

# **LAW ON ENERGY EFFICIENCY**

*In force from 14 November 2008*

*Prom. SG. 98/14 Nov 2008*

## **Chapter one.**

### **GENERAL PROVISIONS**

Art. 1. (1) This law shall regulate the public relations with regard to the implementation of the governmental policy for energy end- use efficiency promotion and providing energy services.

(2) This law shall apply to energy end-use by the armed forces, as far as it does not contradict the Law on the Defence and the Armed Forces of the Republic of Bulgaria, or any other special law.

(3) This law shall apply to energy end-use by:

1. the installations for the categories of industrial activities, as provided by Art. 131c of the Law on the Environmental Protection;
2. the transport means in the air and water transport

Art. 2. The objective of this law is to promote the energy efficiency as a major factor for enhancing the competitiveness of the economy, electric power supplies security and the protection of the environment, through:

1. a system of measures and activities for enhancing the energy efficiency in the energy end-users;
2. market development of the energy services and performing activities and measures for promotion of the energy efficiency in the end-users from the energy traders.

## **Chapter two.**

### **STATE FUNCTIONS FOR THE ENERGY EFFICIENCY PROMOTION**

#### **Section I.**

#### **Governing Bodies**

Art. 3. (1) The state shall exercise its functions for energy efficiency promotion through the National Assembly and the Council of Ministers.

(2) The national Assembly shall adopt a National Strategy on Energy Efficiency of the Republic of Bulgaria, which shall define the national indicative objective for energy savings, the stages, means and measures for its achievement. The National Strategy shall be updated every 5 years.

(3) The Council of Ministers shall define the state policy for energy efficiency promotion in the end-use energy and providing energy services, which is an integral part of the sustainable development of the country.

(4) While performing its functions under Paragraph 3, The Council of Ministers shall:

1. introduce for adoption by the National Assembly the National Strategy under Paragraph 2, upon proposal of the Minister of Economy and Energy;
2. adopt national action plans in the energy efficiency;
3. adopt annual reports on the implementation of the plans, under point 2;
4. adopt the Ordinances, provided by this law;
5. adopt other acts, related to the energy efficiency promotion, upon proposal of the Minister of the Economy and Energy.

Art. 4. (1) The state policy on energy efficiency promotion in the end-use energy shall be implemented by the Minister of Economy and Energy.

(2) The Minister of Economy and Energy shall:

1. develop and propose to the Council of Ministers the national strategy, referred to Art. 3, Paragraph 2;
2. develop and introduce for adoption by the Council of Ministers national action plans on energy efficiency;
3. present annually for adoption by the Council of Ministers a report on the implementation of the national plans referred to point 3;
4. develop and introduce for adoption by the Council of Ministers drafts of ordinances in the cases, provided by this law;
5. develop draft programmed for energy efficiency promotion in end-use energy and providing energy services and shall introduce them for adoption by the Council of Ministers;
6. issue individually or mutually with the respective Ministers legislative acts, referring to the energy efficiency, within the frames of his competency, as provided by this law;
7. perform interrelation with other state bodies and non-profitable legal persons in reference to the implementation of the state policy on the energy efficiency promotion
8. organize the preparation of legislative acts for harmonization of the Bulgarian legislation in the area of the energy efficiency with the EU *acquis communautaire*;
9. implement international cooperation of the Republic of Bulgaria in the area of energy efficiency;
10. provide the competent institutions of the European Communities with the information, specified in *acquis communautaire*;
11. address, in accordance with its competences, to the competent institutions of the European Communities requests and notifications for granting temporary derogations of *acquis communautaire* and of transitional periods in the area of energy efficiency in the cases specified in *acquis communautaire*;
12. implement other legal capacities in the area of energy efficiency assigned to him by other regulatory acts.

(3) The contents, structure, conditions and procedures for providing information under Paragraph 2, point 10 shall be determined in the Ordinance referred to in Art. 9, Paragraph 4 of the Law on Energy.

Art. 5. (1) The activities on the implementation of the state policy on the promotion of the energy efficiency on the end-use energy and providing energy services shall be implemented by the Executive Director of the Agency for Energy Efficiency, hereinafter referred to as "The Agency".

(2) The Executive Director of the Agency shall be appointed and dismissed by the Minister of Economy and Energy in coordination with the Prime Minister.

(3) The Executive Director shall:

1. run, manage and represent the Agency;
2. exercise control in cases, provided by the law;
3. participate in the drafting of the national action plans of energy efficiency;
4. organize the implementation of activities and measures, included in the national action plans of energy efficiency
5. submit annually to the Minister of Economy and Energy a report on the implementation of the national action plans of energy efficiency;
6. confirm the size of the energy savings as a result of the provided energy services by issuing certificates for energy savings and other measures for promotion of the energy efficiency;
7. participate in the drafting of secondary legislation in the area of energy efficiency;
8. organize the development of draft contracts for providing energy services, directed to the usage of various financial instruments by purchasers of energy services, and the implementation of other activities and measures for promotion of the energy efficiency;
9. organize the drafting of projects and conclude voluntary agreements;
10. execute monitoring of the voluntary agreements;
11. interact with the central and regional bodies of the executive branch, with associations of employers, with industry organisations, associations of users and with non-for-profit legal persons in implementing the measures and activities for promoting the energy efficiency;
12. organise the introduction and maintenance of a national information system for the status of energy efficiency;
13. organise the establishment and updating of the public registers under Art. 23, Paragraph 4 and Art. 34, Paragraph 4;
14. assist the central government and local self-government bodies, as well as the participants in the energy services market while implementing their duties, as provided by this law;
15. organize the popularization of the activities and measures for promotion of the energy efficiency;
16. further the development of energy efficiency training;
17. organise the elaboration and maintenance of a list of the premises, the industrial systems, the water heating furnaces and the air conditioning installations to be brought in compliance with the requirements for energy efficiency;
18. execute other legal powers assigned to him by other regulatory acts.

Art. 6. (1) The Agency of Energy Efficiency is a legal person at budget support - secondary spender of budget credits, with a seat in Sofia, and has the status of an executive agency under the Minister of Economy and Energy.

(2) To implement its activity the agency shall establish territorial units in the regions, referred to Art. 4, Paragraph 3 of the Law on the Regional Development. The seats of the territorial units shall be determined by the Rules of Procedure, under Paragraph 3.

(3) The activities, structure, and organisation of the Agency operation shall be determined by Rules of Procedure adopted by the Council of Ministers.

(4) The Agency shall be the administrator of the revenues from:

1. subsidies from the national budget;
2. own-source revenues;
3. collected sums from fines and property sanctions, imposed by penal orders, issued while executing the control as provided by this law.

4. international programmes and agreements;

5. other sources determined by a regulatory act of the Council of Ministers.

(5) the collected sums from fines and property sanctions, referred to Paragraph 4, point 3 shall be distributed as follows:

1. 50% - to the state budget;

2. 50% - to the Agency budget.

(6) The funds, referred to Paragraph 5, point 2 shall be distributed as follows:

1. 40% - for providing the Agency's control activity;

2. 20% - for acquiring long term material assets by the Agency;

3. 10% - for training and promotion of the Agency staff qualification for implementing the control activity;

4. 30% - for additional material incentives of the Agency staff for performing the control activity.

(7) The terms and conditions for the distribution of the funds, referred to Paragraph 6, point 4 shall be provided by the agency Rules of procedure.

## Section II. ENERGY EFFICIENCY NATIONAL STRATEGY AND ACTION PLANS

Art. 7. The Energy efficiency National Strategy shall determine:

1. the priorities of the state policy and the long-term targets for energy savings for achievement of competitiveness of the country economy;

2. the national indicative targets and the ways to their achievement;

3. the directions for achieving the national indicative targets, as well as the mechanisms, the incentives and the institutional. Financial and legal frameworks for removal of the existing market obstacles and disadvantages, which impede the efficiency in the end-use energy;

4. the directions for creating conditions for the development and encouraging the energy service market and providing other measures for energy efficiency promotion of the energy end-users.

Art. 8. (1) The national energy efficiency action plans shall be developed on the bases of the National Strategy, referred to Art. 7, and shall contain:

1. analyses and investigation of the implementation of the previous national action plan;
2. the interim indicative and individual targets for energy savings;
3. the envisaged for implementation activities and measures for promotion of the energy efficiency;
4. the obligations of the central government and local self-government bodies in reference to the implementation of the envisaged measures;
5. the obligations of the persons, referred to Art. 10, Paragraph 1 for implementation of the individual targets for energy savings;
6. the implementation deadlines;
7. the financial sources;
8. the indicators for accounting the achieved results, as well as other necessary information.

(2) The Agency Executive Director shall submit to the Minister of Economy and Energy the report, referred to Art. 5, Paragraph 3, point 5 by 30 April of the year, following the reporting year.

(3) By 31 May of the year concerned, the Minister of Economy and energy shall submit the report, as provided by Paragraph 2 for adoption by the Council of Ministers.

### Section III.

## NATIONAL INDICATIVE TARGETS FOR ENERGY SAVINGS

Art. 9. (1) The national indicative targets for energy savings shall be defined as a percentage of the energy end-use of the energy end users in compliance with the Ordinance under Paragraph 2.

(2) The methods for defining the national indicative targets, the order for distribution of these targets as individual targets for energy savings among the persons under Art. 10, Paragraph 1, the admitted measures of energy efficiency, the methods for investigation and the ways for confirmation of the energy savings shall be determined by an Ordinance of the Council of Ministers upon proposal of the Minister of Economy and Energy.

Art. 10. (1) The national indicative targets, determined in the action plans under Art. 8 shall be distributed as individual targets for energy savings among:

1. energy traders;
2. owners of premises, under Art. 19;
3. owners of industrial systems, under Art. 33, Paragraph 2.

(2) Implementing the given targets, the persons under Paragraph 1, point 1 may provide energy services to their customers at competition prices or to make contributions in the Energy Efficiency Fund, or in other existing or newly established funds for energy efficiency.

(3) The energy traders shall be obliged to restrain from any activities, which may impede the demand, offer and development of energy services and other activities and measures for promotion of the energy efficiency of their clients.

(4) Implementing the given targets, the persons under Paragraph 1, points 2 and 3 shall be obliged to implement measures for promotion of the energy efficiency, as well as activities, related to the implementation of these measures.

## Section IV. ENERGY EFFICIENCY PLANS AND PROGRAMMES OF THE CENTRAL GOVERNMENT AND LOCAL SELF-GOVERNMENT BODIES

Art. 11. (1) The energy efficiency policy shall be implemented by the central government and local self-government bodies through elaboration of energy efficiency plans and programmed for their implementation for a certain programme period.

(2) The plans and programmes under Paragraph 1 shall be developed in compliance with the National Strategy, under Art. 7 and accounting for the specific characteristics of the regional plans for development of the relevant regions for planning of the territory of the Republic of Bulgaria and their perspectives for sustainable economic development.

(3) The funds for the plan implementation under Paragraph 1 shall be envisaged in the budgets of the central government bodies and the local self-government bodies.

Art. 12. (1) The central government bodies and the local self-government bodies shall submit annually to the Executive Director of the Agency reports on the plan implementation.

(2) The reports under Paragraph 1 shall contain description of the activities and measures, shall point out the proportion of the achieved energy savings and shall be submitted not later than 31 March of the year, following the year of the implemented activities and measures.

(3) The reports shall be drafted on a sample, approved by the Agency Executive Director and shall be a part of the report for the implementation of the relevant national action plan.

## Chapter three. ENERGY EFFICIENCY ACTIVITIES AND MEASURES AND PROVISION OF ENERGY SERVICES

### Section I. ACTIVITIES AND MEASURE FOR ENERGY EFFICIENCY PROMOTION

Art. 13. The activities for the energy efficiency promotion shall be the activities, related to:

1. energy passport;
2. investigation and certifying buildings;

3. investigation industrial systems;
  4. checks for energy efficiency of water heating furnaces and air conditioning installations in buildings, and
  5. management of energy efficiency.
14. The measures for energy efficiency promotion shall be the acts, which lead to checked, measurable, and assessable energy efficiency promotion.

## Section II. INVESTIGATION OF ENERGY EFFICIENCY AND CERTIFICATION OF BUILDINGS

Art. 15. (1) Every investment project for constructing a new building, reconstruction, general renovation, capital repair or amendment of the construction of an existing building shall comply to the requirements for energy efficiency, as provided by this law.

(2) the investment designs of new buildings under Paragraph 1 with a built area of above 1000 sq. m. shall be considered with the possibilities for using of :

1. decentralized systems for production and consumption of energy from restorable energy sources;
2. installations for combined production of electric power and heating energy;
3. installations for central or local heating and cooling;
4. thermal pumps.

(3) The indicators for energy consumption and energy characteristics of the buildings, under Paragraph 1 shall be determined by an Ordinance of the Minister of Economy and Energy and the Minister of the Regional Development and Public Works.

Art. 16. The investigation of the energy efficiency of buildings aims at establishing the level of energy consumption, defining the specific possibilities for its reduction, checking whether the requirements of Art. 15, Paragraph 2 have been observed and recommending measures for promotion the energy efficiency.

Art. 17. (1) The certification of the energy efficiency of buildings aims at verifying the state of the energy consumption levels in the buildings, the energy characteristics and their compliance with the scale of the charts of the energy consumption of the Ordinance, referred to Art. 15, Paragraph 3.

(2) The certification of the energy efficiency of buildings shall be done after investigation of the energy efficiency.

Art. 18. Every building may be certified, with the exception of:

1. buildings and cultural monuments, included in the scope of the Law on the Cultural Monuments and Museums and the Law on the Protected Territories;
2. prayer homes of the legally registered religions in the country;
3. temporary buildings with planned period for usage of up to 2 years;
4. farm buildings of agriculture producers, used for agriculture activity;
5. industrial buildings;

6. houses, functioning up to 4 months yearly;
7. single buildings with built area up to 50 sq. m.

Art. 19. (1) All buildings in exploitation with built area of above 1000 sq. m. shall be certified obligatory, as provided by this law.

(2) Apart from the buildings under Paragraph 1, all other buildings – of state and/or municipal property, in exploitation with built area of above 1000 sq.m. shall be certified obligatory.

(3) The owner of buildings under paragraphs 1 and 2 shall be obliged to implement the measures for energy efficiency promotion, prescribed after the investigation of the energy efficiency, within the term of 3 years after the date of receiving the investigation results.

Art. 20. (1) The assigners under Art. 161, Paragraph 1 of the Law on the Territory Planning shall be obliged to acquire, as provided by this law a certificate for energy characteristics of the building in a period of not less than 3 and not later than 6 years, after the date of its bringing into usage.

(2) Until the certificate is issued under Paragraph 1, the building energy characteristics shall be verified by an energy passport, which is a part of the technical building passport, and shall verify the observation of the requirement under Art. 169, Paragraph 1, point 6 of the Law on the Territory Planning.

(3) In cases where with the issuing the energy characteristics certificate of the building deviations of the indicators are found, entered in the issued energy passport, the certifying persons shall inform - within 5- day period after the date of the finding out the offence – the Agency Director for undertaking the relevant acts.

(4) The energy characteristics certificate of the building shall be updated in all cases of performing activities, leading to improvement of the whole energy characteristics of the building, as:

1. reconstruction, general renovation, general repair or reconstruction of the building;
2. current repair of the building installation;
3. other activities.

(5) The energy characteristics certificate of parts of the building shall be issued on the bases of a general certificate for the whole building in blocks of flats with a collective heating installation.

Art. 21. (1) In cases of selling a building or parts of it, the seller shall give to the buyer the original of the energy characteristics certificate of the building – in cases under Art. 20, Paragraph 1, or respectively – the original of the energy passport – in cases under Art. 20, Paragraph 2.

(2) In cases of renting the building or a part of it with an agreement, subject to registration, as provided by the law, the lessor shall give to the tenant a copy of the energy characteristics certificate of the building – in the cases under Art. 20, Paragraph 1, or a copy of the energy passport – in the cases of Art. 20, Paragraph 2.

Art. 22. The persons, performing the certification shall issue energy characteristics certificate of the building, which shall be attached by a declaration for lack of the circumstances under Art. 23, Paragraph 2.

Art. 23. (1) The investigation of the energy efficiency and the building certification is conducted by natural or legal persons, who shall:

1. be traders, as provided by the Law on the Commerce or by the legislation of an EU Member State, or other state – party of the European Economic (EEA) Agreement;

2. have the necessary technical equipment, provided by the Ordinance, referred to Paragraph 11

3. have the needed staff – natural persons, as provided by the Ordinance, referred to Paragraph 11, who shall:

a) have graduated higher technical education and not less than 3 years of practical experience on the subject, or finished high technical school with not less than 6 years practical experience on the subject;

b) have successfully passed a test for acquiring the needed qualification for investigation of the energy efficiency and building certification at accredited by the Law on the Higher Education higher technical schools.

(2) The persons under Paragraph 1 shall not have the right to certify buildings, in case that they, or the hired by them staff have participated in the design, construction and exploitation of the building concerned, or in the implementation of measures for promotion the energy efficiency.

(3) The persons under Paragraph 1, point 3 may participate in the teams of not more than 2 persons, as provided by Paragraph 1, point 1, and Art. 34, Paragraph 1, point 1.

(4) The Agency of Energy Efficiency shall enter in a public register the persons under para 1 upon their written request, and the circumstances under Paragraph 1, point 1 and 3 shall be certified by the respective documents, and under Paragraph 1, point 2 and Paragraph 2 - by declaration of a natural person – participant in the trader's staff.

(5) The Agency shall issue certificates to the persons entered in the register against payment of a fee determined by a tariff adopted by the Council of Ministers.

(6) The Agency shall refuse to enter in the register persons who do not meet some of the requirements under Paragraph 1.

(7) The certificate for entry in the register or the motivated written refusal for entry shall be issued by the Executive Director of the Agency within under the terms and conditions, provided by the Administrative Procedure Code.

(8) The certificate under Paragraph 7 shall be valid for 5 years.

(9) The refusals of entry into the register shall be subject to appeal, as provided by the Administrative Procedure Code.

(10) The Agency shall delete from the register the persons who have obtained certificates with a right to carry out investigation of energy efficiency, upon:

1. dropping out of some of the requirements under Paragraph 1;

2. filing of untruthful declaration under Paragraph 1, point 2, Paragraph 2 and/or Paragraph 3;

3. entered into force penal order for committed violation of this law;

4. opening a procedure of insolvency of liquidation of the trader.

(11) The circumstances subject to entry under Paragraph 1 - 3, the order of entry in the register and of obtaining information, as well as the provisions for acquiring and acknowledgement of legal competence under Paragraph 1, point 3, item "b" shall be determined by an ordinance of the Minister of Economy and Energy.

Art. 24. (1) The certificate for energy characteristics of the building shall be valid up to 10 years.

(2) The term of validity under Paragraph 1 shall start to run from the date of issuing the certificate, and in the cases under Art. 24, points 18 and 19 of the Law on the Local Taxes and Charges – from the beginning of the year, following the year when the certificate was issued.

Art. 25. The terms and conditions for investigation of energy efficiency and certification of buildings, as well as the terms and conditions for issuing certificates for energy characteristics and the categories of certificates shall be provided by and Ordinance of the Minister of the Economy and Energy and the Minister of the Regional Development and Public Works.

### Section III.

## ENERGY EFFICIENCY CONTROL OF THE WATER-HEATING FURNACES AND AIR-CONDITIONING INSTALLATIONS IN BUILDINGS

Art. 26. The control of the energy efficiency of water-heating furnaces and airconditioning installations in buildings aims at establishing the level of efficiency of their exploitation and identification of measures for its promotion.

Art. 27. (1) As provided by the law, to subject of control shall be the existing and the newly introduced into exploitation water-heating furnaces:

1. on liquid or solid fuel with nominal power from 20 to 100 kW;
2. on liquid or solid fuel with nominal power above 100 kW;
3. on natural gas with nominal power of above 100 kW.

(2) The water-heating furnaces shall be subject to obligatory inspections at certain periods of time for energy efficiency, once every:

1. 3 years - for the furnaces under Paragraph 1, point 1;
2. 2 years - for the furnaces under Paragraph 1, point 2;
3. 4 years - for the furnaces under Paragraph 1, point 3.

Art. 28. (1) Subject to inspections, as provided by this law shall also be the air-conditioning installations with nominal power above 12 kW.

(2) The air-conditioning installations shall be subject to inspections for energy efficiency once in every 4 years.

Art. 29. (1) The Agency of Energy Efficiency shall establish and maintain data base for the condition of:

1. water-heating furnaces under Art. 27, paragraph 1;
2. the air-conditioning installations, under Art. 28, Paragraph 1.

(2) (In force from 15.11.2009) Within the term of 6 months after the date of introducing into exploitation the equipment under Paragraph 1, their owners shall submit to the territory units under Art. 6, Paragraph 2, a declaration, according to a form, approved by the Agency Executive Director.

(3) The information under Paragraph 2 shall be used for establishing and maintaining the data base under Paragraph 1.

Art. 30. (1) For furnaces with term of exploitation above 15 years, the inspection for energy efficiency shall also include assessment of the heating installation and shall be finalized by recommendations for the owner about the changing of furnaces, other modifications of the heating installation and/or other alternative decisions.

(2) The assessment of the heating installation under Paragraph 1 shall be conducted once.

Art. 31. (1) The inspection of the furnaces for energy efficiency under Art. 27, Paragraph 1 and of the air-conditioning installations under Art. 28, Paragraph 1 shall be conducted by the persons under Art. 23, Paragraph 1 and/or Art. 34, Paragraph 1.

(2) The inspection under Paragraph 2 shall be finalized by a report, which shall be drafter under the terms and conditions of the Ordinance under Art. 32.

Art. 32. The terms and conditions for performing the inspections of the furnaces for energy efficiency under Art. 27, Paragraph 1 and of the air-conditioning installations under Art. 28, Paragraph 1, as well as the terms and conditions for establishing, maintaining and using the data base under Art. 29 shall be provided by an Ordinance of the Minister of Economy and Energy.

#### Section IV.

### INVESTIGATION OF INDUSTRIAL SYSTEMS FOR ENERGY EFFICIENCY

Art. 33. (1) The investigations of industrial systems for energy efficiency aims at determining the specific possibilities for decreasing the energy consumption in the industrial systems and to recommend measures for promotion the energy efficiency.

(2) Subject to obligatory investigation for energy efficiency shall be every industrial system, whose annual energy consumption is above 3000 MWh. The investigation shall be done at least once every three years.

(3) The owners of industrial systems under Paragraph 2 shall be obliged to start implementing the measures, prescribed by the investigation for energy efficiency within 2 year term, starting from the date of receiving the results of the investigation.

(4) the indicators for energy consumption, the energy characteristics of industrial systems, as well as the terms and conditions for investigation of energy efficiency of industrial systems shall be provided by an Ordinance of the Minister of Economy and Energy.

Art. 34. (1) The investigations under Art. 33 shall be conducted by natural or legal persons, who shall:

1. be traders under the Law on the Commerce or the legislation of an EU Member State, or another state under the EEA Agreement;

2. have the needed technical equipment, determined by the Ordinance under Art. 23, Paragraph 11;

3. have the needed staff – natural persons, who shall:

a) have graduated higher technical education and not less than 3 years of practical experience on the subject, or finished high technical school with not less than 6 years practical experience on the subject;

b) have successfully passed a test for acquiring the needed qualification for investigation of the energy efficiency and building certification at accredited by the Law on the Higher Education higher technical schools.

(2) The persons under Paragraph 1 shall not have the right to certify buildings, in case that they, or the hired by them staff have participated in the design, construction and exploitation of the building concerned, or in the implementation of measures for promotion the energy efficiency.

(3) The persons under Paragraph 1, point 3 may participate in the teams of not more than 2 persons, as provided by Paragraph 1, point 1, and Art. 23, Paragraph 1, point 1.

(4) The Agency of Energy Efficiency shall enter in a public register the persons under Paragraph 1 upon their written request, and the circumstances under Paragraph 1, points 1 and 3 shall be certified by the respective documents, and under Paragraph 1, point 2 and Paragraph 2 - by declaration.

(5) The Agency shall issue certificates to the persons entered in the register under Paragraph 2 against payment of a fee determined by a tariff under Art. 23, Paragraph 5

(6) The Agency shall refuse to enter in the register persons who do not meet some of the requirements under Paragraph 1.

(7) The certificate for entry in the register or the motivated written refusal for entry shall be issued by the Executive Director of the Agency within under the terms and conditions, provided by the Administrative Procedure Code.

(8) The certificate under Paragraph 5 shall be valid for 3 years.

(9) The refusals of entry into the register shall be subject to appeal, as provided by the Administrative Procedure Code.

(10) The Agency shall delete from the register the persons who have obtained certificates with a right to carry out investigation of energy efficiency of industrial systems, upon:

1. dropping out of some of the requirements under Paragraph 1;

2. filing of untruthful declaration under Paragraph 1, point 2, Paragraph 2 and/or Paragraph 3;

3. entered into force penal order for committed violation of this law;

4. opening a procedure of insolvency of liquidation of the trader.

(11) The circumstances subject to entry under Paragraph 1 - 3, the order of entry in the register and of obtaining information, as well as the provisions for acquiring and acknowledgement of legal competence under Paragraph 1, point 3, item "b" and the needed technical equipment for performing the activities of investigation and certification shall be determined by the Ordinance under Art. 23, Paragraph 11.

Art. 35. The investigation shall be finalized by a report, drafter under the terms and conditions of the Ordinance under Art. 33, Paragraph 4 and shall be attached by a declaration for lack of the circumstances under Art. 34, Paragraph 2.

## Section V. ENERGY EFFICIENCY MANAGEMENT IN BUILDINGS AND INDUSTRIAL SYSTEMS

Art. 36. (1) Owners of buildings under Art. 19 and of industrial systems under Art. 33, Paragraph 2 shall be obliged to manage the energy efficiency.

(2) The energy efficiency management shall be conducted through:

1. drafting plans and programmes for promotion the energy efficiency annually, in reference to the reports under Art. 35;

2. accomplishing measures, envisaged in the plans and programmes under point 1;

3. submitting to the Agency information on the effect of the implemented measures and for the expected effect of the measure implementation, envisaged in the plans and programmes under point 1;

4. assigning of at least one employee, in whose job description shall be included performance of the obligations under point 1 to 3.

(3) The owners of buildings under Art. 19 shall keep record about the monthly consumption of the kinds of energies, including dates, prices and quantities of supplies, as well as the identification numbers of the documents, certifying the supplied fuel quantities.

(4) The owners of industrial systems under Art. 33, Paragraph 2 shall draft periodically, at least once a year, analysis about the total and specific energy consumption.

(5) Persons under Paragraphs 3 and 4 submit to the Agency annual reports on the energy efficiency management.

(6) The reports under Paragraph 5 shall contain description of the activities and measures, shall point out the quantities of the energy savings and shall be submitted with a copy of the plans and programmes under Paragraph 2, point 1 not later than 31 March of the year, following the year of the implementation of the relevant activities and measures.

## Section VI. PROVISION OF ENERGY SERVICES

Art. 37. The energy services target at combining provision of energy with energy efficient technology and/or with an act, which covers the exploitation, maintenance and

management, needed for provision of service and lead to controllable, measurable or assessable energy efficiency promotion and/or saving of primary energy resources.

Art. 38. (1) the energy services shall be provided on the bases of written contracts, concluded with energy end-users.

(2) the energy services shall include implementation of one or more activities and measures for energy efficiency promotion, indicated in the Ordinance under Art. 9, Paragraph 2.

(3) (In force from 15.05.2009) For providing tracking of the energy consumption and of the achieved levels of energy savings as a result of the provision of the energy services, the persons under Art. 39, Paragraph 2 shall provide with the invoices to the end-users information about:

1. the current real prices and the real energy consumption;
2. the energy consumption for the current period, compared to the energy consumption for the same period of the previous year;
3. the contact addresses of consumer organizations, energy agencies or other institutions, including internet addresses, where information may be obtained for the possible measures for energy efficiency promotion.

(4) (In force from 15.05.2009) So that tracking is provided of the consumed energy, the information under Paragraph 3 shall be prepared on the bases of the real energy consumption for the period concerned and shall be given to the end-user on the relevant date of the month, following the month, during which the reading was made.

Art. 39. (1) The energy services may be provided by natural or legal persons – traders as provided by the law on the Commerce or by the legislation of an EU Member State, or other state – party of the European Economic (EEA) Agreement.

(2) The energy traders shall provide energy services or make contributions to the Energy Efficiency Fund, or other existing or newly established energy efficiency funds for providing such services, implementing their individual indicative targets.

(3) In cases where the energy services scope under Art. 38, Paragraph 2 includes implementation of activities under Art.s 16 and 33, the persons under paragraphs 1 and 2 shall:

1. implement the activities, in case they meet the requirements under Art. 23, Paragraph 1 and Art. 34, Paragraph 1;
2. assign the activity implementation to persons, who meet the requirements of Art. 23, Paragraph 1 and Art. 34, Paragraph 1.

(4) The energy traders may provide as energy service at competition prices with the target of providing traceability of the energy consumption by the end-users replacement of the existing appliances (the equipment for commercial measurement) with intelligent measurement and control systems, which give visual information about:

1. the current energy consumption;
2. transitional current account;
3. moment energy load;
4. deviations in the quality of energy supply;
5. other relevant information

(5) While determining the value of the provided energy services, the achieved energy efficiency promotion and the level of satisfaction of the other envisaged in the contract for provision of energy services requirements shall be taken into consideration.

## Chapter four. AVAILABILITY AND ACCESSIBILITY OF INFORMATION

Art. 40. (1) In view to providing accessibility and availability of information, collected under the terms and conditions of this law, a national information system for the situation and the energy efficiency in the Republic of Bulgaria shall be established the Agency.

(2) In order to provide accessibility through the system under Paragraph 1, information shall be provided about:

1. the national indicative targets;
2. implementation of activities and measures, envisaged in the national energy efficiency action plans;
3. the achieved annual energy savings;
4. the condition of the energy efficiency – at national level and in sectors;
5. the energy efficiency plans and programmes under Art. 11, Paragraph 1;
6. the report on the plan implementation under Art. 12, Paragraph 1 and the provided by Art. 11, Paragraph 3 means for their implementation;
7. the plans and programmes under Art. 36, Paragraph 2, point 1;
8. the reports under Art. 36, Paragraph 5;
9. the good practices in the energy efficiency area;
10. the persons, entered in the registers under Art. 23, Paragraph 4 and Art. 34, Paragraph 4.

(3) With the aim of providing availability through the system under Paragraph 1, information is collected about:

1. the implementation of the individual indicative targets;
2. the actual sales of energy to the end-users during the previous calendar year;
3. the quantities industrial production and/or the services provided and the added value during the previous calendar year and the energy used for this.
4. the implemented activities and measures for energy efficiency;
5. the buildings, subject to obligatory certification under Art. 19;
6. the industrial systems, subject to obligatory investigation under Art. 33, Paragraph 2;
7. furnaces and air-conditioning installations under Art. 27, Paragraph 1 and Art. 28, Paragraph 1;
8. accomplished projects for achieving individual indicative targets, funded by the Energy Efficiency Fund;
9. other activities, related to the observation of the law.

Art. 41. (1) The information under Art. 40, Paragraphs 2 and 3 shall be provided by:

1. energy traders;
2. owners of buildings and industrial systems;

3. owners of furnaces and air-conditioning installations under Art. 27, Paragraph 1 and Art. 28, Paragraph 1;

4. the Executive Director of the Energy Efficiency Fund;

5. other persons, providers of energy services.

(2) The information under Paragraph 1 shall be provided to the Agency not later than 31 March of the year, following the year of the implementation of the activities and measures concerned.

Art. 42. The contents, structure, terms and conditions for collecting and providing information under Art. 40, Paragraph 2 and 3 shall be determined by an Ordinance of the Minister of Economy and Energy.

## Chapter five.

# FINANCIAL MECHANISMS FOR ENERGY EFFICIENCY PROMOTION AND CERTIFICATES FOR ENERGY SAVINGS

## Section I.

### TYPES OF FINANCIAL MECHANISMS

Art. 43. For the energy efficiency promotion the following financial mechanisms may be applied:

1. voluntary agreements;

2. contracts with guaranteed result;

3. funding from the Energy Efficiency Fund.

## Section II.

### VOLUNTARY AGREEMENTS

Art. 44. The voluntary agreements aim at encouraging the energy consumption reduction through:

1. providing energy services and /or performing activities and measures for energy efficiency by the energy traders;

2. investigation of the energy efficiency and/or undertaking relevant measures by the energy end-users.

Art. 45. The voluntary agreements may be concluded between the Agency Executive Director and:

1. owners of buildings under Art. 19, Paragraph 1, with the exception of the buildings, which are state and/or municipal property;

2. owners of industrial systems under Art. 33, Paragraph 2;

3. energy traders.

- Art. 46. (1) The voluntary agreements under Art. 45 shall contain:
1. concrete obligation of the persons under Art. 45 for achieving the aims under Art. 44;
  2. concrete obligations of the Agency;
  3. mechanisms for monitoring and control on the implementation;
  4. assessment methodology of the achieved energy savings;
  5. the procedures for amending or supplementing the envisaged measures, when the targets have not been reached or there are obstacles for their achievement;
  6. other clauses.
- (2) The drafts of voluntary agreements shall be published in an appropriate way, providing their discussion by the stakeholders.

- Art. 47. The Agency may participate in the voluntary agreements by:
1. providing methodical assistance related with the possibilities for funding and implementation of investigation for energy efficiency and/or of the prescribed measures by the conducted investigation;
  2. organization of training for the persons under Art. 36, Paragraph 2, point 4.

### Section III. CONTRACTS WITH GUARANTEED RESULT

Art. 48. (1) The contracts with a guaranteed result shall aim at the activity and measure implementation for energy efficiency promotion in buildings and/or industrial systems, leading to energy savings of end-use energy, where the investments made and the payment to the contractor remuneration shall be made by the realized energy savings.

(2) assigners of the contracts under Paragraph 1 may be energy end-users, and contractors – companies- providers of energy services. The contractors shall be natural or legal persons, traders under the Law on the Commerce, or under the legislation of an EU Member State, or other state – party of the European Economic (EEA) Agreement with subject of activity including provision of services under contracts with guaranteed result – ESCO services

(3) The contractors under Paragraph 2 shall meet the requirements of Art.s 23 and 24, when executing activities under Art.s 16, 17 and 33, Paragraph 1.

Art. 49. (1) The services under contracts with guaranteed result shall be provided with guaranteed energy saving for the building or the industrial system, for which the service is realized.

(2) The services under contracts with guaranteed result shall be provided on the basis of written contracts, which shall contain:

1. normalized energy consumption;
2. guaranteed energy savings and the conditions for their establishment;
3. the way of financing;
4. the way of payment of the remuneration;
5. other clauses.

(3) The contractors under Art. 48, paragraph 2 shall provide the service on the whole, or in part with their own funds, and/or take an obligation to provide the financing from a third party.

(4) The contractors under Art.. Paragraph 2 shall take the financial risk, as well as the technical and commercial risk for the implementation of the envisaged in the contract activities and measures for the energy efficiency promotion and for the achievement of the guaranteed by the contract result.

(5) For buildings under Art. 19 – state and/or municipal property, which are subject to a contract under Art. 48, Paragraph 1, ESCO services shall include all the activities and measures, guaranteeing the certification of these buildings.

(6) For buildings under Art. 19 – state and/or municipal property, which are subject to a contract under Art. 48, Paragraph 1, funds shall be planned and provided in the budgets of the Ministries, institutions and municipalities, which, for the term of the contract implementation, shall correspond to the energy expenses of these buildings.

(7) The terms and conditions for determining the amount of the planned under Paragraph 6 funds, as well as the terms and conditions for their payment shall be determined by an Ordinance of the Minister of the Economy and Energy and the Minister of Finance.

## Section IV. CERTIFICATES FOR ENERGY SAVINGS

Art. 50. The energy saving certificates aim at justifying the contribution of their owner in the implementation of measures for energy efficiency promotion.

Art. 51. (1) The Certificates for achieved energy savings under Art. 50 shall be issued by the Agency Executive Director to the persons under Art. 39, Paragraph 2, to the owners of buildings under Art. 19 and of industrial systems under Art. 33, Paragraph 2, after paying a fee, determined by a tariff, adopted by the Council of Ministers.

(2) The certificates, issued to the persons under Art. 39, Paragraph 2, to owners of buildings under Art. 19 and of industrial systems under Art. 33, Paragraph 2, shall be used for justifying the execution of the individual indicative aims for energy savings.

Art. 52. (1) The justification of the achieved energy savings shall be done by the persons under Art. 23, Paragraph 1 and Art. 34, Paragraph 1.

(2) The verification of the used methods for assessing the effect of the various types of implemented measures for energy efficiency promotion shall be done by the Agency.

(3) The acts under Paragraphs 1 and 2, as well the form, terms and conditions for issuing the certificates under Art. 50 shall be determined by the Ordinance under Art.9, Paragraph 2.

Art. 53. The rules for introducing a market mechanism for energy efficiency promotion by implementation of energy effective activities and measures shall be provided by a separate law.

## Section V. ENERGY EFFICIENCY FUND

Art. 54. (1) The Energy Efficiency Fund shall finance the implementation of the activities and measures for energy efficiency promotion, with the exception of those financed by the state budget.

(2) The Energy Efficiency Fund, called hereinafter "the Fund" shall be legal person with a seat in Sofia.

Art. 55. (1) The Fund shall administer financial resources provided for investment projects for promotion of energy efficiency according to the priorities underlying the national strategy and the national action plans adopted by the Council of Ministers.

(2) The Fund shall carry out its activity according to this law, the agreements with the donors, and shall not be a part of the consolidated state budget.

Art. 56. In implementation of its objectives the Fund shall base its activity on the following principles:

1. transparency in administering the resources;
2. equality of all applicants for financing by the Fund;
3. partnership and cooperation with natural and legal persons, trades as provided by the Commercial Law or of the legislation of the European Union Member State, or of another country, party to the Agreement on the European Economic Area, as well as with non-profitable legal persons for joint financing of energy efficiency projects.

Art. 57. (1) The revenues of the Fund shall be raised from:

1. donations by international financial institutions, international funds, Bulgarian and foreign natural or legal persons;
2. interests on current accounts or bank deposits of the Fund;
3. loans or other financial instruments of credit nature granted by international organisations and banks, as well as by natural and/or legal persons registered as traders, borrowed explicitly for the accomplishment of the objectives of the Fund;
4. contributions of the persons under Art. 39, Paragraph 2;
5. other revenues corresponding to the nature and activity of the Fund.

(2) The initially raised resources of the Fund shall be kept in a commercial bank - custodian bank, having a licence for operations in the territory of the country, appointed through a competition.

Art. 58. The resources of the Fund shall be spent for:

1. onerous financing of projects for development of energy efficiency in Bulgaria;
2. guarantees on credits granted by financial credit institutions for energy efficiency projects;
3. subsistence of the Fund according to the annual budget of revenues and expenditures approved by the Managing Board.

Art. 59. (1) The Fund shall be managed by a Managing Board consisting of 7 members as follows:

1. a representative of the Ministry of Economy and Energy appointed by the Minister of Economy and Energy;

2. a representative of the Ministry of Environment and Waters appointed by the Minister of Environment and Waters;

3. the Executive Director of the Agency;

4. four representatives of natural and/or legal persons - traders as provided by the Commercial Law or of the legislation of a Member State of the European Union, or of another country, party to the Agreement on the European Economic Area, or of non-for-profit legal persons, as provided by the Law on Non-for-profit Legal Persons, having the needed professional experience.

(2) The term of office of the members of the Managing Board shall be two years.

(3) The chairman of the Managing Board shall be elected among the members of the Managing Board for a period of one year

(4) After the end of the term of office of the chairman, the member of the Managing Board, who had this position, shall become a member of the Managing Board by the end of the mandate.

(5) The representatives under Paragraph 1, point 4 shall be elected by the assembly of the natural and/or of the legal persons – traders as provided by Commercial Law or of the legislation of an European Union Member State, or of another country, party to the Agreement on the European Economic Area, or of the non-for-profit legal persons as provided by the Law on non-for-profit legal persons.

(6) The assembly under Paragraph 5 shall be convened every two years and the Minister of Economy and Energy, or a person, assigned by him shall participate in it. The assembly shall adopt the rules under Art. 60, Paragraph 2, point 1.

(7) The assembly under Paragraph 5 may attend and give proposals for election of members of the Managing Board by associations of municipalities, commercial and economic chambers, associations of commercial banks, as well as by other stakeholders.

(8) Member of the Managing Board may not be a natural person, as well as a representative of a legal person who:

1. has been sentenced for deliberate crime of general nature;

2. is a spouse or relative on the direct or collateral line up to fourth degree and by marriage - up to third degree including of another member of the Managing Board of the Fund;

3. holds a position in the civil service or under a labour contract in the administration with the exception of the persons under Paragraph 1, point 1 to 3.

Art. 60. (1) The Managing Board shall manage the overall activity of the Fund.

(2) The Managing Board shall:

1. develop and propose for adoption by the assembly under Art. 59, Paragraph 5 rules of procedure of the Fund;

2. approve the financing and guarantee policies of the Fund;

3. adopt a strategy of the activity of the Fund;

4. adopt the criteria for assessment and selection of projects for energy efficiency applying for financing by the Fund;

5. approve the financing of energy efficiency projects;
6. approve the contracts related to the guarantee activity of the Fund;
7. adopt the annual report for implemented projects for achieving individual indicative objectives of the persons under Art. 39, Paragraph 2, financed by the Fund;
8. approve the revenue and expenditure budget and the annual report for the activity of the Fund prepared by the Executive Director;
9. elect and release the Executive Director;
10. appoint an independent financial audit and accept the annual financial report;
11. approve the list of personnel of the Fund and determine the remuneration of its employees;
12. adopt other measures as deemed necessary for achievement of the Fund objectives.

Art. 61. (1) The Fund shall be represented by an Executive Director elected by the Managing Board through a competition.

(2) The relations with the Executive Director shall be settled by a contract.

(3) The contract with the Executive Director shall be concluded for a period of 5 years.

(4) The Executive Director of the Fund shall:

1. represent the Fund;
2. draft the strategy for the activity of the Fund;
3. prepare the necessary documentation for financing and guaranteeing of projects in compliance with compliance with the law and the concluded agreements with the donors;
4. prepare the draft budget for revenue and expenditure and provide the implementation of the budget approved by the Managing Board;
5. prepare an annual report for implemented projects for achieving the individual indicative objectives of the persons under Art. 39, Paragraph 2, financed by the Fund, present it for adoption by the Fund Managing Board and shall submit it to the Agency not later of 31 March of the year, following the reporting year;
6. draft reports and other materials for consideration and approval by the Managing Board in compliance with the internal rules of the Fund;
7. prepare the sittings of the Managing Board;
8. sign the contracts for financing and guaranteeing of projects concluded with the Fund and approved by the Managing Board;
9. inform periodically the Managing Board for the level of execution of the financed projects;
10. appoint and dismiss the personnel in compliance with the current legislation;
11. be responsible for the protection of the property of the Fund;
12. carry out other activities assigned to him by a decision of the Managing Board.

Art. 62. (1) The contract with the Executive Director shall be terminated ahead of term upon:

1. mutual agreement
2. his request with filed notification not less than 3 months;
3. enforcement of a sentence for a deliberate crime;
4. systematic non-execution of the undertaken obligations;

5. violation of the Fund interests;
6. objective inability to fulfil his obligations for a period longer than 6 months;
7. death.

(2) The establishment of the circumstances under Paragraph 1 and the termination of the term of office shall be done by a decision of the Managing Board.

## Chapter six. CONTROL ON THE ENERGY EFFICIENCY

Art. 63. The Executive Director of the Agency shall exercise control over the activity of:

1. energy end-users in the cases when the conducting activities and measures for energy efficiency promotion according to this law or other regulatory acts is obligatory;
2. persons referred to in Art. 23, Paragraph 1 and Art. 34, Paragraph 1;
3. persons under Art. 10, Paragraph 1 while implementing their individual objectives for energy savings;
4. the assigners under Art. 161, Paragraph 1 of the Law on the Territory Planning for the implementation of their obligations under Art. 20, Paragraph 1.

Art. 64. In implementation of his control functions the Executive Director of the Agency shall:

1. carry out inspections through authorised by him employees;
2. carry out control investigations on systematic or random selection of the buildings and/or industrial systems through appointed by him employees;
3. impose administrative sanctions provided by this law;

Art. 65. (1) The persons under Art. 64 carry out inspections and issuing acts for established administrative offences shall be appointed by an order of the Executive Director.

(2) The persons under Paragraph 1 shall present their credentials by the order under Paragraph 1 and an official ID card certifying their position.

Art. 66. (1) The persons under Art. 64, shall have the right:

1. to free access to the inspected sites;
2. to require from the inspected persons documents required for the control;
3. to carry out control investigation.

(2) The buildings and industrial systems – property of the Ministry of Defence and the Ministry of Interior, the acts under Paragraph 1 shall be carried out under the terms and conditions, determined in the relevant special laws.

(3) The persons under Art. 64 shall be obliged not to make public the official and the trade secret having become known to them in the course of or on occasion of the control activity.

Art. 67. The inspected person shall be obliged to provide all conditions for the normal process of the inspection and render assistance to the persons under Art. 64 by:

1. providing premises for carrying out the inspection;

2. appoint his representative for contact and assistance to the inspecting employees;
3. provide access to the official premises;
4. submit all documents required for the execution of the control.

Art. 68. (1) The control persons shall prepare protocol with the records of findings for the results from the inspections, attached to which shall be the gathered data, documents and explanations.

(2) The protocols shall be presented to the inspected person who will have the right to produce explanations and objections within 14 days from the date of its presentation.

Art. 69. (1) On the grounds of the results from the inspection the persons under Art. 64 may:

1. give obligatory prescriptions to the inspected persons for remedy of the established offences and set a period for bringing in compliance;

2. issue acts for established administrative offences.

(2) The prescriptions of the persons under Art. 64, given in implementation of their legal capacities under this law, shall be obligatory.

(3) The persons to whom obligatory prescription have been given shall notify within the set period the persons under Art. 64 about their execution.

Art. 70. All government authorities, legal and natural persons shall be obliged to render assistance to the persons under Art. 64 in carrying out their functions.

## Chapter seven. ADMINISTRATIVE PENAL PROVISIONS

Art. 71. Assigner, who fails to fulfil the obligation under Art. 20, Paragraph 1 shall be punished by a fine of BGN 1000 to 10000 or by a material sanction of BGN 5000 to 50000.

Art. 72. A person, who impedes or allows impeding the carried out inspection by the persons under Art. 64, shall be punished by a fine of BGN 500 to 1000, or by a material sanction of BGN 2000 to 3000.

Art. 73. A person under Art. 64 who violates the provision of art. 66, paragraph 3 shall be punished by a fine of BGN 10000.

Art. 74. Whoever fails to fulfil an obligatory prescription under Art. 69, Paragraph 1, point 1 shall be punished by BGN 2000 to 5000 or by a material sanction of BGN 10000 to 30000.

Art. 75. An owner of a building and/or industrial system, who impedes a person under Art. 64 while performing an inspection or a control investigation, shall be punished by a fine of BGN 2000, or by a material sanction of BGN 5000.

Art. 76. Assigner under Art. 161, Paragraph 1 of the Law on the Territory Planning, who fails to fulfill the obligation for updating the energy characteristic certificate of a building in the cases under Art. 20, Paragraph 4 shall be punished by a fine of BGN 1000 to 3000, or by a material sanction of BGN 5000 to 10 000.

Art. 77. An owner of a building and/or industrial system under Art. 33, Paragraph 2, who fails to implement the measures, prescribed by the report of the energy efficiency investigation, within the terms under Art. 19, Paragraph 3, respectively under Art. 33, Paragraph 3 shall be punished by a fine of BGN 10 000 to 30 000 or by a material sanction of BGN 50 000 to 100 000.

Art. 78. A person under Art. 23, Paragraph 1, who has issued an energy characteristics certification, without performing the energy efficiency investigation, shall be punished by a fine of BGN 50 000 to 100 000, or by a material sanction of BGN 200 000 to 300 000.

Art. 79. A person under Art. 23, Paragraph 1, who performing energy efficiency investigation of buildings admits a deviation with more than 10% of the indicators of a control investigation shall be punished by a fine of BGN 25 000 to 50 000, or by a material sanction of BGN 50 000 to 100 000.

Art. 80. A person under Art. 34, Paragraph 1, who performing energy efficiency investigation of buildings admits a deviation with more than 10% of the indicators of a control investigation shall be punished by a fine of BGN 100 000 to 200 000, or by a material sanction of BGN 300 000 to 500 000.

Art. 81. If a person, who performs certification of buildings or energy efficiency investigation, violates the provision of Art. 23, Paragraph 2, or Art. 34, Paragraph 2, shall be punished by a fine of BGN 50 000 to 100 000, or by a material sanction of BGN 100000 to 200 000.

Art. 82. (1) A person, owner of a furnace of a liquid or solid fuel with power of 20 to 100 kW, who fails to perform his duty under Art. 29, Paragraph 2, shall be punished by a fine of BGN 150 to 200, or by a material sanction of BGN 15 000 to 20 000.

(2) A person, owner of a furnace of a liquid or solid fuel or of natural gas with power above 100 kW, or an air-conditioning installation with power of above 12 kW, who fails to perform his duty under Art. 28, Paragraph 2, shall be punished by a fine of BGN 1500 to 2000, or by a material sanction of BGN 15 000 to 20 000.

Art. 83. (1) Owner of a building under Art. 19, who fails to perform his duty for submitting reports to the Agency within the term under Art. 36, Paragraph 6, shall be punished by a fine of BGN 500 to 1000, or by a material sanction of BGN 3 000 to 5 000.

(2) Owner of a industrial system under Art. 33, Paragraph 2, who fails to perform his duty for submitting reports to the Agency within the term under Art. 36, Paragraph 6, shall be punished by a fine of BGN 1500 to 2000, or by a material sanction of BGN 5 000 to 8 000.

Art. 84. A person under Art. 41, Paragraph 1, punts 1 to 4, who fails to submit information within the term under Art. 41, Paragraph 2, shall be punished by a fine of BGN 2000 to 50000, or by a material sanction of BGN 150 000 to 200 000.

Art. 85. Energy trader, owner of a building under Art. 19 and owner of an industrial system under Art. 33, Paragraph 2, who fails to fulfil the provided by the Ordinance under Art. 9, Paragraph 2 individual objective for energy savings within the terms, envisaged by the national energy efficiency action plan, shall be punished by a fine of BGN 1000 to 5000, or by a material sanction of BGN 5 000 to 500 000.

Art. 86. Whoever fails to fulfill other obligations under this law, shall be punished by a fine of BGN 500 to 1500, or by a material sanction of BGN 1 000 to 10 000.

Art. 87. The acts establishing administrative offences under this law shall be drafted by officials appointed by the Executive Director of the Agency.

Art. 88. The penal orders shall be issued by the Executive Director of the Agency.

Art. 89. The establishment of offences, the issuance, the appeal and the execution of the penal orders shall be carried out under the provisions of the Law on Administrative Offences and Punishments.

## Additional provisions

§ 1. In the meaning of this law:

1. "Energy" are all forms of traded energy – electric power, natural gas, including, liquid natural gas, propane-butane, all fuels for heating and cooling, including for central heating supply and cooling, black lignite coal, peat, biomass and transport fuels, excluding the aviation and marine bunker fuels.

2. "Energy saving" means the realized economy, determined by measuring and/or assessment of consumption of fuels and energy before and after the application of one or more measures for energy efficiency promotion.

3. "Energy service" is every service, which includes implementation of activities and measures, leading to energy saving, material benefit or welfare, achieved by a combination of the energy supply with the energy efficiency technology and/or with an act, which may cover the exploitation, maintenance and management, needed for the energy provision.

4. "Energy characteristics" is an index of the quantity of the really consumed or designated for needed consumption energy, used to meet the different needs of energy of a building according to its category, taking into account heat power supply, water heating, cooling, ventilation, air conditioning and lighting.

5. "Energy efficiency" means the ratio between the outgoing amount of productivity, service, goods or energy and the amount of input energy.

6. "Company, providing energy services" is a natural or legal person, who provides energy services and/or other measures for energy efficiency promotion in buildings or industrial systems, taking wholly or partially the financial risk. The payment of the provided services shall be based on the achieved level of the promoted energy efficiency and on the compliance of the other contract implementation criteria.

7. "Indicators of achieving results" are the indices showing the specific data related to the achieved results.

8. "Air-conditioning installation" is a combination of all the components, needed for providing the air treatment at temperature control with a possible combination of ventilation, moisture and purity of the air control.

9. "Control investigation of the energy efficiency" is investigation for control of results of previous energy efficiency investigation aiming at protection of the public interest.

10. "Furnace" is an equipment, which is a combination of a furnace body and a fuel part, designed to heat the water through the power, liberated at burning.

11. "Energy end-user" means every natural or legal person who buys energy for own needs.

12. "Nominal power" is the maximal heating power, indicated and guaranteed by the producer as a possible one for power up during a permanent work.

13. "Normalized energy consumption" means the amount of energy, needed for providing normative required parameters of the building microclimate at its real state.

14. "General energy consumption" is the total energy quantity, bought by the energy end-user for the period of one year.

15. "Investigation of energy efficiency" is a process, based on a systematic method for defining and valuing the energy flows and consumption in buildings and/or industrial systems, defining the scope of the technical economic parameters of the energy efficiency promotion measures.

16. "Energy efficiency promotion" is a result of the implemented measure or activity, which leads to decreasing the relation between the implied quantity of energy and the output quantity production goods, service or energy without change of the quality or other characteristics.

17. "Energy efficiency promotion programmes" are activities and measures, directed to groups of energy end-users, who lead to controllable, measurable or assessable energy efficiency promotion .

18. "Industrial systems" are all the industrial buildings, equipment, technologies and supporting undertakings, included in the production of goods and provision of services.

19. "Building" is a construction with walls and a roof, which uses energy for regulation of the inside temperature.

20. "Certificate for energy characteristics of a building" is an officially recognized document, which includes the building energy characteristics, calculated according to the methodology, indicated in the Ordinance under Art. 15, Paragraph 3.

21. "Specific energy consumption" is the total energy quantity, referred to the output quantity produced good or service for the period of one year.

22. "Thermo-pump" is a device, which at low temperatures consumes heat from air, water of earth and transfers it to the building.

23. "Energy trader" is a natural or legal person – end provider, public provider, trader with an issued license for the activity "trade with electric power", heating transfer undertaking, producer and/or trader of liquid fuels of petrol origin, which purchase energy to end- users more than 75 GWh per year pr whose staff for the relevant year is more than 10 people, or whose total annual turnover and annual balance for the previous year is above BGN 4 million.

24. "Financial instruments for energy efficiency promotion" are all the financial instruments as: funds, subsidies, tax relieves, loans, funding by third parties, contracts for energy savings, energy savings contracts with guaranteed result, external contract award or other similar contracts, which are offered on the market by state or private organizations, aiming at partial or complete covering the primary project value for implementation of measures for energy efficiency promotion.

§ 2. The provisions of the Law on the Municipality Debt shall not apply in reference to the obligations of the municipalities, appeared after financial activities and measures for energy efficiency promotion of the Energy Efficiency Fund and/or after implementation of contracts with guaranteed result.

§ 3. This law implements the requirements of Directive 2002/91/EO of the European Parliament and of the Council of 16 December 2002 on the energy building characteristics and of Directive 2006/32/EO of the European Parliament and of the Council of 5 April 2006 on the end-use energy efficiency and provision of energy services and amending the Directive 93/76/EEC of the Council.

## Transitional and concluding provisions

§ 4. This law shall repeal the Energy Efficiency Law (published, SG, ) 18 of 2004; amended N 74, 2006 , N55, 2007 ).

§ 5. (1) Owners of buildings, subject to obligatory certification, as provided by the repealed Energy Efficiency Law, which by the enforcement of this law have reports for performed investigation, shall implement the prescribed by the investigation measures for energy efficiency promotion within 3-year term after the enforcement of this law.

(2) Owners of industrial systems, subject to obligatory investigation, as provided by the repealed Energy Efficiency Law, which by the enforcement of this law have reports for performed investigation, shall implement the prescribed by the investigation measures for energy efficiency promotion within 2-year term after the enforcement of this law.

§ 6. (1) The Executive Director of the Energy Efficiency Agency jointly with the Executive Director of the Public Procurement Agency shall issue rules for determining the obligatory criteria for assessment, related with the minimization of the consumption for the

exploitation term of equipment and transport means, subject to supply through public procurement.

(2) The rules under Paragraph 1 shall be issued within 6-month term after the enforcement of the law.

§ 7. Within 5-year term after the enforcement of this law a law on introduction of market mechanism for energy efficiency promotion through the implementation of the energy efficient activities and measures shall be adopted.

§ 8. The energy efficiency certificates, issued under the repealed Law on the Energy Efficiency, shall be keep its validity.

§ 9. (1) The second and third action plan on energy efficiency, developed implementing Art. 8, shall be accepted by 30 May 2011, and by 30 May 2014.

(2) The action plans under Paragraph 1 shall be updated in the order of their acceptance – by 30 November 2011, and by 30 November 2014.

(3) The relation of the amount of the national energy savings towards the accepted indicative objective shall start to be reported from 1 January 2008.

§ 10. The persons who have finished training course and are qualified for investigation of the energy efficiency and certification of buildings, provided by the repealed Law on the Energy Efficiency shall keep their rights for performing activities in investigation energy efficiency of buildings and industrial systems and in certifying buildings.

§ 11. (1) Certificates of buildings energy characteristics, for which there has been investigation of the energy efficiency before this law comes into force, shall be issued by the persons, having done the investigation of the building in question, within one year term after the law's enforcement.

(2) In the cases under Paragraph 1, where the person, performed the investigation, has been deleted from the register under Art. 23, Paragraph 4, the energy characteristics certificate shall be issued by the Energy Efficiency Agency, based of the results of the investigation, performed by the person or by a control investigation, performed by the Energy Efficiency Agency.

§ 12. In the Law on the Energy (published, DV, N 107, 2003 ; amended, N 18, 2004 , N 18 and N 95, 2005, N 30, 65 and 74, 2006, N.N. 49, 55 and 59, 2007 , N 36 and N 43 2008 ) Art. 7a is added:

"Art. 7a. (1) For the consumers' protection, Public Council shall be established under the Minister of Economy and Energy as a advisory unit for solving problems of the special competency of the Minister, provided by this law.

(2) The Public Council staff will consist of representatives of the Ministry of the Economy and Energy, consumers associations, scientific unions, syndicate organizations and non-profit legal persons.

(3) The Public Council under Paragraph 1 shall be established by an order of the Minister of Economy and Energy.

(4) The order under Paragraph 3 shall determine the issues, which will be dealt with by the Public Council, as well as the terms and conditions for the operation of its activity."

§ 13. (1) The legislative acts on the implementation of this law shall be adopted and issued and enforced within 6 months after this law comes into force.

(2) By the adoption – issuance of the legislative acts, provided by this law, the legislative acts, issued on the implementation of the repealed Energy Efficiency Law shall be applied, as far as they do not contradict this law.

§ 14. Owner of an industrial system, subject of obligatory energy efficiency investigation under Art. 33, Paragraph 2 shall be obliged to provide energy investigation of the owned by him sites, by 31 December of 2011.

§ 15. The Minister of Economy and Energy shall establish Public council under Art. 7a of the Energy Law within 6 months after the enforcement of this law.

§ 16. In the Law on the Territory Planning (published, DV, N 1, 2001 ; amended, N.N. 41 and 111, 2001, N 43, 2002 , N.N. 20, 65 and 107, 2003 , N.N. 36 and 65, 2004 , .N.N 28, 76, 77, 88, 94, 95, 103 and 105, 2005, N.N. 29, 30, 34, 37, 65, 76, 79, 80, 82, 106 and 108, 2006, N.N. 41, 53 and 61, 2007, N.N. 33, 43, 54 and 69, 2008 ) in Art. 142, Paragraph 9 is added:

"(9) The compliance assessment under Art. 169, Paragraph 1, point 6 of the investment projects in the stages of technical and operation project shall be done upon a separate contract with the assigner by natural and legal persons, who meet the requirements of the Law on the Energy Efficiency and have been registered in the public register under Art. 23, Paragraph 4 of the same law."

§ 17. Paragraph 1 in § 3 in the Law on the Restorable and Alternative Energy Sources and Bio-fuels is amended as follows:

"(1) The obligatory purchasing of electrical power under Art.s 16 and 17 shall be done with contracts for purchasing. The contract term is 25 years – for the electrical power, produced by geothermal and solar energy and 15 years – for electrical power, produced by water-electrical power stations with power of 10 MW, as well as for electrical power, produced by other kinds of restorable energy sources.

The terms of the obligatory purchasing start to run:

1. for the current producers of electrical power from restorable energy sources, with the exception of the water power stations with power above 10 MW – after negotiation, but not later than 31 March 2009;

2. for all new producers of electric power from restorable energy sources with the exception of the water power stations with power above 10 MW – from the beginning of the electric power production, but not later than 31 December 2015.

§ 18. The term under § 3, Paragraph 1, point 1 of the Transitional and Final Provisions of the Law on the Restorable and Alternative Energy Sources and Bio-fuels starts to run with the enforcement of this law.

§ 19. The implementation of the law shall be assigned to the Minister of Economy and Energy.

§ 20. This law shall come into force on the day of its publication in State Gazette, with the exception of the provision of Art. 29, Paragraph 2, which shall come into force one year after the enforcement of the law and of the provisions of Art. 38, Paragraphs 3 and 4, which shall come into force 6 months after its enforcement.

-----  
This law was adopted by the 40th National Assembly, on 30 October 2008 and has been sealed by the official stamp of the National Assembly.