

**TO:**

**MRS TEMENUZHKA PETKOVA  
MINISTER OF ENERGY**

**ASSOC. PROF. IVAN IVANOV  
CHAIRMAN OF ENERGY AND WATER REGULATORY COMMISSION**

**Subject: An opinion on planned introduction of 15-minute settlement period for balancing market**

Dear Mrs. Petkova,

Dear Assoc. professor Ivanov,

Bulgarian Wind Energy Association (BGWEA) is a representative organization for the wind energy sector in the country. BGWEA brings together the majority of companies actively engaged in the sector; the most of them are producers. The association traditionally takes an active part in all important processes of the sector development, in all debates, preceding changes of the legal and regulatory framework, in the course of the liberalization process.

Hereby, BGWEA expresses its opinion on the planned introduction of 15-minute settlement period for balancing market.

BGWEA believes that the proposal is incompatible with the current situation of the electricity market, and its hasty implementation would create a number of difficulties for market participants. Such a change would lead to a dramatic increase in the imbalances costs not only for RES producers but also for end customers, since short settlement intervals, combined with forecasts far beyond real time, increase the inaccuracy of the forecast several times. Such consequences would be in contradiction with Art. 6 (1) of **Regulation 2019/943**, which emphasizes the need to adapt the balancing market to the growing share of intermittent energy production.

BGWEA believes that changes in the functioning of the balancing market towards the introduction of a 15-minute settlement period should be accompanied by corresponding changes of the exchange market. According to Art. 8 (2) of **Regulation 2019/943**, "**The exchange market should enable market participants to trade energy at intervals that are at least as short as the imbalance settlement period.**"

Wind energy producers also insist that market participants should be allowed to **trade as close as possible to real time**, for example, one hour before settlement, maximizing the ability of all market participants to manage their imbalances (Art. 8 (1) Article 7 (2) (b) of **Regulation 2019/943**).

BGWEA insists on the implementation of the European regulations in their diversity and completeness. We believe that introducing the change regarding the settlement period on the balancing market, without the accompanying changes in the electricity market and without analyzing and taking into account technical feasibility, cost-effectiveness and impact on market participants, would have significant adverse effect.

In view of the presented arguments, and referring to the Art. 62 of **Regulation 2017/2195**, BGWEA insist that referring to the powers arising from Art. 62 of *Regulation 2017/2195*, the Regulator grants an exception on the introduction of the 15-minute settlement period and respectively postpones the implementation of the new period of settlement by 1 January 2025, requesting derogation.

Yours sincerely,

Miglena Stoilova

Chairperson of BGWEA Supervisory Board

