

Mr Ivan Ivanov

Energy and Water Regulatory Commission
Sofia 1000, Dondukov BLVD. 8-10

CC:**Mrs Temenuzhka Petkova**

Ministry of Energy
Sofia 1000, Triadista Str. 8

Mr Valentin Nikolov

Energy Committee
Sofia 1169, SQ. "KnYaz Alexander I" 1

14 December 2020

EFET¹ concerns on the Proposed Amendments to the Ordinance No 3 on Licensing of the Activities in the Energy Sector

Dear Mr Ivanov

EFET is very concerned about the proposed amendments to Ordinance No 3 on Licensing of the Activities in the Energy Sector. The new draft articles 55a, 155b, 155d, para. 2, impose on market participants the obligation to keep a paper and electronic log of all transactions and orders in relation to energy products on the wholesale market. Such an obligation, especially given the comprehensiveness of the information to be recorded and stored, will massively increase the administrative burden on traders and their operating costs.

Moreover, the new obligation duplicates reporting requirements under REMIT Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (hereinafter „REMIT Regulation“) since all wholesale transactions on the BG power market already are reported to ACER under that Regulation. In addition, it should be noted that according to REMIT Implementing Regulation (EU) No 1348/2014 on data reporting, Organized Market Places (brokers and exchanges) already record and store information on transactions, bids, asks and orders. Their data can therefore be provided to ACER or national regulators, if necessary.

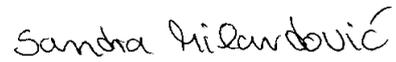
We are strongly against the proposed new obligation, not only because its implementation will be almost impossible, but also because it is not necessary for successful investigation under REMIT Regulation. In other Member States, where investigations have already been completed, the information provided under REMIT Regulation and the powers of local regulators were sufficient to rule on suspected breaches of Art. 3 and/or Art. 5 of REMIT Regulation.

¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.

In our view, the existing framework should allow the Bulgarian regulator to fulfil its market monitoring obligations as effectively as its European counterparts. The data submitted to ACER, together with the investigative powers of EWRC, are sufficient for the purpose of revealing potential market manipulations.

Yours sincerely,

On behalf of the European Federation of Energy Traders

A handwritten signature in black ink that reads "Sandra Milardovic". The signature is written in a cursive, slightly slanted style.

Sandra Milardovic,

Manager

EFET TF Eastern Europe Electricity