIVE GREEN RECOVERY IN BULGARIA

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The climate and energy transition in Europe is meeting increasing geopolitical and geoeconomic headwinds amid rising global power competition. The gas and electricity crisis in Europe in the second half of 2021 has become a stark reminder that the **energy policy trilemma** of achieving **affordability, energy security and environmental sustainability** at the same time, is far from solved. The crisis has revealed how the over-reliance on fossil fuels, as well as the concentration of mineral resources used in renewable energy technologies in the hands of few authoritarian states such as Russia and China could significantly increase climate and energy security risks and could undermine the viability of the energy transition. It has also bolstered voices urging for the revision or even the halting of the European Green Deal. This would be wrong.

The European Green Deal is not the cause but the solution to the energy crisis. It is also potentially the strongest instrument for reversing climate change and for increasing the energy security of the EU and its members. Yet, the drive towards decarbonization supported by funding from the Recovery and Resilience Facility and the Next Generation EU will have to overcome the considerable headwinds of climate skepticism and opposition in EU societies, fueled by domestic and foreign political pressure¹. **Green Deal skepticism** and misunderstanding **in Central and Eastern Europe** could be higher even than the opposition of the COVID-19 vaccination². The political fallout from the current energy crisis and the specter of energy outages in the winter would require strong political will to power through necessary reforms to complete the green energy transition.

KEY POINTS

- The energy crisis in Europe has become a stark reminder that the **energy policy trilemma** of achieving affordability, energy security and environmental sustainability is far from solved.
- The least costly pathway to a low-carbon and energy secure economy is for Bulgaria to **transform its electricity supply mix** and to boost electrification. An earlier **lignite phase-out** would yield overall higher socio-economic welfare.
- The National Recovery and Resilience Plan (NRRP) does not rein in **state capture practices** in the energy sector. It could perpetuate them as funding is directed towards **unnecessary large infrastructure projects** revealing a piecemeal approach in green recovery policies.
- Instead, the NRRP should invest in the development of the country's **smart grid capacities**, which will play a key role in the better integration of renewable energy-based power plants.
- The NRRP should also harness the country's potential in alternative cutting-edge renewable energy technologies such as **offshore wind in the Black Sea**. Bulgaria is the only European littoral country with no offshore wind energy developments.
- Bulgaria should clearly link its energy and climate security policy with **alleviating energy poverty** within a broader economic strategy for increasing prosperity.

¹ For example, over half of all Bulgarians believe the European Green Deal is to blame for the energy crisis.

² Center for the Study of Democracy, *Disinformation Narratives in the November 2021 Bulgarian Elections Campaign: Key Actors and Amplifiers*, Policy Brief No. 105, November 2021.

This is particularly true for Bulgaria. Its government has not yet envisioned a long-term national policy framework and has not clearly defined energy security and climate policy objectives within the European Union framework³. Bulgaria will have to transform its energy sector over the next decade by gradually phasing out coal-fired power generation and by investing heavily in renewable energy. The country's **dependence on coal and (mostly Russian) natural gas** amid rising carbon emission prices and a tightening global gas supply has already led to a painful spike in energy prices in the second half of 2021. The impact on **energy poverty**, already among the highest in Europe, is dramatic and has hard-pressed politicians to bow to popular demands for delaying the uptake of renewable energy sources and the coal phase-out. And in its National Recovery and Resilience Plan (NRRP), Bulgaria has doubled down on building unnecessary large-scale natural gas projects that will potentially increase its dependence on Russia by at least a third with detrimental long-term consequences for energy security and the transition process. Instead, Bulgaria should choose to decarbonize its energy system, with a long-term emission reduction target in mind, and massive investment in renewable energy, storage technology and smart grids.⁴

The EU has provided the Bulgarian government with unprecedentedly large **resources for decarbonization**. But without strategic vision, they **would line the pockets of the country's powerful energy lobbyists** with strong links to Russia. The last version of the NRRP sent for approval to the European Commission was a step in the right direction. The Plan has a better macroeconomic basis than previous versions, and the focus on innovation and the energy transition is much stronger. However, the new NRRP still does not rein in state capture practices in the energy sector, which have prevented the low-carbon transition from taking firm roots so far. The focus of the funding instruments still lies on unnecessary large infrastructure projects and reveals a **piece-meal approach in developing green recovery policies**. The design and implementation of sophisticated environmental and energy policies require more effective governance and rule of law regimes, with regulatory institutions and state-owned energy companies that operate independently from oligarchic influence.

³ Center for the Study of Democracy, *Now or never: will Bulgaria catch the Last Train to Green Economic Recovery?*, Policy Brief No. 95, December 2020.

⁴ Center for the Study of Democracy, *Energy Transition Governance for Better Energy Security in Europe*, Policy Brief No. 88, October 2019.

Towards a New Energy and Climate Security Agenda

Reaching carbon neutrality by 2050 is possible for Bulgaria. However, this would require an overhaul of the country's energy and climate strategy so that it is in line with EU's long-term decarbonization framework. It would also mean better aligning the NRRP with other EU and national financial instruments such as the Territorial Just Transition Plans, the Operational Programs and the Modernization Fund, among others. These combined financial resources should be better leveraged to overcome a multitude of energy security risks and to unlock Bulgaria's energy transition.

The least costly pathway to a low-carbon and energy secure economy is for Bulgaria to **transform the electricity supply mix and to boost electrification** in key sectors. This also means modernizing and improving the resilience of the whole power system⁵. Decarbonization cannot come at the expense of energy security:

- Bulgaria must complete its **gas diversification** and security of supply projects, including its market integration in South East Europe.
- The country must also reduce wasteful energy demand through comprehensive **energy and material efficiency** measures and through promoting new consumer behavior and business practices.
- Energy security will not be sustainable if the government does not comprehensively address one of the biggest structural risks: **energy poverty**. Decentralization of the energy system and enabling vulnerable consumers to become active participants in the transition are key to reducing energy poverty.

Coal Phase-Out

Bulgaria lacks a clear coal phase-out timeline that is based on evidence-based scenarios. The proposed date for a coal phase out in the NRRP is not in line with the economic viability of the main coal producing plants in the country. And it goes beyond the envisioned time framework of most countries in Europe. The unrealistic coal phase-out strategy could derail efforts for the economic and social transformation of the coal regions. This sends the wrong signal to the companies and workers there that would be less inclined to embark on the painful but more sustainable path to transition. Additionally, the higher power prices caused by the lignite phase-out

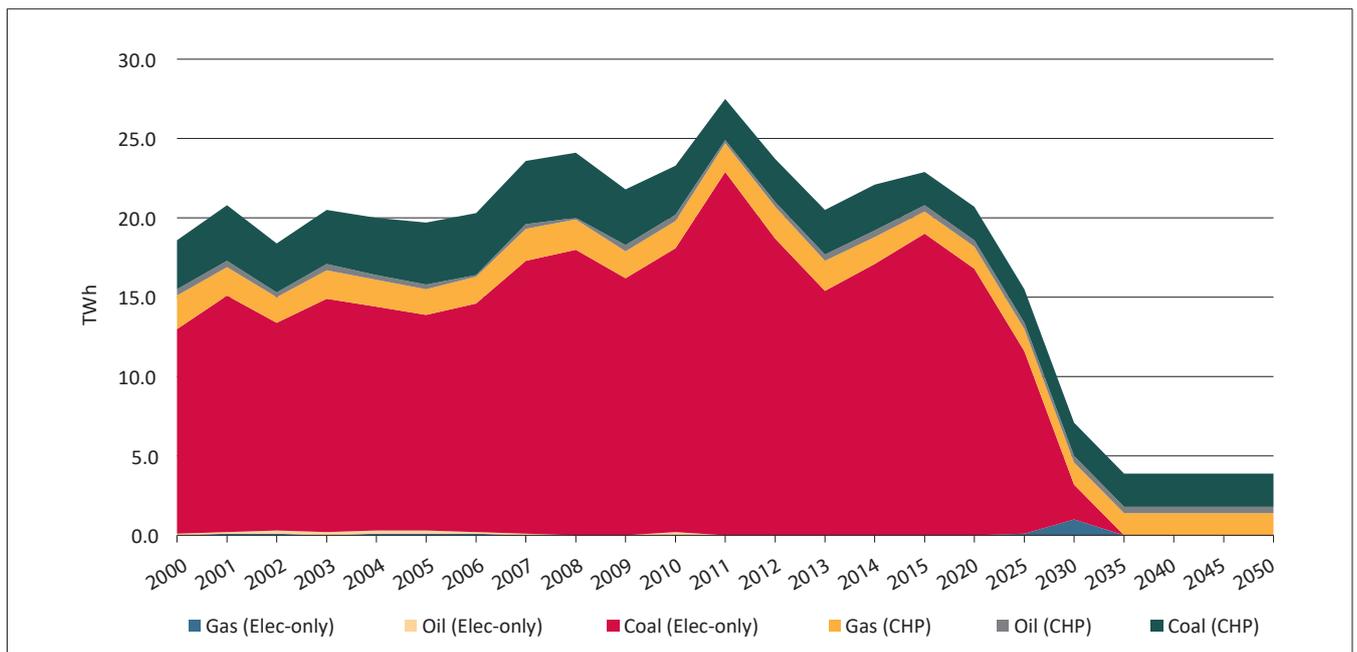
⁵ Center for the Study of Democracy, *Green Recovery Pathways to Bulgaria's Carbon Neutrality by 2050*, Policy Brief No. 101, June 2021.

would incite investments in alternative base-load generation capacities including in the construction of the Belene nuclear power plant project. This could create serious risks for **crowding-out of renewable energy investments**, provided the entrenched political capabilities of gas and coal lobbies and the very high short-term political attractiveness of the Belene NPP public procurement spending.

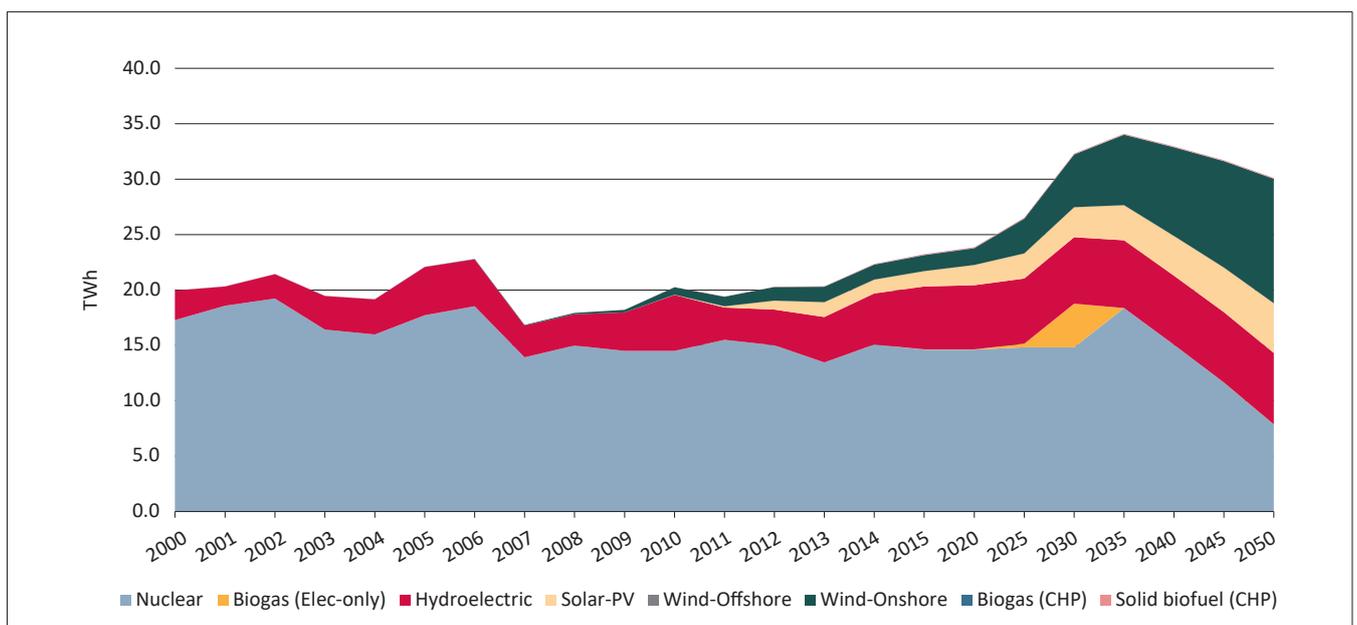
Modelling assessments consistently reveal that an **earlier closing of the lignite-fired power plants** in Bulgaria would yield overall **higher socio-economic welfare** than delaying the process. It would not only eliminate existing subsidies for lignite power production that can be estimated at around EUR 1 billion per annum but would also increase the overall profitability of the remaining thermal power plants. The earlier the phase-

Figure 1. The Power Generation Mix in a Long-Term Decarbonization Scenario

Fossil fuel-based power generation

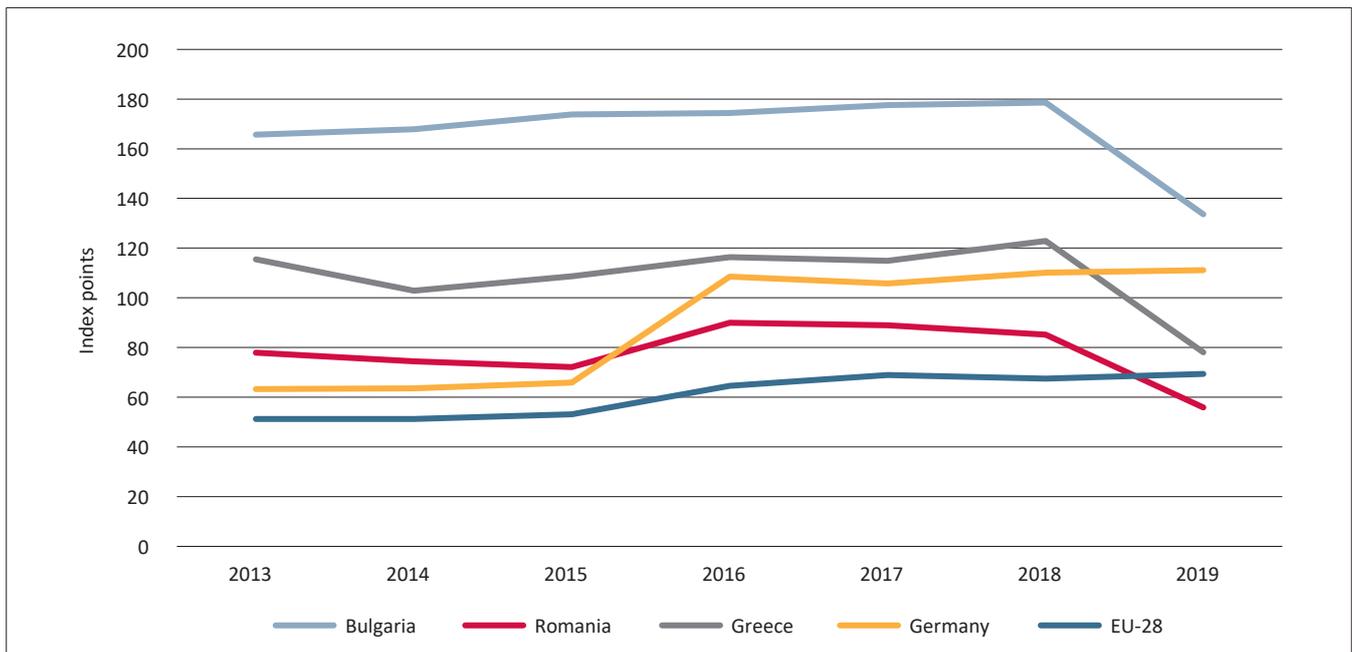


Renewable energy based power generation



Source: CSD with the Pathways Explorer tool designed by CLIMACT; based on the National Energy and Climate Plan and the National Recovery and Resilience Plan.

Figure 2. Natural Gas Import Security Risk Index



Source: CSD calculations based on Eurostat (imports, exports, consumption). The Security Risk Index reflects the share of imports in total consumption and the diversity of import sources.

out of the least competitive coal plants such as the TPP Maritsa Iztok 2 and some of the most polluting small TPPs (Bobov Dol, Maritsa 3 and Pernik among others), would increase the net present value of profits for the remaining facilities to around EUR 650 million by 2030 up from an expected loss of EUR 369 million for the lignite plants (excluding the subsidies). The profitability of the remaining plants in Bulgaria would allow them to devote the necessary financial resources to modernize the facilities to comply with the Industrial Emission Directive (IED) standards or to enable a fuel switch.

The early closing of lignite plants leads inevitably to an increase in electricity prices, the expansion of net imports of electricity to cover the shortfall and to a reduction of overall consumer welfare in the short run (i.e. 2 to 3 years after the first plants are closed in 2021). The price effect calls for public policy **measures to reduce the impact on the most vulnerable social groups** following the full removal of regulated power tariffs.

The Bulgarian government has agreed to discontinue **state support** in the form of power purchase agreements, regulated market quotas or cold reserve capacity after 2025. Without subsidies none of the existing coal plants will be able to survive economically. The plants will most likely close if they do not finance an investment in replacing coal with natural gas or another type of fuel that emits green-house gas (GHG) emissions below 550 g/KWh of generated electricity.

Bulgaria can mobilize at least EUR 1.2 billion in funding from the Just Transition Fund for the industrial restructuring of its coal regions, where close to 43,000 people are directly and indirectly employed in the coal sector. It is crucial that these resources are directed towards investment in sustainable projects with a strong decarbonization rationale⁶. Financing new fossil-fuel based infrastructure must be avoided, as such projects are also becoming ineligible for funding under EU rules. Moreover, any investment in hydrogen production must focus exclusively on green hydrogen, mainly from wind and solar energy.

Avoiding a Natural Gas Lock-In

The latest version of the NRRP foresees the expansion of natural gas transmission infrastructure and the construction of a **new 1 GW gas-fired power plant** to replace lignite electricity generation. Such a step would **perpetuate the Bulgarian gas import dependence on Russia**, and could reduce the impetus for a fossil fuel phase-out. One immediate repercussion could be the bolstering of the position of climate transition sceptic Russia, which could continue to use energy as a tool for economic and political influence in Bulgaria⁷.

⁶ Trifonova, M. et al., *Territorial Just Transition Plans: Guidelines for a Comparative Evaluation Framework*, Sofia: Center for the Study of Democracy, 2021.

⁷ Vladimirov, M., and De Jong, S., “Deciphering Gazprom’s Pipeline Agenda in Europe”, *Atlantic Council*, March 14, 2017.

Financing new fossil-fuel based infrastructure is likely to push prices further up and increase the risk of stranded assets and missed green transition opportunities⁸. It is true that the closing of lignite power plants will make natural gas more competitive on the back of rising prices, and its role could be expanded as a replacement fuel in existing generation facilities. However, gas **cannot be a source of baseload power generation** considering the country's existing hydropower capacity that serves to cover peak demand and provides effective power storage.

Meanwhile, the limited liberalization and diversification of the regional gas market has allowed Gazprom to remain the dominant supplier in the Balkans⁹. Russia controls 100% of the supply in the Western Balkans, around 90% in Bulgaria, 34% in Greece and between 10% and 30% in Romania. Diversification options from Azerbaijan and LNG are now available but strategic gas suppliers in the region have generally doubled-down on Russian gas with the exception of Romania, which has significant domestic production capacity. In addition, the completion of the **Nord Stream II and TurkStream** pipelines have **crowded out diversification projects** and could lock the region in an ever-greater dependence on Gazprom¹⁰. The two projects could also create bottlenecks for the better integration of the European gas markets and lead to a growing price divergence between Eastern and Western EU members. The Russia-led projects have stalled efforts to liberalize and integrate regional gas markets while locking countries in the region into long-term expensive and asymmetrical supply agreements that would make it only more difficult for governments to alleviate their dependence on gas in the medium run.

Renewable Energy Uptake

The most sustainable way to reduce the dependence on local and imported fossil fuels and at the same time to decarbonize the energy mix will be to **replace coal power plants with a locally-sourced renewable energy supply**¹¹. The latter would require the enabling of private investment through targeted reforms streamlining the regulatory framework, reducing the administrative burden

and shifting the focus to a citizen-driven decentralization of power generation. Moreover, higher renewable energy integration in the system leads to overall lower prices, especially in the more ambitious coal phase-out scenarios. As overall market prices are expected to remain high over the next decade, the cost of support mechanisms, which could be in the form of tenders, would be minimal if any. This calls for the government to reallocate the state revenues from selling carbon certificates on the European market to supporting new renewables projects; an unused policy instrument so far.

However, the focus of the NRRP and the bulk of the financial resources allocated to the low-carbon transition of the electricity sector remains on **one large-scale tender scheme for RES investment** with a mandatory quota for installed storage capacity. The renewable energy project for the installation of 1.7 GW in new renewable energy places an **unnecessarily large focus on electricity storage**. It requires a very high minimum storage capacity threshold – 25% of the capacity of the whole plant. The NRRP includes additional measures for the improvement of the management and dispatching of the electricity system such as a reform of the balancing market and the digitalization of the electricity transmission system. Hence, in the framework of well-interconnected power markets in the SEE region, the excess power storage capacity does not make economic sense. In addition, the project follows a financing model that provides **discriminatory support for utility-scale renewable investors**. It should instead be supporting energy citizenship via the decentralization of the power supply, the creation of energy communities and the development of smart grids. If storage technologies are to be supported, it would be more efficient to invest in the development of grid-level batteries that can be used in a non-discriminatory way by all electricity market participants.

Private sector investment in the proliferation of decentralized energy systems is crucial for unlocking the potential for small-scale renewable energy systems in Bulgaria, estimated at around 5 GW of installed capacity. In this respect, the Bulgarian government needs to adopt a **regulatory framework** including net-metering and energy storage use to ensure that all consumers, including low-income households, can participate in renewable energy communities that are clearly defined by the national legislation¹². **Consumer Stock Ownership Plans** or similar business models could be incorporated into funding programs as innovative financial instruments to

⁸ Energy Futures Initiative, Goldwyn Global Strategies, Center for the Study of Democracy, *The Future of Natural Gas in a Deeply Decarbonized World. Expert Workshop Summary Report*, June 2021.

⁹ Center for the Study of Democracy, *Capture Proofing the Energy Sector in Central and Eastern Europe: The Case of TurkStream*, Policy Brief No. 103, July 2021.

¹⁰ Shentov, O., Stefanov, R., and Vladimirov, M., *The Kremlin Playbook in Europe*, Sofia: Center for the Study of Democracy, 2020.

¹¹ Center for the Study of Democracy, *Carbon Neutral Bulgaria 2050: A Cheat Sheet for Policy-Makers*, Policy Brief No. 104. July 2021.

¹² Center for the Study of Democracy, *Mapping policy options for renewable energy communities in Europe*, Policy Brief No. 93, November 2020.

promote the co-ownership of renewable energy sources by vulnerable consumers and the upscaling of renewable energy communities. Micro-grant schemes should be used for financing projects for community-owned renewable energy projects and more generally to incentivize individual energy supply investments.

When renewable energy uptake is considered, there is also a need to return to basics. **Hydropower** is one of the most flexible electricity generation technologies and its role in ensuring system reliability is expected to grow. As such, adequate financing should be directed towards the modernization and expansion of the existing power generation stock. Due to the delay of ongoing refurbishment projects and regulatory inconsistencies, Bulgaria utilizes only a third of its large hydropower capacity and even less of the smaller run-of-the-river facilities. In times of skyrocketing power prices and supply deficits, hydropower could ease the pressure on the system and provide cheaper electricity during periods of peak demand.

Power Grid Resilience

The accommodation of a large share of variable renewable energy sources requires a modern, flexible, and resilient power system and closer integration with the wider European power market. The decentralization of the power grid cannot be possible without the **integration of smart grid technologies**, allowing for better monitoring and control of the energy system and further ensuring the security and efficiency of its supply. Furthermore, modernization of the power grid will ensure stronger resilience to some of the effects of climate change, such as extreme weather events, which is crucial for the future of Bulgaria's energy security. This includes enhanced hydropower capacity, but also investment in systemic grid-level storage capacities with non-discriminatory access for all power market players. The modernization of the transmission system and the development of smart grids at the power distribution level should be front and center of the energy pillar of the NRRP. Yet, it has not been included at all in the strategic document.

Bulgaria will become a net importer of electricity after 2025 (for between 10 and 25% of consumption depending on the speed of the coal phase-out) but the power system should not face significant supply security issues. Nonetheless, regional governments should **accelerate the completion of key power interconnections** including the Bulgaria-Greece high-voltage power line and the 1,200 MW Bulgaria-Romania link that is currently not planned to be complete before the start of the phase-out of lignite plants. Such power intercon-

nections would reduce peak power prices and reduce pressure on the regional power market integration, which currently faces import bottlenecks.

Moreover, it is crucial for the Bulgarian TSO to also work in cooperation with neighboring operators to **increase the allocation of net transfer capacity (NTC)** on the border with Romania and Greece. Currently only a fraction of the technical cross-border capacity is in use blocking regional power trading. This would eliminate autarkic policies aiming to shield markets from competition. This process has to go hand in hand with the completion of the market coupling between the Bulgarian power exchange and the European Energy Exchange (EEX), so as to reduce bottlenecks in trading, which currently result in excessive prices on the day-ahead and bilateral trading platforms.

Improving Energy Efficiency

Reducing the energy intensity of Bulgaria's economy is critical for reaching carbon neutrality. It is also a key policy for improving energy security, as lower energy consumption means fewer energy imports and less power system volatility in peak demand periods. Reducing energy demand requires energy efficiency measures and incentives for a change in consumption behavior and business processes. The Bulgarian government would also need to develop demand-side response mechanisms to cut the peak during periods of extreme demand during the winter including: the **introduction of tertiary-sector tenders** (industrial sector energy savings), a much bigger focus on energy efficiency (especially in manufacturing and transport), **significant decrease of energy lost in transmission** and distribution, and the preservation of regulated below-market power tariffs only for the most vulnerable social groups.

Despite the large-scale energy efficiency programs for residential and public buildings in the proposed EU and national funding instruments until 2027, these efforts need to be streamlined to achieve a meaningful reduction of energy consumption. There needs to be a considerable increase in both the **rate of renovation** (from less than 1% currently to 3-4% over the 2021-2027 period) and its **depth**. Unlike the planned investments in the NRRP that focus on shallow energy efficiency measures such as wall insulation, deeper renovations would incorporate a transition to near-zero energy buildings where renewable energy heating and power production become integrated into the overall demand structure of buildings. Measures here should prioritize the worst performing buildings and target households suffering from energy poverty as key beneficiaries.

Moreover, financial instruments should support energy efficiency measures for energy-intensive industrial sectors, as well as recycling and improving the quality and efficiency of material use. The improvement of manufacturing processes, the reduction of output losses, and the introduction of smart production designs could be supported via a dedicated stream of funding from the ‘Smart Industry’ component of the NRRP.

The Energy Efficiency/Poverty Conundrum

Energy poverty has remained a persistent energy security risk for Bulgaria. There are two main factors contributing to this situation. On the one hand, in spite of energy price subsidization, particularly of electricity and natural gas, a growing share of the population has experienced problems with covering their bills, as energy prices increase alongside the gradual liberalization of the market. On the other hand, low household energy efficiency, far below the EU and OECD average, has pushed energy consumption up. As a result, **energy poverty** among the population, defined as affordable access to energy resources (electricity, heating, and gas), has remained **stubbornly high**. In addition, the lack of full access of the population to energy infrastructure has preserved the reliance of many households (around 50%) on biomass (mainly firewood and coal, burned in inefficient stoves). Over a third of households report that they are unable to afford to heat their homes adequately, with roughly 50% reporting using wood and coal as their major heating source.¹³

The possible increase of electricity and central heating prices towards a market-based cost would have disproportionately negative effects on energy poverty of households, especially in big cities where wood and coal are not the main sources of heating. At the same time, solid fuels would remain the most likely alternatives for energy poor households, as their prices are not likely to increase substantially in the future, resulting in the further deterioration of air pollution.

Artificially low energy prices have contributed to the accumulation of **large deficits in state-owned energy enterprises**. Companies have become victims of the nexus between energy poverty and systemic mismanagement. State-owned energy companies have played the role of a guarantor of social security at the expense of their financial stability and investments in infrastructure modernization.

The government should phase-out artificially low, regulated energy prices that disincentivize the middle-class from investing in energy efficiency improvements or switching to cleaner energy fuels for heating and cooking. The energy price liberalization must be implemented together with a more comprehensive policy for tackling energy poverty¹⁴. The government should **enable vulnerable groups to become active participants in the energy transition** by reducing the cost of energy efficiency investments, promoting co-ownership of renewables and encouraging prosumerism. Municipalities could also play a role in mobilizing investments and involving vulnerable groups through special public procurement schemes¹⁵.

What’s Next: Energy and Climate Governance First

With the ‘Fit-for-55 package’ and the new goal of reducing emissions by 55% by 2030, the EU is the first international actor on a global scale to turn the long-term goal of climate neutrality into **real policies for European citizens**. In addition, a successful EU decarbonization agenda will **reduce the leverage of Russia (and China) in undermining the European energy transition** by promoting large-scale energy projects that lead to a long-term lock-in of costly fossil-fuel technologies.

In this respect, the EU and the U.S. should work hand in hand to **better align their energy security and climate change policy priorities**.

The EU should complete and liberalize the European energy market and accelerate the development of low-carbon solutions in Central and Eastern Europe via the strategic utilization of existing and new policy and financial instruments such as the Three Seas Initiative.

Although the EU has raised its overall ambitions, some Member States (including Bulgaria) are **resistant to more ambitious 2030 climate targets**. The EU should work with such countries in 2021 and 2022 to promote the adoption of more ambitious climate transition measures, such as:

- an early coal phase-out;
- the building of sustainable energy infrastructure and RES expansion;

¹³ Eurostat, *Can you afford to heat your home? 2016 Survey*; Vladimirov, M., and Özenc, B., *Towards a Stronger EU-Turkey Energy Dialogue: Energy Security Perspectives and Risks*, Center for the Study of Democracy and Economic Policy Research Foundation of Turkey, 2017.

¹⁴ Energy poverty is identified as the biggest threat to Bulgaria’s national energy security; Ministry of Energy, *National Security Strategy of the Republic of Bulgaria*, 2011.

¹⁵ Center for the Study of Democracy, *Mapping policy options for renewable energy communities in Europe*, Policy Brief No. 93, November 2020.

- promoting investments in innovative technologies; as well as
- the removal of legal and administrative barriers for small-scale citizen-driven projects.

Choosing to decarbonize the energy system, with **long term emission reduction targets** in mind, would require massive investment in renewable energy. This requires sophisticated economic transition planning on all governance levels to not leave a gap in the security of supply. Bulgaria needs to utilize the EU funds at its disposal to create the necessary investment environment for ushering a citizen-led switch to renewables *en masse*, instead of the current focus on a few unnecessary large infrastructure projects. Without an effective and transparent spending plan with long-term objectives and indicators for success, the transition could cause social unrest and a popular backlash with detrimental repercussions for political stability.

The NRRP should invest in the development of the country's **smart grid capacity**, which will play a key role for the better integration of a large number of renewable energy-based power plants in the electricity system and improve the management of its balancing needs. The NRRP should also be used to better harness the country's potential in **alternative cutting-edge renewable energy technologies** such as offshore wind in the Black Sea, whose capacity is estimated at 115 GW¹⁶. Bulgaria is the only European littoral country with no offshore wind energy developments. Tellingly, the latest version of the NRRP scrapped a €40 million pilot offshore wind project but introduced two, billion-euro investments in battery storage and gas infrastructure.

An effective energy and climate strategy requires the radical improvement of the **quality of governance**. The Bulgarian government should focus on **countering corruption and state capture risks in the energy sector** by:

- cancelling market-distorting energy subsidies;
- removing political appointments that do not comply with conflict of interests and technical qualification standards; separating political parties from the management of state-owned companies and improving staffing procedures in order to professionalize the management of the energy sector; strictly implementing the OECD standards for managing state-owned enterprises, and ensuring at least bi-annual national reviews;

- introducing decision-making procedures for the prioritization and selection of large investment projects based on clear and transparent criteria and fact-based analyses, synchronized with EU and regional priorities. The project screening criteria should be closely linked to state capture red flags both in the planning and the development stage, so as to prevent changes in the regulatory framework, the public procurement procedures and the project implementation that benefit vested private interests;
- strengthening of the independence of national energy and competition regulators by increasing their administrative and financial capacity;
- introducing better monitoring tools that measure the impact of EU funded projects *ex ante* and in real time; adopting specific performance indicators, comprehensive cost-benefit and impact assessments, and energy audits;
- involving external (EU) expertise to improve transparency and accountability.

Bulgaria is yet to make decades-delayed **strategic governance decisions** if it is to deliver on the promise of the European Green Deal. It should:

- Define its 2030 and 2050 energy security and climate change goals. Current strategic documents are unfeasible, poorly coordinated and in conflict with EU priorities, although predominantly reliant on EU funding.
- Decide on a coal phase out date before 2030 and outline the transition plans for coal regions.
- Prioritize energy technologies and markets of the future in line with the EU framework. Focus on R&D, innovation and technology, as well as market capacity building in these technologies, rather than on their consumption. Shelve the Belene NPP construction plans until after 2040 when models show nuclear might actually be needed.
- Clearly define fossil fuel reliance on Russia as a primary long-term energy security risk. Focus on and complete gas diversification strategies, which will also underpin hydrogen development plans. Link any hydrogen development plans to green energy sources, such as solar and wind.
- Put the energy poor Bulgarian consumer first. All energy security and climate change decisions should be clearly linked to alleviating energy poverty within a broader economic strategy for increasing prosperity. Educate and empower poor households to benefit from the European Green Deal. Tackle climate change misinformation and propaganda.

¹⁶ Trifonova, M., and Vladimirov, M., *Wind Power Generation in Bulgaria: Assessment of the Black Sea Offshore Potential*, Sofia: Center for the Study of Democracy, 2021.