

CLIMATE CHANGE MITIGATION ACT

In force from 11.03.2014

*Prom. SG. 22/11 Mar 2014, amend. SG. 14/20 Feb 2015, amend. and suppl. SG. 17/6 Mar 2015, amend. and suppl. SG. 41/5 Jun 2015, amend. SG. 56/24 Jul 2015, amend. SG. 47/21 Jun 2016, amend. and suppl. SG. 12/3 Feb 2017, amend. SG. 58/18 Jul 2017, amend. SG. 85/24 Oct 2017, amend. SG. 7/19 Jan 2018, **amend. SG. 15/16 Feb 2018***

Chapter one. GENERAL PROVISIONS

Art. 1. This Act shall provide for the public relations, connected with:

1. conducting the state policy on climate change mitigation;
2. applying the mechanisms for fulfillment of the obligations of the Republic of Bulgaria on the UN Framework Convention on Climate Change (ratified by an act – SG, 28/1995) (SG, 68/2005) (UNFCCC) and the Kyoto Protocol, linked to the UNFCCC (ratified by an act - SG, 72/2002) (SG, N68/2005) (The Kyoto Protocol);
3. functioning of the National Green Investment Scheme (NGIS);
4. functioning of the National scheme for inventory of emissions of hazardous substances and greenhouse gasses in the atmosphere;
5. applying the EU Emissions Trading System (EU ETS);
6. administering the National register for trade with quotas for emissions of greenhouse gasses (NRTQEGG);
7. measures for reduction of the emission of greenhouse gasses from liquid fuels and energy for the transport;
8. implementation of the obligations from Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 (OJ, L 140/136 of 5 June 2009), called hereinafter Decision N 406/2009/EC
9. functioning of the Scheme for voluntary reduction of emissions (SVRE)

Art. 2. This Act shall have as its objective through undertaking nations measures and introduction of European and international mechanisms to ensure reduction of emission of greenhouse gasses as a basic element in the climate change mitigation policy and to provide long-term planning of the measures for adaptation to the climate changes.

Chapter two. CLIMATE CHANGE MITIGATION POLICY

Section I. Competent Authorities

Art. 3. (1) The state policy on climate change mitigation shall be determined by the National Assembly through this Act and shall be realized by the Council of Ministers through

acts of secondary legislation under Art. 5 and the plans and strategies under Art. 8 and 9.

(2) The Minister of Environment and Waters shall be the competent body of the thorough conducting of the state policy on climate change mitigation.

(3) The Minister of Environment and Waters may delegate by an order his authorizations under this act to other officials.

(4) (amend. – SG, 14/15, amend. – SG 58/17, in force from 18.07.2017) For assisting the activity under Para. 2, a National expert council on climate change shall be established as a consultative body to the Minister of Environment and Waters, which shall include representatives of the Ministry of Environment and Waters, the Ministry of Agriculture, Foods and Forestry, the Ministry of Energy, Ministry of Economy, the Ministry of Transport, Information Technologies and Communications, the Ministry of Finance, Ministry of Interior, the Ministry of Regional Development and Public Works, the Ministry of Health, the Ministry of Education and Science, the Ministry of Labour and Social Policy, National Security State Agency, Executive Agency of Environment, the Bulgarian Academy of Science, the National Association of Municipalities and Non-profitable Legal Persons, whose activity has direct relation to climate change mitigation.

(5) The activity of the National expert council on climate change shall be provided by Rules, confirmed by an order of the Minister of Environment and Waters.

Art. 4. (1) (amend. – SG, 14/15, amend. – SG 58/17, in force from 18.07.2017) The state policy on climate change mitigation shall be integrated in the relevant sector and integrated policies in the area of transport, energy, construction, agriculture and forestry, tourism, industry, regional development, healthcare and protection of cultural heritage, education and science, finances and management of EU funds, labour and social policy, defence, interior and foreign affairs and shall be realized at sector level by the Minister of Energy, the Minister of Economy, the Minister of Regional Development and Public Works, the Minister of Transport, Information Technologies and Communications, the Minister of Agriculture, Foods and Forestry, the Minister of Interior the Minister of Finance, the Minister of Interior, the Minister of Health and the Minister of Culture in compliance with their authorizations, provided by this act and the relevant special acts.

(2) The Ministers under Para. 1 shall:

1. provide to the Minister of Environment and Waters the needed information and shall give assistance for realization of his authorizations under this act;

2. assign and/or establish special units at their administrations, which shall assist them while exercising their authorizations in the area of climate change mitigation;

3. assign experts, who shall participate in the process if preparing and coordinating positions and opinions in relation to the activity of the operating bodies of the European Commission, the EU Council and the UNFCCC on issues of their competence;

4. coordinate the developed sector policies, related to climate change with the Minister of Environment and Waters;

5. in coordination with the Minister of Environment and Waters develop measures for adaptation of the relevant sector to the climate changes and shall exercise control over their implementation.

(3) The Ministers under Para. 1 shall plan funds for fulfillment of their obligations under Para. 2 in the budgets of the institutions, which they direct.

Art. 5. The Council of Ministers upon proposal of the Minister of Environment and

Waters shall adopt ordinances on:

1. procedure and way of issuance and review of permits for emission of greenhouse gasses from installations and for realizing monitoring by the operators of installations and the aviation operators, participating in EUETS;
2. the conditions, procedure and way for drawing up reports and for verification of the reports of the operators of installations and the aviation operators and for drawing up and checkup of applications of new participants;
3. the procedure and way of administration of NRTQEGG;
4. the procedure and way of organization of the national inventories of emissions of hazardous substances and greenhouse gasses in the atmosphere;
5. (amend. - SG 12/17) the conditions, procedure and way of drawing up reports and for verification of the reports of suppliers of liquid fuels and energy for transport.

Art. 6. The Minister of Environment and Waters:

1. jointly with the Ministers under Art. 4 shall draw up a National action plan in the area of climate change and shall introduce it for adoption by the Council of Ministers;
2. shall assist the Ministers under Art. 4, Para. 1 while drawing up the basic measures for adaptation of the relevant sector to the consequences from climate change and shall consult them by the National expert council on climate change;
3. shall be the competent body on applying EUETS;
4. shall fulfill the functions of a national auction trader in the meaning of Art. 22 of Commission Regulation (EU) N 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community (OJ, L 302/1 of 18 November 2010), Called hereinafter: Regulation (EU) N 1031/2010;
5. shall control reporting of the national inventory of emissions of greenhouse gasses on UNFCCC and the Kyoto Protocol;
6. shall control the monitoring and reporting of other data under Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC (OJ, L 165/13 of 18 June 2013), called hereinafter: Regulation (EU) N 525/2013;
7. check and coordinate applications by operators of installations and aviation operators for free allocation of quotas for emissions of greenhouse gasses;
8. realize the activities on checkup and reporting the levels of emission of greenhouse gasses of the categories of sectors under Annex N I of Decision N 406/2009/EC;
9. direct building up, functioning and maintenance of NRTQEGG;
10. exercise other authorizations, assigned to him by this act.

Art. 7. The executive director of the Executive agency on environment (EAE) shall:

1. issue, review, update and withdraw the permits for emissions of greenhouse gasses;
2. approve, review and update the monitoring plan of the annual emissions and data per tonne/km from aviation operators;
3. carry out conservative assessment of emissions in the meaning of Commission Regulation (EU) N 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse

gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ, L 181/30 of 12 July 2012), called hereinafter Regulation (EU) N 601/2012;

4. carry out and report the national inventory of emissions of greenhouse gasses on UNFCCC and the Kyoto Protocol;
5. fulfill the functions of a national administrator, directing NRTQEGG;
6. exercise other authorizations, assigned by this act.

Section II. Strategies and Plans

Art. 8. (1) The National action plan in the area of climate change shall be an instrument, through which the framework of the state policy shall be defined in the area of the climate change for each separate period of action according to the EU policy and the International agreements in the area of climate change to which the Republic of Bulgaria is a party.

(2) The National action plan in the area of climate change shall provide an implementation schedule and a monitoring mechanism of the activities on climate change and the reached reductions of emissions of greenhouse gasses.

(3) The National action plan in the area of climate change shall be drawn up by the Minister of environment and Waters jointly with the competent Ministers under Art.4, Para. 1 and after consultation with the National expert council on climate change on the basis of the relevant sector strategies and plans shall be adopted by the Council of Ministers.

(4) The National action plan in the area of climate change shall be adopted and updated in compliance with the changes in the strategies and plans under Para. 3 and the commitments of the Republic of Bulgaria, comprising from the international and EU legislation.

Art. 9. (1) The Minister of environment and Waters, jointly with the competent Ministers under Art. 4, Para. 1 and after consultations with the National expert council on climate change shall draw up a draft of a national strategy for the basic measures for adaptation to the consequences from climate change.

(2) The strategy under Para. 1 shall be drawn up for a period not shorter than 20 years with the exception of the first strategy, which shall be drawn up for the period up to 2030, including.

(3) The strategy under Para. 1 shall be adopted by the Council of Ministers.

Art. 10. (amend. – SG, 14/15) The Minister of Energy, in coordination with the Minister of Environment and Waters and the Ministers under Art. 4, Para. 1 shall draw up a draft of a National plan for investments for the period 2013 – 2020 under Art. 4, Para. 2, p. 18d of the Act on Energy and shall submit it for approval to the European Commission.

Chapter three. IMPLEMENTATION OF THE OBLIGATIONS, COMPRISING FORM THE INTERNATIONAL AGREEMENTS

Section I. National Inventory of Emissions of Greenhouse Gasses

Art. 11. (1) The Republic of Bulgaria shall annually carry out and report before the Secretariat of the UNFCCC the national inventory of emissions of greenhouse gases on UNFCCC and the Kyoto Protocol.

(2) The conditions, procedure and way of the organization, including carrying out and reporting the national inventory of emissions of greenhouse gases and requirements to the data, provided by the bodies under Art. 12 shall be determined by the ordinance under Art. 5, p. 4.

Art. 12. (1) Competent bodies in the procedure of carrying out and reporting the national inventory under Art. 11 shall be:

1. the Minister of Environment and Waters;
2. (amend. – SG 58/17, in force from 18.07.2017) the Minister of Agriculture, Foods and Forestry;
3. the Minister of Transport, Information Technologies and Communications;
4. (amend. – SG, 14/15) the Minister of Energy;
5. (new - SG 41/15) the Minister of Interior;
6. (prev. text of Item 05 - SG 41/15) the Minister of Interior;
7. (prev. text of Item 06 - SG 41/15) the Executive Director of EAE;
8. (prev. text of Item 07 - SG 41/15) the president of the National Statistical Institute (NSI);
9. (prev. text of Item 08 - SG 41/15) the Executive Director of the Bulgarian Agency on Food Safety;
10. (prev. text of Item 09 - SG 41/15) the Executive Director of the Executive Agency of Forests;
11. (prev. text of Item 10 - SG 41/15) the Executive Director of the Executive Agency Automobile Administration;
12. (prev. text of Item 11 - SG 41/15) the Executive Director of the Executive Agency Railway Administration;
13. (prev. text of Item 12 - SG 41/15) the Executive Director of the Executive Agency Maritime Administration;
14. (prev. text of Item 13 - SG 41/15) the Executive Director of the Executive Agency Research and Maintenance of the River Danube;
15. (prev. text of Item 14 - SG 41/15) General Director of General Directorate Civil Aviation Administration.

(2) The bodies under Para. 1:

1. according to their competency shall participate in the development and/or determining the national emission factors/coefficients and/or other indicators, used for determining the emissions of the greenhouse gases within the frames of the national inventory under Art. 11;
2. make proposals for changes in the procedure of carrying out national inventory under Art. 11;
3. provide the relevant expert and technical capacity in relation to the fulfillment of their commitments under p. 1 and 2.

(3) Carrying out the national inventory under Art. 11 also branch organizations, scientific and educational institutions shall participate according to their competence, by providing information and assisting the activity of the bodies under Para. 1 while fulfilling their commitments under Para. 2.

Art. 13. The Minister of Environment and Waters shall develop the drafts of the strategic documents and normative provision in the area of environment, which are related to carrying out the national inventory under Art. 11.

Art. 14. The Executive Director of EAE shall organize the whole activity on carrying out the national inventory under Art. 11, where he shall:

1. inform timely all the bodies under Art. 12, Para. 1 about:
 - a) the relevant changes in the guidebooks in force and/or methods for carrying out and reporting the national inventory under Art. 11;
 - b) changes in the relevant deadlines and format, including scope and contents in which the available data for the natural indicators and other related to them indicators, needed for carrying out the national inventory under Art. 11, are to be produced;
2. annually carry out preliminary and final inventory under Art. 11 in a procedure, determined by the Ordinance under Art. 5, p. 4;
3. produce before the Minister of Environment and Waters for coordination the final variant of the national inventory under Art. 11 in a procedure, determined by the Ordinance under Art. 5, p. 4;
4. report the final national inventory before the Secretariat of the UNFCCC;
5. provide training of the experts from the bodies under Art. 12, Para. 1 in relation to their participation in the procedure of carrying out the national inventory under Art. 11.

Art. 15. (1) (amend. - SG 41/15) The bodies under Art. 12, Para. 1, p. 2 – 6. p. 8 – 10 or officials authorized by them shall submit annually to EAE the data for the previous year, indicated in the Ordinance under Art. 5, p. 4.

(2) (amend. - SG 41/15) The bodies under Art. 12, Para. 1, p. 11 – 15 or officials, authorized by them shall submit annually to the Minister of Transport, Information Technologies and Communications the data, indicated in the Ordinance under Art. 5, p. 4. The Minister of Transport, Information Technologies and Communications, or an official authorized by him shall summarize the data under the previous sentence and shall submit them to EAE.

(3) (amend. - SG 41/15) The persons under Art. 12, Para. 3 shall submit the data, indicated in the Ordinance under Art. 5, p. 4 to the relevant bodies under Art. 12, Para. 1, p. 3 – 10.

(4) The data under Para. 1 and 2 shall be submitted to EAE within the deadlines, indicated in the Ordinance under Art. 5, p. 4.

Section II.

International Exchange with Assigned Amount Units and National Scheme for Green Investments

Art. 16. (1) This Section shall provide for the rules on sale and exchange of the assigned amount units (AAU) on behalf of the Bulgarian state and financing of the National scheme for green investments (NSGE) in the Republic of Bulgaria with the funds from this sale.

(2) The assigned amount units shall be private state property, which shall represent a special kind of rights – subject to international trade under Art. 17 of the Kyoto Protocol.

Art. 17. (1) Through NSGE shall be financially and institutionally assisted investment and other projects, which lead to reduction of the emissions of greenhouse gasses on the territory of the country or lead to other positive ecological effects and influence over the environment, including through reduction of the factors of anthropogenic activity, related to the climate changes and global warming in compliance with the requirements of the EU and national legislation in the area of protection of the environment.

(2) The national scheme for green investments shall include organization of the activities of selection, assessment, validation and funding of projects on green investments through the National thrust eco-fund (NTEF), monitoring and control of implementation of such projects and if applicable – verification of implementation and achieved results.

(3) The activities under Para. 2, containing financial measures shall be realized after an assessment, confirming their compliance with the regime of the state assistance on behalf of NTEF.

Art. 18. (1) The requirements of the parties – acquirers of AAU to the objectives and ways of spending of the funds from sale of AAU shall be inseparable part from the agreement for sale of AAU, signed by the Republic of Bulgaria and respectively, from the agreements for funding projects for green investments between NTEF and the investors, who undertake the projects implementation for green investments.

(2) The correct spending of the funds from sale of AAU shall be ensured additionally through:

1. the participation of representatives of the parties – acquirers of AAU in the composition and activity of the Consultative council of NTEF;
2. publicity of the reports on the assessment and implementation of the projects for green investments, which will be funded through NSGE.

Art. 19. (1) Participation of the state in the international exchange with AAU shall be carried out through procedures for sale and exchange of AAU as provided by this act.

(2) The sale and/or exchange under Para. 1 shall include:

1. a procedure of negotiations with the interested parties or representatives, authorized by them;
2. adopting a decision of the Council of Ministers for approval of a draft agreement with the basic parameters of the transaction;
3. signing the agreement for sale and/or exchange of AAU between the Bulgarian state and the party – acquirer and
4. writing off the sold and/or exchanged AAU from NRTQEGG and transferring them to a lot, indicated on behalf of an acquirer.

(3) (amend. – SG, 14/15) The procedure of the sale and/or exchange of AAU shall be opened upon request of the interested parties – participants in the international exchange with AAU, which is a reason for the beginning of the negotiations with the potential acquirer. The negotiations shall be conducted by the Minister of Finance, the Minister of Environment and Waters and the Minister of Energy and/or by officials, authorized by them.

(4) The Ministers under Para. 3 shall introduce a draft agreement for sale and/or exchange of AAU with the basic parameters of the transaction for approval by the Council of Ministers.

(5) (amend. – SG, 14/15) The sale agreement and or exchange shall be signed by the Minister of Finance, the Minister of Environment and Waters and the Minister of Energy or by the authorized representatives of the party – acquirer. The sale agreements of AAU shall be amended and supplemented in the procedure of their concluding.

(6) The Minister of Environment and Waters shall inform in writing the Executive Director of EAE, who shall write off the relevant quantity of sold and/or exchanged AAU by NRTQEGG and shall transfer them in the lots/national register of the party – acquirer according to the conditions of the agreement for sale or exchange.

Art. 20. (1) The funds of sale of AAU shall come into the budget of the Undertaking for management of the activities of protection of environment (UMAPE).

(2) The Ministry of Environment and Waters shall control the fulfillment of the agreements for sale of exchange of AAU

(3) The UMAPE shall control the spending of the funds, allocated to NTEF on the agreements for funding the projects of NSGE, including the costs for administrative needs on applying NSGE.

Art. 21. The Minister of Environment and Waters and the executive director of EAE shall ensure the observation of the conditions for admissibility of the state participation in the international trade with AAU according to Decision 11 of the first conference of the parties, which serves as meeting of the parties on the Kyoto Protocol through the national system under Art. 1, p. 4 and NRTQEGG.

Art. 22. (1) The funds on the agreements for sale of AAU shall be intended only to financing of NSGE projects, including for administrative costs for the activity with the exception of the cases under Para. 3.

(2) The funds under Art. 20, Para. 1 shall be used as follows:

1. up to 5% of the funds – for covering administrative costs of NTEF and UMAPE on management and control of NSGE; the admissible amount of the administrative costs of NTEF shall be defined by the buyer of AAU and shall be entered in the sale agreement; UMAPE shall transfer monthly the needed sums for covering the administrative costs of NTEF in compliance with an approved by the managing board of NTEF plan/budget;

2. for paid or unpaid financing of the relevant beneficiary after signing the contract between NTEF and the beneficiary for fulfillment of the approved by NTEF projects for green investments; the funds shall be allocated in compliance with the conditions and deadlines, provided by the contract between NTEF and the beneficiary and after receiving at UMAPE a motivated request by NTEF.

(3) In case of a lack of explicit requirements on behalf of the acquirer of AAU to use the funds from the sale through NSGE, these funds shall be spend through the UMAPE budget for financing project implementation, related to environment protection and for covering a part of the costs for realized powers for production of electric energy from renewable energy sources.

(4) The projects under Para. 3, which will be financed by the funds from sale through NSGE, shall be determined by a Council of Ministers decision.

Art. 23. (1) Fulfillment and application of NSGE with the exception of the projects, which are financed with funds under Art. 22, Para. 3 shall be assigned to NTEF, which shall be responsible for selection, approval and assigning of the project implementation for green investments, which shall be financed by the receivables from the international trade with AAU according to the requirements of this act and the conditions of the sale agreements.

(2) The funds from sale of AAU shall be used for funding projects in the area of energy, transport, agriculture and forestry, management of wastes and waters, protection of the clean atmospheric air, industry and other sectors of the national economy, which shall:

1. lead to reduction of the greenhouse gas emissions or their absorption by fulfilling the following example measures:

a) increasing the energy effectiveness;

b) increasing the share of the energy from renewable sources for own needs, as well as for covering public costs for already existing projects for production of electric energy from renewable energy sources;

c) capture and utilization of methane ;

d) planting, repeated planted and changes in the use of land; the planting and repeated planting may be carried out only with local kinds from the relevant region or geographic belt and the used methods shall be environmentally friendly and account for the scientific achievements in this area and the experience with adaptation to the climate changes of the parties, which have signed UNFCCC;

e) development and introduction of ecologic technologies, which stimulate increasing of the energy effectiveness and/or use of energy from renewable sources;

f) development and introduction of a policy for climate change mitigation in view to fulfillment of the commitments on the Kyoto Protocol;

g) educational measures, scientific researches and measures for improvement of the administrative capacity and management of the activities on the policy of climate change mitigation;

h) increasing the information awareness of the wide public on issues, related to climate change;

i) development and introduction of adaptation measures to the climate change;

2. substantially improve the quality of environment, including reduction of pollution of air, water and soil.

Art. 24. (1) The national scheme for green investments shall be managed according to the principles of good international practice, including:

1. transparency;

2. ecological efficiency, economic efficiency and social acceptability;

3. reliability;

4. traceability;

5. accountability.

(2) Implementation and application of NSGE shall be guaranteed through publicity of the criteria and decision for approval of projects, the conditions of the contracts on their implementation, the control and monitoring systems on implementation of the contracts and verification systems of the results from the project implementation.

Art. 25. The National thrust eco-fund shall sign the contract for financing the approved projects for applying NSGE under Art. 23, Para. 1 with the relevant beneficiaries.

Art. 26. (1) The implementation control and monitoring of the contracts and projects for applying NSGE under Art. 23, Para. 1 shall be realized by NTEF.

(2) In compliance with Art. 18, Para. 2 the parties – acquirers of AAU shall have the right to indicate own representatives in the consultative board of NTEF. Each of the parties – acquirer may indicate only one representative in the consultative board notwithstanding of the number of persons, who acquire AAU as its representatives.

Art. 27. (1) Verification of the project documentation and verification of the reduced emissions if greenhouse gasses on NSGE projects, where this is required by the relevant AAU acquirer, shall be carried out by verifiers under the requirements of Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ, L 181/1 of 12 July 2012), called hereinafter Regulation (EU) N 600/2012, or verifiers, competent to verify projects on the mechanisms for joint implementation and clean development.

(2) Beneficiaries of NSGE projects and the NTEF bodies shall not refuse access to provision of data of the accredited organizations, which are needed for assessment and verification of the project and contract implementation.

Section III.

Joint Implementation and Clean Development Mechanisms on the Kyoto Protocol

Art. 28. (1) The Minister of Environment and Waters shall approve activities of projects, generating if reduced emissions units (REU) and certified reduced emissions units (CREU) on the Kyoto Protocol.

(2) The Minister of Environment and Waters shall approve only activities of projects, in which the central management of all the participants has been established in a state – party of the Kyoto Protocol or in a state, or federal or regional unit, related to EUETS under an international agreement.

(3) REU shall not be issued in view reductions or restriction of greenhouse gasses from activities, which are included in the scope of this act and of Commission Regulation (EU) No 550/2011 of 7 June 2011 on determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, certain restrictions applicable to the use of international credits from projects involving industrial gases (OJ, L 149/1 of 8 June 2011), called hereinafter: Regulation (EU) N 550/2011.

(4) The Minister of Environment and Waters shall issue an order for reporting the generated from approved activities on projects REU of greenhouse gasses and transfer of an indicated lot by the person, introducing the project in NRTQEGG.

Art. 29. The Minister of Environment and Waters shall issue and instruction for approval of projects, generating REU in compliance with:

1. decision, adopted by UNFCCC and the Kyoto Protocol;
2. the EU legislation in the area of climate change;
3. international criteria in instructions for production of energy from water-electric

power stations with power above 20MW, more specifically, the contained in the report of the World commission of dams: Dams and development – new framework for decision taking" of November 2000;

4. not admitting unfavourable ecologic and social impact in the cases of activities of projects for production of energy from water electric power stations with power above 500 MW.

Chapter four. EU SCHEME FOR TRADE WITH EMISSIONS

Section I. General Provisions

Art. 30. (1) The Republic of Bulgaria is participant in EUETS.

(2) The EU scheme for trade with emissions shall be open for participation of natural and legal persons from the EU Member States, as well as of natural and legal persons from third countries, with which the EU has signed agreements for mutual recognitions of quotas between EUETS and other schemes for trade with emissions of greenhouse gasses.

(3) The EU scheme for trade with emissions shall cover the installations, carrying out activities under Annex N 1 and the aviation activities under Annex N 2.

(4) The provision of this Chapter shall apply to the period 2013 – 2020 and unless otherwise provided by the EU law – to each following action period of EUETS.

Section II. Permits for Greenhouse Gas Emissions

Art. 31. Exploitation of new and acting installations for the categories industrial activities under Annex N1 shall be permitted after issuing a permit for greenhouse gas emissions under the Ordinance under Art. 5, p. 1.

Art. 32. (1) For issuing a permit for greenhouse gas emissions, the operator of the installation shall submit an application to the Executive Director of EAE.

(2) The application under Para. 1 shall include a description of:

1. the installation and the various regimes of its exploitation, including the used technology;

2. the raw materials and assisting materials whose use may lead to emissions of greenhouse gasses;

3. the sources of emissions of greenhouse gasses from the installation;

4. the planned measures for monitoring and reporting in compliance with the requirements of the Ordinance under Art. 5, p. 1.

(3) The application under Para. 1 shall also include non-technical summary of the description under Para. 2.

(4) The operators of new installations shall submit the application under Para. 1 not later than:

1. 3 months after receiving the permit for building;

2. 6 months before a change of the characteristics or functioning of an acting installation or increasing of its capacity, where this change leads to including the installation in the scope of Annex N 1, if before the change the installation does not fall in the scope of this

Annex.

(5) With the application under Para. 1, the operator shall produce evidence for fulfilling the requirements of Chapter Six, Section Iii and Chapter Seven, Section Ii of the Act on the Environment Protection and shall indicate their identification data.

(6) In case of change of the operator of installations, the new operator shall undertake the rights and duties according to the permit and shall be obliged within 7 day term from occurrence of the change to inform the EAE Executive Director, who shall update the permit.

Art. 33. (1) The permit for greenhouse gas emissions shall contain:

1. name, address of the operator – natural person, company name, SIC/BULSTAT N, central office and management address of the operator – legal person, as well as other data, indicated in the Ordinance under Art. 5, p. 1;

2. description of the installation, its basic parameters and of the greenhouse gas emissions, emitted from it;

3. monitoring plan, drawn up in compliance with the Ordinance under Art. 5, p. 1;

4. requirement for reporting in compliance with the Ordinance under Art. 5, p. 2;

5. obligation for submitting quotas, equal to the total quantity of emissions from the installation for each calendar year, verified in compliance with the ordinance under Art. 5, p. 2 within the frames of 4 months after finalization of the relevant calendar year.

(2) The Executive Director of EAE shall issue the permit under Para. 1 within 3 month term from the date of receiving the operator's application under Art. 32, Para. 1.

(3) The competent body shall refuse to issue the permit under Para. 1, where:

1. the operator of the installation has submitted incomplete application under Art. 32, Para. 1 and with 14 day term has failed to add the needed documents according to the instructions of the competent body;

2. according to the contents of the submitted application the operator cannot provide the needed monitoring and reporting;

3. the operator has not documents, evidencing the implementation of the requirements of Chapter six, Section Iii and Chapter Seven, Section II of the Act on Environment Protection.

Art. 34. (1) The Executive Director of EAE shall review the permit for greenhouse gas emission under the Ordinance of Art. 5, p. 1 in the event of any change under Para. 2, as well as in case of occurred amendments of the normative legislation on climate change mitigation.

(2) An operator of installation, holding a permit for greenhouse gas emissions shall be obliged to notify the competent body under Para. 1 in each case of:

1. planned or really occurred change in the operation of the installation, including:

a) the characteristics and/or functioning of the installation;

b) the installation capacity;

2. change of the personality of the operator of the installation;

3. termination of the installation activity.

(3) After reviewing the permit the Executive Director of EAE shall update, issue or withdraw the permit.

(4) The executive Director of EAE shall repeal the permit for greenhouse gas emissions in the event of termination of the installation activity, as well as in the cases of found failure to fulfill the conditions of the permit for greenhouse gas emissions.

(5) Termination of the installation activity shall be a fact where:

1. the installation does not operate and the renewal of its exploitation is technically

impossible;

2. the installation does not operate and the operator cannot prove that its exploitation will be renewed with the frames of 6 months; the period under the previous sentence shall be 18 months, if the operator proves that the installation cannot restart its activity within 6 months because of force majeure circumstances.

(6) The installation activity shall not be terminated in the case of Para. 5, p. 2 in relation to installations, which are in reserve or in a readiness regime and of installations, which are exploited according to a season schedule, if the following conditions have been fulfilled:

1. the operator has a permit for greenhouse gas emissions, as well as all other permits, issued under another act;

2. technically it is possible to start exploitation without making physical changes in the installation;

3. regular repairs are being made in the installation.

(7) The Regional inspectorates of environment and waters shall carry out control of the observation of the conditions of the permit for greenhouse gas emissions and shall notify immediately the Executive Director of EAE about occurrence of the circumstances under Para.

4.

Section III. Monitoring, Reporting and Verification

Art. 35. (1) Every operator of installation under Art. 31 and every aviation operator, for whom the Republic of Bulgaria is an administering Member State shall carry out monitoring under the Ordinance of Art. 5, p. 1 and Regulation (EU) N 601/2012.

(2) The aviation operators shall submit to EAE a monitoring plan of the emissions and data for tonne/km for approval, drawn up in compliance with the Ordinance under Art. 5, p. 1.

(3) The EAE Executive Director shall approve the plans under Para. 2 within the term of 2 months from the date of their submission.

(4) The EAE Executive Director shall refuse approval of the monitoring plan and the data for tonne/km, where:

1. the aviation operator has produced a monitoring plan of emissions and data for tonne/km, which are not drawn up in compliance with the Ordinance under Art. 5, p. 1 and within 14 day term has failed to correct it and/or added it in compliance with the instruction of the competent body;

2. the aviation operator does not hold a valid operative license for air transport issued by an EU Member State.

Art. 36. (1) The operators of installations under Art. 31, who hold permit for greenhouse gas emissions shall be obliged to draw up annual reports, containing the data of the monitoring of the greenhouse gas emissions, emitted from the installation during the previous year.

(2) (suppl. - SG 41/15) The aviation operators shall be obliged to draw up annual report of the emissions and annual report of the data for tonne/km on the basis of the approved monitoring plans for the greenhouse gas emissions and of the ton-kilometer data.

(3) The reports under Para. 1 and 2 shall be drawn up and verified according to the Ordinance of Art. 5, p. 2 and Regulation (EU) N 600/2012 and shall be produced to the EAE

Executive Director for check-up and publication.

(4) Operator of installations or aviation operator, whose report is not verified by 31 March for the emissions during the previous calendar year, shall not be able to transfer quotas by the time his report has been verified. In the event of failure to observe the deadline for verification, the accounts of the operators of installations and the aviation operators in their lots in NRTQEGG shall be blocked by the time the breach has been removed.

(5) The EAE Executive Director shall carry out a conservative assessment of the emission of a certain installation or of an aviation operator under Regulation (EU) N 601/2012, where:

1. no verification annual report for the emissions of the relevant operator of installation or aviation operator has been submitted with the term of up to 31 March of the relevant year under Art. 67, Para. 1, of Regulation (EU) N 601/2012;

2. the verification annual report for the emissions has not been drawn up in compliance with the requirements of Regulation (EU) N 601/2012;

3. the report for the emissions of an operator of installation or aviation operator has not been verified under Regulation (EU) N 600/2012.

(6) The operators of installation shall be obliged for the purposes of Art. 47, Para. 2 and notwithstanding of the notification under Art. 34, Para. 2 to produce annually to the Ministry of Environment and Waters information for each planned or occurred change in the capacity, the level of activity and exploitation of the installation under the provision and deadline, defined by the Ordinance under Art. 5, p. 1.

Section IV. Quotas for Emissions from Aviation Activities

Art. 37. (1) For the period from 1 January 2013 to 31 December 2020 and for each following period of EUETS of aviation activities the quantity of quotas, which are allocated to the aviation operators, shall be equal to 95% of the historical aviation emissions, multiplied by the number of years, included in the relevant period.

(2) 15% of the quotas under Para. 1 shall be allocated via an auction under Art. 52.

(3) The number of quotas for aviation activities, which is defined for a sale via an auction for each period for the Republic of Bulgaria shall be proportional to its share of the total number of established aviation emissions for all EU Member States for the relevant reference year for this period, reported and verified under Art. 36.

(4) For a reference year under Para. 3 shall be considered the year, finishing 24 months before the beginning of the period, for which the auction refers.

Art. 38. (1) The aviation operators, for which the Republic of Bulgaria is administering Member State, may submit an application to the Minister of Environment and Waters for a free allocation of quotas 21 months latest before the beginning of the period, for which the application refers.

(2) The application under Para. 1 shall include verification data for tonne/km of the aviation activities under Annex N 2, fulfilled by the aviation operator for the monitored year under Para. 3.

(3) The monitored year shall be the calendar year, finishing 24 months before the beginning of the period, to which the application under Para. 1 refers.

(4) The Minister of Environment and Waters shall submit to the European Commission

the received applications 18 latest before the beginning of the period, to which they refer.

Art. 39. (1) The Minister of Environment and Waters shall calculate and make public on the internet site of the Ministry of Environment and Waters:

1. the quotas, allocated for the period for each aviation operator, calculated where the tonne/km shall be multiplied, included in the application by the parameter under Para. 2, p. 5;

2. the quotas, allocated for each year of the period of each aviation operator, calculated as the quantity quotas under p. 1 is divided by the number of the year in the period, for which this aviation operator carried out aviation activity, included in the list of Annex n 2.

(2) The calculation and publication of the data under Para. 1 shall be carried out within the term of 3 months after decision taking by the European Commission for:

1. the total quantity quotas, which are to be allocated for the period;

2. the number of quotas, which are to be allocated via an auction for the relevant period;

3. the number of quotas of the special reserve for aviation operators for the period;

4. the number of quotas, which will be allocated free and which are defined by subtraction of the number of quotas, indicated in p. 2 and 3 from the total quantity of quotas, for which a decision has been taken under p. 1;

5. the parameter, which will be used in the free allocation of quotas to the aviation operators.

(3) The parameter, indicated in Para. 2, p. 5, expressed in a number of quotas for tonne/km shall be calculated by dividing the number of quotas, indicated in Para. 2, p. 4 to the sum of tonne/km, included in the application under Art. 38, Para. 1, submitted to the European Commission.

(4) Within the term of up to 28 February of each year, the EAE Executive Director shall issue for each aviation operator the number of quotas, which have been allocated to him for this year under Para. 1, p. 2 under the Ordinance of Art. 5, p. 3.

Art. 40. (1) Quotas in the amount of 3% of the total quantity of quotas, which will be allocated for the periods under Art. 37, Para. 1 shall be set aside for a special reserved for aviation operators:

1. who begin to carry out aviation activity, falling in Annex N2 after the monitoring year under Art. 38, Para. 3 in relation to the relevant period of Art. 37, Para. 1 and whose activity is not thoroughly or partially continuation of aviation activity, carried out before this by another aviation operator, or

2. whose tonne/km are increased averagely by more than 18% annually during the time between the monitoring year under Art. 38, Para. 3 in relation to the period of Art. 37, Para. 1 and the second calendar year of this period and whose additional activities are not thoroughly or partially continuation of aviation activity, carried out before that by another aviation operator.

(2) All the unallocated quotas of the special reserve under Para. 1 shall be sold at an auction under Section VII.

Art. 41. (1) Aviation operator, who meets the conditions of Art. 40, Para. 1 may apply for a free allocation of quotas of the special reserve, by submitting an application of the Minister of Environment and Waters.

(2) The application under Para. 1 shall be submitted by 30 June of the third year of the indicated in Art. 37, Para. 1 period, for which it refers.

(3) The allocation of quotas for aviation operator under Art. 40, Para. 1, p. 2 shall not exceed 1 000 000 quotas.

(4) The application under Para. 1 shall contain:

1. verification data for the tonne/km, drawn up in compliance with the Ordinances under Art. 5, p. 1 and 2 for the aviation activities, listed in Annex N 2, carried out during the second calendar year of the period, to which the application refers;

2. evidences for implementation of the admissible criteria, indicated in Art. 40. Para. 1.

(5) The aviation operators under Art. 40, Para. 1, p. 2, apart from the data under Para. 4, shall also include in the application a declaration about:

1. the percentage increasing in tonne/km of the activity of the aviation operator during the period between the year, during which the monitoring has been carried out and for which the data for the tonne/km have been submitted under Art. 38, Para. 2 – in relation to the relevant period under Art. 37, Para. 1 and the second calendar year of this period;

2. the absolute increasing in tonne/km of the activity of the aviation operator for the period between the monitoring year and for which the data of the tonne/km have been submitted under Art. 38, Para. 2 - in relation to the relevant period under Art. 37, Para. 1 and the second calendar year of this period and

3. the absolute increasing in tonne/km of the activity of the aviation operator during the period between the year, during which the monitoring has been carried out and for which the data for the tonne/km have been submitted under Art. 38, Para. 2 – in relation to the relevant period under Art. 37, Para. 1 and the second calendar year of this period, which exceeds the defined percent in Art. 40, Para. 1, p. 2.

(6) Not later than 6 months after expiry of the deadline for submission of the application under Para. 2, the Minister of Environment and Waters shall submit to the European Commission the applications under Para. 1.

(7) The parameter, which will be used for free allocation of quotas of the aviation operators, who have submitted applications under Para. 1 shall be defined by the European Commission.

(8) Within the term of 3 months from the date of the decision of the European Commission, which defined the parameter under Para. 7, the Minister of Environment and Waters shall calculate and make public on the internet site of the Ministry of Environment and Waters:

1. the quantity quotas of the special reserve, allocated to each aviation operator, which meets the criteria of Art. 40, Para. 1 and has submitted an application under Para. 2;

2. the quantity quotas, allocated to each aviation operator for each ear, which shall be defined by dividing the quantity quotas under p. 1 by the number of complete calendar years, remaining for the relevant period under Art. 37, Para. 1.

(9) The quotas under Para. 8. p. 1 shall be calculated where the parameter of Para. 7 shall be multiplied by:

1. the tonne/km, included in the application – for the aviation operators to who Art. 40, Para. 1, p. 1 shall apply;

2. the absolute increasing in tonne/km, exceeding the defined in Art. 40, Para. 1, p. 2 percent, included in the application under Para. 1 – for the aviation operators, to whom Art. 40, Para. 1, p. 2 applies.

Section V.

Quotas for Greenhouse Gas Emissions from Installations

Art. 42. (1) The total quantity of the quotas for emissions from all the installations, issued annually for the whole EU, starting from 2013 shall be reduced with a line coefficient 1,74% in comparison with the average total annual quantity quotas, issued by the Member States in compliance with the decisions of the European Commission on their national allocation plans for the period 2008-2012.

(2) The quotas quantity, issued for the whole EU for 2013 has been defined by Decision 2010/634/EU of the European Commission for confirmation of the quotas quantity in the EU, which are to be issued for 2013 on EUETS, as well as for repealing Decision 2010/384/EU (OJ, L 279/34 of 23 October 2010).

(3) All the quotas for emissions from installations, starting from 2013 shall be sold at an auction under Art. 52, with the exception of the cases under Art. 443-46.

Art. 43. (1) For the period 2013 - 2020 and for each following period of EUETS, free quotas shall be allocated to installation, which:

1. have been included in the approved by the European Commission list of installations under Para. 4, or

2. respond to the definition for a new participant, they have submitted an application under Art. 44 and the application has not been rejected by the European Commission.

(2) With the exception of the cases under Art. 45 and 46, free quotas shall not be allocated for the following installations:

1. generator of electric energy;
2. installations for capturing carbon dioxide;
3. the pipelines for transfer of carbon dioxide;
4. the places for storage of carbon dioxide.

(3) Quotas of installations shall not be allocated free, which have terminated their activity in the meaning of Art. 34, Para. 4.

(4) The installations on the territory of the Republic of Bulgaria, which carry out activities according to Annex N 1, as well as the quota quantity, allocated free of each installation in compliance with Para. 6 shall be defined in a list, drawn up by the Minister of Environment and Waters and approved by the European Commission.

(5) The list under Para. 4 shall include the installations on the territory of the Republic of Bulgaria in branches and sub-branches at risk of leaking of carbon.

(6) The allocation of free quotas for greenhouse gas emission from installations shall be carried out in compliance with Commission Decision 2011/278/EU of 27 April 2011, determining transitional Union-wide rules for harmonized free allocation of emission allowances pursuant to Art. 10a of Directive 2003/87/EC of the European Parliament and of the Council (2011/278/EU) (OJ, L 130/1 of 17 May 2011), called hereinafter: Decision 2011/278/EU.

Art. 44. (1) 5% of the quotas quantities for the EU, defined in compliance with Art. 42, Para. 1 has been reserved for new participants.

(2) Free allocation of quotas shall not be admitted for electric energy, produced by new participants.

(3) The free allocation of quotas shall be carried out after checking and approval by the Minister of Environment and Waters of the application submitted to him by the interested new

participant.

(4) The application under Para. 3 shall be drawn up in the Bulgarian language according to and electronic form, provided by the European commission and shall be submitted within a term of up to one year after the beginning of the normal exploitation of the installation.

(5) The Minister of Environment and Waters shall accept only applications, in which the data are verified as satisfactory by a verifier under the ordinance under Art. 5, p. 2 and which have been submitted within the term of Para. 4.

(6) The quotas in the reserve, which have not been allocated to new participants during the period of 2013-2020 and which after that have been provided for allocation to the Republic of Bulgaria by the European Commission shall be allocated through an auction under Art. 52.

Art. 45. (1) Free quotas for the period of 2013 – 2020 under the conditions of Art. 43 shall be allocated also in favor of heat-transferable networks, as well as of electric power stations with highly effective combined production of electric and heat energy under the Energy Act for economically efficient search in relation to production of energy for heating, or cooling.

(2) Each year after 2013 the total quantity, allocated of similar installation in relation to production of such heating energy shall be corrected by the line coefficient under Art. 42, Para. 1.

Art. 46. (1) Free quotas for the period 2013 – 2019 shall be allocated also of installations for production of electric energy, started operation by 31 December 2008 or of installations for production of electric energy, the process of investment of which has started physically on the same date.

(2) The free allocated quotas shall be deducted from the quantity quotas, which will be traded under Art. 42, Para. 3.

(3) During 2013 the total amount of the distributed free quotas under Para. 1 shall be less than 70% of the average annual verified emissions for 2007 from such generators of electric energy under Para. 1 for the quantity, corresponding to the gross final national utilization, where it shall gradually reduce with the line coefficient under Art. 42, Para. 1. During 2020 quotas of installations under Para. 1 shall not be allocated freely.

(4) The freely allocated quotas of operators shall be based on the allocation of the verified emissions during 2007.

(5) The free allocation of quotas shall be carried out after approval by the European Commission of the National plan for investment for the period 2013 – 2020 under Art. 4, Para. 2, p. 18d of the Energy Act.

Art. 47. (1) (amend. - SG 41/15) On the basis of a decision of the European Commission on allocation of the quotas, the Minister of Environment and Waters shall notify annually, as of 2013, the EAE Executive Director of the quotas allocation for the relevant year in compliance with Art. 43, Para. 4 and 6.

(2) In the event that there is a change of the capacity, the activity level or exploitation of a certain installation, which have significance for the allocation of quotas for the installation, the Minister of Environment and Waters shall provide for approval to the European Commission, using the provided by the European Commission electronic form, the whole

needed information, including the reviewed preliminary total annual quantity of free quotas for emissions from the relevant installation, defined in compliance with this Section, before defining the final total annual quantity of free quotas for emissions under Para. 1.

(3) Within the term of up to 28 February of each year, starting from 2013, on the basis of the decision of the Minister of Environment and Waters under Para. 1 the EAE Executive Director shall issue to each operator of installations, holding a permit for greenhouse gas emission, which have been allocated for this year under Para. 1 and 2, under the procedure of the Ordinance under Art. 5, p. 3.

(4) Quotas for a new participant in EUETS of installations shall be allocated under Decision 2011/278/EU and the Ordinance under Art. 5, p. 2.

Section VI.

Transmission, Exchange of Quotas for Greenhouse Gas Emissions. Validity of the Quotas, CREU and REU

Art. 48. (1) The operators of installations, holding permit for greenhouse gas emission and the aviation operators shall be obliged by 30 April every year to submit a certain number of quotas, equal to the total quantity emissions, emitted from the installation or as a result of the aviation activities during the previous year, verified in compliance with the Ordinance under Art. 5, p. 2 or defined as a result of a conservative assessment of emission under Art. 70 of Regulation (EU) N 601/2012. Quotas, which have already been transmitted, shall not be transmitted again.

(2) (suppl. - SG 41/15) Quotas for emission from aviation activities may be transmitted only by aviation operators. Installation operators may not perform their obligations under Para 1 with quotas of emissions of aviation activities.

(3) (amend. - SG 41/15) The operator shall fulfill his obligation under Para. 1 only with quotas, issued by a competent body of an EU Member State, or with quotas, issued by other states, indicated in Annex B to the Kyoto Protocol, which have ratified the Protocol and with which the EU has signed an agreement for mutual recognition of quotas between EUETS and other schemes for trade of greenhouse gas emissions.

(4) The obligation under Para. 1 shall not occur in relation to emission for which the relevant operator certifies before the EAE Executive Director, which have been captured and transferred for permanent storage in a site, for which there is an issued permit for storage under the Act on Storage of Carbon Dioxide in the Earth.

(5) Operator of installation or aviation operator, who has not fulfill his obligation for transmission of quotas under Para. 1 shall be obliged to transmit the insufficient quantity quotas during the following year notwithstanding of the sanction under Art. 76.

Art. 49. (1) The operators of installations and the aviation operators may use credit within the frames of EUETS under the conditions and amounts, defined by Commission Regulation (EU) N 1123/2013 of 8 November 2013 on determining international credit entitlements pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ, L 299/32 of 9 November 2013), called hereinafter: Regulation (EU) N 1123/2013.

(2) (amend. - SG 41/15) The maximum amount of the credits, which the operators of installations may use within the frames of EUETS for the period of 2008-2020, shall be in the amount to 12,507 % of their allocated quotas for the period 2008 – 2012, or a percentage, defined according to Art. 1 of Regulation (EU) N 1123/2013.

(3) The Minister of Environment and Waters shall calculate and public the amount of the credits which each operator of installation may use within the frames of EUETS in compliance with Para. 1 and shall notify the European Commission in compliance with Art. 59 of Regulation (EU) N 389/2013 of 2 May 2013 on creation of a EU Register on determining international credit entitlements pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decisions N 280/2004/EC and N 406/2009/EC of the European Parliament and of the Council on repealing Commission Regulation (EU) N 920/2010 and (EU) N 1193/2011 (OJ, L 122/1 of 3 May 2013), called hereinafter Regulation (EU) № 389/2013.

(4) The Minister of Environment and Waters shall update annually the amount of the credits, which each operator of installation and avio-operator may use within the frames of EUETS. Each change in the admissible amount of credits on projects shall be reported to the European Commission.

(5) The persons under Para. 1 shall not be entitled to use credits within the frames of EUETS, received as a result of reduction of emissions of greenhouse gas form:

1. projects for functioning of nuclear facilities;
2. projects for activities of using land, change of the use of land and forestry;
3. projects, provided by Regulation (EU) N550/2011.

(6) Certified units of reduced emission and REU shall not be submitted for fulfillment of the obligation under Art. 48, Para. 1.

(7) The persons under Para. 1 shall be entitled to request exchange of CREU and REU with quotas from installations under Art. 60 of Regulation (EU) N 389/2013.

Art. 50. (1) The quotas, submitted in compliance with art. 48 shall be annulated by 30 June every year.

(2) Voluntary annulations of quotas upon request of titular of lots shall be carried out under Art. 68 lf Regulation (EU) N 389/2013.

(3) The annulated quotas under Para. 2 shall not be subject to recovery apart from the cases, provided by Regulation (EU) N 389/2013.

(4) Annulated quotas shall not be entered as transmitted for reporting of whatever emissions.

Art. 51. (1) The EAE Executive Director shall allocate the free quantities quotas of installations at annual basis, defined under Art. 47, Para. 1 and 3.

(2) The quotas for greenhouse gas emissions, issued from 1 January 2013 on, shall be valid for emission for 8 year periods, starting from 1 January 2013.

(3) Within the term of 4 months after the beginning of each period under Para. 2, the EAE Executive Director shall repeal the quotas, which are valid no longer and have not been returned and annulated in compliance with Art. 48 and 50.

(4) EAE Executive Director in exchange of the repealed quotas under Para. 3, shall issue quotas for the current period of the persons, whose quotas have been repealed.

Section VII.

Auctions with Quotas for Greenhouse Gas Emissions

Art. 52. (1) All the auctions of quotas for emissions of greenhouse gasses under this act shall be conducted in compliance with Regulation (EU) N 1031/2010.

(2) The auctions under Para. 1 shall be organized and realized at a general auction platform, determined in compliance with Regulation (EU) N 1031/2010.

Art. 53. (1) Persons, who may apply for admittance to direct offer in the auctions shall be:

1. operators of installations and aviation operators under Art. 18, Para. 1, letter "a" of Regulation (EU) N 1031/2010;

2. (amend. - 15 of 2018, in force from 16.02.2018) the investment intermediary, licensed under Art. 17, Para. 1 and Art. 24, para. 1 of the Markets in Financial Instrument Act;

3. banks, licensed under Art. 2, Para. 2, p. 9 of the Act on the Credit Institutions, where they offer auctions products;

4. associations of operators under p. 1, who offer for own account and fulfill the part of an agent on behalf of their members;

5. trade companies with state participation and administrative bodies, which carry out control over the operators under p. 1 in the meaning of Art. 3, p. 15 of Regulation (EU) N 1031/2010.

(2) The persons under Para. 1, p. 2 and 3 may offer for auction products, which are not financial instruments, if they are duly licensed for this by the competent supervisory bodies while fulfilling the conditions of Art. 59 of Regulation (EU) N 1031/2010.

Art. 54. (1) The Minister of Environment and Waters shall be an auction seller of the Republic of Bulgaria in the meaning of Art. 22 of regulation (EU) N 1031/2010.

(2) The auction seller under Para. 1 shall:

1. fulfill the functions, provided by Art. 23 of Regulation (EU) N 1031/2010;

2. sign contracts with the auction platform, including with every related to it system for clearing and a system for settlement;

3. draw up, regularly update and provide to the auction platform a list of officials, assisting his activity as an auction seller and having access to internal information for conducting auctions;

4. organize his activity in compliance with the auction calendar under Chapter III of Regulation (EU) N 1031/2010;

5. give as guaranty quotas for thrust storage till their supply in an acting as trustee clearing system or settlement system under Art. 50 of Regulation (EU) N 1031/2010;

6. provide information from the conducted auctions to the auction inspector under Art. 53 of regulation (EU) N 1031/2010;

7. fulfill other functions as well, related to the function of an auction seller.

(3) The Minister of Environment and Waters may assign by an order the fulfillment of a part of his functions under Para. 2 to the EAE Executive Director in compliance with his functions under Art. 7, Para. 1, p. 5. The Minister of Environment and Waters shall determine by an order other officials as well, who may assist him while fulfilling the functions under Para. 2.

(4) The officials under Para. 3 shall immediately notify the body under Para. 1, where while fulfilling their activity occurs a direct or indirect interest, rising reasonable doubts in their impartiality and this would lead to conflict with the duly fulfillment of their functions or exercising their authorizations. The body under Para. 1 shall order in writing their removal and replacement by another official.

(5) (amend. - SG 7/18) The body under Para. 1 and the officials under Para. 3 shall

submit a declaration of private interest within the meaning of Art. 63, para. 1 of the Act on Counteracting Corruption and on Seizure of Illegally Acquired Property and a declaration for not disclosing information, become known to them in relation to fulfillment of the activities of an auction seller.

Section VIII. Revenues from Auctions with Quotas for Greenhouse Gas Emissions

Art. 55. (1) the auction seller under Art. 54 shall transfer all the revenues of funds from auction sales of quotas under section VII to the budget of UMAPE.

(2) The administrative costs of the auction seller under Art. 54 shall be recovered by UMAPE.

(3) Annually within the term of up to 31 January the auction seller shall publish on his internet site a summarized information about the finalized sales and the received funds from them during the previous calendar year.

Art. 56. (1) The revenues from the sale of quotas for aviation activities through an auction shall be used for funding the activities related to climate change mitigation, including for:

1. reducing the greenhouse gas emissions;
2. adapting to the impact of the climate change in the Republic of Bulgaria and in third states, more specifically in the developing states;
3. funding scientific researches and development of ways for restriction of hazardous consequences and for adapting, including in the sectors of aviation and air transport;
4. reducing the emission through transport with low emissions;
5. payment the activity of the auction inspector under Art. 52 of Regulation (EU) N 1031/2010 and the obligations, comprising from the signed contracts between the auction seller and the auction platform for offering to auction quotas for greenhouse gas emissions under Art. 52 of Regulation (EU) N 1031/2010;
6. other activities, leading to reduction of the greenhouse gas emission and coping with the climate change, including for measures of prevention of deforestation and for educational and information campaigns, directed to various target groups, related to climate change.

(2) The revenues for sale of quotas for emissions form aviation activities shall come into the budget of UMAPE and may be spent through NTEF in a procedure, defined by an Ordinance of the Minister of Environment and Waters. In this case respectively Art. 22, Para. 2 shall apply.

(3) The Minister of Environment and Waters shall inform the European Commission about the activities, carried out under Para. 1.

Art. 57. (1) (amend. – SG 47/16) The revenues from sale through an auction of all the allocated to the Republic of Bulgaria quotas for installations, with the exception of the cases under Art. 43 – 46, including 50% of the revenues from sale through an auction of the allocated to the Republic of Bulgaria of the share of emissions of the state during 2007 quotas of greenhouse gas emission from installation and all the revenues from sale through an auction of additionally allocated quotas, whose target is guarantying of solidarity and growth in the

European Union or shall be provided to the country, where the greenhouse gas emissions during 2005 are at least 20% of the emission levels for 1988 as a basic year for the Republic of Bulgaria according to the Kyoto Protocol, shall be used for funding of one or more of the following activities:

1. reduction of the greenhouse gas emission through:
 - a) participation of the Fund for a global energy effectiveness and renewable energy sources and in the Adaptation fund, established by Decision N 10 of the Seventh conference of the parties if UNFCCC;
 - b) adaptation to the impact of the climate change;
 - c) funding of scientific research and development activity;
 - d) funding of demonstration projects for reduction of the emissions and the relevant adaptation;
 - e) participation of initiatives within the frames of the European strategic plan for the energy technologies and the European technological platforms;
2. measures for prevention of deforestation and increasing forestation and repeated forestation in the developing states, which have ratified the international agreement on climate change, for transfer of technologies and facilitation of adaptation to unfavorable impact of the climate change in these states;
3. capture of emission through using forests, including ones, located on the territory of other EU Member States;
4. safe for the environment capture and storage of CO₂ in geological formations and more specifically from electric power stations, operating with coal fuels, and from industrial branches and sub-branches, including in third states;
5. encouragement of transmission to types of transport with low emissions and public transport;
6. scientific research and development activity, related to the energy effectiveness and clean technologies in the branches, falling in the scope of law;
7. measures, directed to improvement of the energy effectiveness and isolation of the houses or to provision of financial assistance for overcoming the social consequences from increasing the price of electric energy for households with low and average incomes, as well as measures for encouragement of the use of energy from renewable energy sources from households for covering personal needs;
8. development of renewable energy sources in view to observing the commitments of the EU for 10% use of energy from renewable energy sources by 2020, as well as for development of other technologies, contributing for the transition to safe and sustainable economy with low emissions of carbon and for assistance the observation of the commitment for increasing the energy effectiveness by 20% till 2020.
9. payment of the activity and obligations under Art. 56, Para. 1, p. 5.
 - (2) (new – SG 17/15, in force from 06.03.2015; amend. - SG 56/15, in force from 24.07.2015) The income from the sale of quotas under par. 1 shall be transferred to the Security of Electric Power System Fund.
 - (3) (prev. par. 2 – SG 17/15, in force from 06.03.2015; amend. - SG 41/15) The Minister of Environment and Waters shall report to the European Commission about the activities, carried out under Para. 1 in a way and form, defined as set out in Regulation (EC) No. 525/2013.

Art. 58. (revoked – SG 47/16)

Section IX.
Administration of the National Register for Trade with Quotas for Greenhouse Gas Emissions

Art. 59. (1) The EAE Executive Director shall fulfill the functions of a national administrator of NRTQEGG.

(2) The procedure and way of administration of NRTQEGG shall be determined by the Ordinance of Art. 5, p. 3.

(3) The national administrator of NRTQEGG shall check whether the information and documents under Art. 22, Para. 1, Art. 24, Para. 4 and Art. 25, Para. 4 of Regulation (EU) N 389/2013 are complete, updated, correct and reliable.

(4) (amend. – SG, 14/15) The national administrator of NRTQEGG shall be assisted by the Ministry of Interior, the Ministry of Justice, the Ministry of Regional Development and Public Works and the Bulgarian Accreditation Service Executive Agency.

Art. 60. (suppl. - SG 41/15) The decisions of the EAE Executive Director in his capacity of a national administrator under Regulation (EU) N 389/2013 for quota opening, closing, approval of changes of the authorized representatives for a quota and updating the quota information to NRTQEGG shall be individual administrative acts and shall be appealed under the Administrative – procedure Code.

Art. 61. Holders of lots, administered by the national administrator shall pay a fee for their entry in the Register of the EU and an annual subscription for service under the tariff of Art. 72 of the Act on Environment Protection.

Section X.
Access to Information

Art. 62. (amend. - SG 41/15) The Minister of Environment and Waters shall provide to the public complete information about the decisions, related to allocation of quotas, information about activities on projects in which the Republic of Bulgaria participates, or for participation of which it has authorized other persons, and the reports on emissions under Art. 36, Para 1 and 2 under the Act on access to Public Information or Chapter Two of the act on Environment Protection, depending on the nature of the required information.

Art. 63. (1) The EAE Executive Director shall publish annually on the EAE internet site as follows:

1. national reports on inventory of greenhouse gas emission for the Republic of Bulgaria;
2. annual verification reports of operators of installations and of aviation operators;
3. the names of the operators of installations and of the aviation operators, who violate the requirements for returning sufficient quotas, corresponding to their verified emissions.

(2) The Minister of Environment and Waters shall publish annually on the internet site of the Ministry of Environment and Waters the annual verification reports under Art. 66, Para. 1.

(3) (amend. - SG 41/15) Information, with the exception of the information under Para. 1 and under Art. 64, which has become known to the competent bodies and to their officials in relation to their activity under this Chapter, shall constitute a professional secret and shall not

be disclosed except in cases provided for in a law. The professional secret shall not be treated as official secret under the Act on Protection of the Qualified Information.

(4) (new - SG 41/15) The competent bodies and the officials shall be obliged to keep professional secret, including following their discharge, respectively after termination of their legal relations.

(5) (new - SG 41/15) The information qualifying as a professional secret may be used by the competent bodies and their officials only in relation to performing their functions.

(6) (new - SG 41/15) The information qualifying as a professional secret may be disclosed only:

1. before the judicial, prosecution, investigation and police authorities in case of initiated penal or administrative penal proceedings;

2. to the State Agency "National Security" under conditions and order set out in a joint instruction, as far as necessary for the performance of their functions;

3. as a summary information in a manner, which does not allow identifying of the persons it relates to;

4. to the European Commission.

(7) (new - SG 41/15) The persons and authorities under Para 6 shall be obliged to keep the secrecy of the received information and to use it for the purposes it was disclosed to them, except where the competent bodies have granted explicit consent for its use for other purposes.

Chapter five.

OTHER MEASURES FOR REDUCTION OF GREENHOUSE GAS EMISSIONS

Section I.

Reduction of Emissions of Fuels and Energy for Transport

Art. 64. (1) Suppliers of liquid fuels and energy for transport shall reduce gradually the greenhouse gas emissions of a unit energy of the whole life cycle of the supplied liquid fuels and energy to the basic standards for the fuels during 2010 in order to reach at least 6% final total reduction by 31 December 2020.

(2) Persons under Para. 1 shall achieve the reduction of the greenhouse gas emission of a unit energy of the whole life cycle of the supplied liquid fuels and energy for the transport through complex measures, like:

1. use of bio-fuels, which meet the criteria for sustainability under the Act on Energy from Renewable sources;

2. use of alternative fuels;

3. use of fossil fuels of low level of greenhouse gas emission in production of row petrol and its processing.

(3) (amend. - SG 12/17) Calculation of greenhouse gas emissions form the whole life cycle of liquid fuels, different from bio-fuels and determining the basis standards of the fuels under Para. 1 shall be carried out according to methods, approved by the Minister of Environment and Waters.

(4) Calculation of greenhouse gas emissions of the whole life cycle of bio-fuels shall be carried out according to the methods under Art. 44, Para. 3 of the Act on Energy from Renewable Sources.

(5) Suppliers of electric energy for use in road transport vehicles shall be considered as fulfilled the obligation for reduction of greenhouse gas emission under Para. 1 in the cases,

where they keep records and may provide written evidences for the carried out measurements and for the observation of the supplied electric energy for use in these transport vehicles.

Art. 65. (1) The person under Art. 66, Para. 1 may combine for joint fulfillment of the indicated in Art. 66, Para. 1 obligations, where in this case they shall be considered as one supplier.

(2) The provision of Para. 1 shall apply under the procedure and conditions, defined by the Ordinance of Art. 44, Para. 1 of the Act on Energy from Renewable Sources.

Art. 66. (1) Each supplier of liquid fuels and energy for transport shall annually by 31 March produce to the Minister of Environment and Waters a verified report about the intensity of the greenhouse gasses of the supplied by him liquid fuels for the need of transport during the previous year on the territory of the country.

(2) The report under Para. 1 shall contain at least:

1. the total volume of all supplied liquid fuels or energy with indication of the place of buying and origin, and

2. the greenhouse gas emission for the whole life cycle of the liquid fuels, calculated according to the methods of Art. 64, Para. 3, and 4.

(3) (new - SG 41/15) The greenhouse gas emissions for the whole life cycle of the liquid fuels other than the biofuels, shall be included in the report under Para 1 as set out in the guidelines under Art. 64, Para 3.

(4) (prev. text of Para 3 - SG 41/15) The conditions and procedure, the form and way of drawing up the reports under Para. 1 and their verification shall be determined by the Ordinance of Art. 5, p. 5.

Section II.

Implementation of the Obligations under Decision N 406/2009/EC

Art. 67. (1) The Minister of Environment and Waters shall carry out an annual check of compliance of the greenhouse gas emission of the Republic of Bulgaria of the categories activities under Annex 1 referred to Art. 2, p. 1 of Decision N 406/2009/EC with the levels, defined in Art. 3 of the upper stated Decision and shall draw up a report, which shall be provided to the European Commission.

(2) The report under Para. 1 shall contain the information under Art. 6 of Decision N 406/2009/EC and shall include:

1. data of the national inventory under Art. 11, Para. 1;

2. additional data about the national policies;

3. measures for reduction of the greenhouse gas emissions from sources or increasing the absorption of sinks for each gas and for each sector;

4. national prognosis for greenhouse gas emissions of sources and absorption by sinks for each gas and for each sector.

(3) The additional data under Para. 2 shall be provided to the Minister of Environment and Waters by the bodies under Art. 4, Para. 1 and under Art. 11, Para. 2.

(4) In the cases where the report under Para. 1 finds exceeding of the established emission levels, defined by Art. 3 of Decision N406/2009/EC, the Council of Ministers, upon proposal of the Minister of Environment and Waters shall adopt a decision on development of additional sector policies and introduction of additional measures of implementation of the

commitments of the Republic of Bulgaria, comprising from Decision N 406/2009/EC.

(5) The annual allocation quantities of emissions referred to Art, 3m Para. 2 of Decision N 406/2009/EC, allocated to the Republic of Bulgaria may be transferred to other EU Member States under the procedure of Decision N 406/2009/EC and as provided by Art. 19.

(6) The revenues under Para. 5 shall come into the budget of UMAPE and shall be spent through NTEF as referred to Art. 22.

Section III. Scheme for Voluntary Reduction of Emissions

Art. 68. (1) The Scheme for voluntary reduction of emissions (SVRE) shall cover activities, installations and persons, for which international commitments for reduction of greenhouse gas emission do not exist.

(2) The SVRE projects shall be realized while observing the following principles:

1. additionality;
2. avoiding double reporting of the achieved reduction of emissions;
3. principles under Art. 24, Para. 1.

(3) The SVRE projects shall not receive public financing.

Art. 69. The Minister of Environment and Waters shall repeal the AAU quantity from NRTQEGG, which is equal to the volume of the reduced emissions, achieved as a result of successfully realized SVRE project, if this is required by the applicable rules for reporting the emission reduction through SVRE.

Art. 70. The Minister of Environment and Waters shall:

1. determine by an instruction the SVRE scope and the procedures for approval and implementation of SVRE projects after coordination with the National expert council on climate change;
2. issue a letter for preliminary approval for realization of SVRE project;
3. certify the results of a SVRE project after its finalization.

Chapter six. COMPULSORY ADMINISTRATIVE MEASURES AND ADMINISTRATIVE – PENAL RESPONSIBILITY

Section I. Compulsory Administrative Measures

Art. 71. (1) The Minister of Environment and Waters or officials, authorized by him according to their competence shall apply compulsory administrative measures in the event of:

1. violation of the provision of this act, its legislative acts on its implementation and of acts of the Minister of Environment and Waters or of officials, authorized by him according to their competence;
2. obstruction of exercised control activity.

(2) In the cases under Para. 1 in view to prevention or termination of the violations, as well as for removal of harmful consequences from them, the Minister of Environment and

Waters and the EAE Executive Director or officials, authorized by them according to their competence shall apply the following compulsory administrative measures:

1. issue obligatory written instruction for termination of certain actions or obligatory undertaken of such activities in a certain term;

2. order carrying out expertise, checks, testing of installations and facilities, of their parts, systems or components;

3. stop temporarily or restrict activity of operators of installations or of the aviation operators;

4. stop the access of the operators of installations and of the aviation operators to their lots in NRTQEGG in the meaning of Art. 34, Para. 3, letter "b" of Regulation (EU) N 389/2013 in the event of violation of the obligations for exact reporting of the emissions under Art. 36, Para. 1 and 2 till the violation is removed.

(3) Application of the compulsory administrative measure shall be carried out by a motivated order of the body under Para. 1, which shall define the type of the compulsory administrative measure, the way of its application and an appropriate term for its fulfillment.

(4) The compulsory administrative measure shall apply till removal of the reasons, led to its imposing.

(5) The order under Para. 3 shall be handed in to the interested person as referred to the Civil – procedure Code.

(6) The order under Para. 3 may be appealed by the interested persons as referred to Administrative – procedure Code. The appeal shall not interrupt the fulfillment of the order.

Section II. Administrative – Penal Provisions

Art. 72. (1) Operator of an installation, who carried out activity without the required permit under Art. 31, shall be imposed by a fine of BGN 5000 to 10 000 – for natural person, or a property sanction of BGN 10 000 to 50 000 – for sole traders or legal persons.

(2) In the event of a repeated violation of Para. 1, the fine shall be from BGN 10 000 to 20 000 – for natural persons, or a property sanction of BGN 20 000 to 100 000 – for sole traders or legal persons.

Art. 73. Operator of an installation, who fails to fulfill his obligations under Art. 34, Para. 2 within the terms, provided by the Ordinance of Art. 5, p. 1, shall be imposed by a fine for the natural person or a property sanction for the sole traders or legal persons from BGN 1000 to 10 000.

Art. 74. (1) Operator of an installation or aviation operator, who has failed to observe the requiring for monitoring and reporting under Art. 35 shall be imposed by a fine – for the natural persons or a property sanction for the sole traders or legal person from BGN 1000 to 10 000.

(2) In the cases under Art. 36, Para. 5, p. 3 of the verifiers shall be imposed by a property sanction from BGN 2 000 to 20 000.

(3) For a repeated violation, a fine shall be imposed or a property sanction as follows:

1. under Para. 1 – from BGN 2000 to 20 000;

2. under Para. 2 – from BGN 4000 to 40 000.

(4) In the event of repeated violations under Art. 36, Para. 5, p. 3, the accreditation of the verifiers shall be withdrawn under the Act on the National Accreditation of Bodies for Compliance Assessment.

Art. 75. (1) Any natural person, who violates the requirements for storage of information under the provision of Art. 66 Para. 1, p. 1 of Regulation (EU) N 601/2012, shall be imposed by a fine of BGN 1000 to 5000 and a legal person or sole trader shall be imposed by a property sanction from BGN 10 000 to 25 000.

(2) In the event of a repeated violation under Para. 1, a fine of BGN 2000 to 10 000 shall be imposed to natural persons or a property sanction of BGN 20 000 to 50 000 to sole traders or legal persons.

Art. 76. (1) For failure to fulfill the requirements of Art. 48, Para. 1 the operator of installation or the aviation operator – legal person or sole trader shall be imposed by a property sanction of BGN 200 for each tonne equivalent CO₂, for which the operator has not provided quotas.

(2) (new - SG 41/15) For each tonne equivalent CO₂, for which the operator has not provided quotas, issued after January 1, 2013, shall be imposed a property sanction under Para 1 multiplied by the ration of the European index of consumer prices for 2013 published on the website of Eurostat.

(3) (prev. text of Para 2, amend. - SG 41/15) The payment of the property sanction under Para. 1 and 2 shall not exempt the operator from the obligation to provide the insufficient quantity quotas during the following calendar year.

Art. 77. (1) In the event that an aviation operator fails to fulfill the requirements of Art. 35, Para. 1, Art. 48, Para. 1 and 5 and their observation cannot be provided by other actions, the Minister of Environment and Waters may request from the European Commission to take a decision for imposing a ban for exploitation of the referred aviation operator.

(2) The request under Para. 2 shall include:

1. data for the undertaken by the competent actions of provision of the application;
2. ground for imposing the ban for exploitation on the territory of the EU;
3. recommendation for the scope of the ban for exploitation on the EU territory, as well as other conditions, which are to be applied.

(3) To the request of Para. 1 evidences shall be attached, that the aviation operator has not fulfilled his obligations under Para. 1.

(4) In the case that the European Commission takes a decision on the request under Para. 2, the competent bodies shall undertake the needed actions for its implementation.

(5) The competent bodies shall submit information to the European Commission about the undertaken actions under Para. 4.

Art. 78. (1) An applicant in the meaning of Art. 20 of Regulation (EU) N 1031/2010 who provides untrue information or misleading information at whichever auction platform, conducting auctions for 2-day spot or 5-day futures, shall be imposed by a fine of BGN 1000 to 10 000 - for natural persons and a property sanction of BGN 10 000 to 20 000 for legal persons.

(2) The applicant under Para. 1 who fails to notify immediately the auction platform under Para. 1 about any changes in the circumstances, related to him, which would have

significance in relation to his application or in relation to already provided to him access to offer, shall be imposed by a fine of BGN 1000 to 10 000 – for natural person, or a property sanction of BGN 10 000 to 20 000 – for legal persons.

(3) In the event of a repeated violation under Para. 1 and 2 a fine or a property sanction shall be imposed of BGN 2 000 to 20 000 – for the natural persons or a property sanction of BGN 20 000 to 40 000 – for legal persons.

Art. 79. Whoever carries out an unpermitted disclosure of internal information in the meaning of Art. 3, p. 29 and Art. 37, letter "a" of Regulation (EU) N 1031/2010 to whoever person, working for an auction seller, shall be imposed by a fine of BGN 10 000 to 100 000 and in a repeated violation – a fine of BGN 20 000 to 200 000.

Art. 80. A person, who violates or fails to fulfill his obligation under Art. 59, Para. 3 shall be punished by a fine of BGN 100 to 600, and in a repeated violation – from BGN 200 to 1200.

Art. 81. (1) Any supplier of liquid fuels and energy for transport, who fails to fulfill his obligation under Art. 64, Para. 1 shall be imposed by a fine of BGN 1000 to 10 000 – for natural persons or a property sanction of BGN 2000 to 20 000 – for legal persons.

(2) (suppl. - SG 12/17) Any supplier of liquid fuels and energy for transport, who fails to fulfill his obligation under Art. 66, Para. 1 or violates the requirements of Art. 66, Para. 3 or ordinance under Art. 5, item. 5 shall be imposed by a fine of BGN 1000 to 10 000 – for natural persons or a property sanction of BGN 2000 to 20 000 – for legal persons.

Art. 82. (1) For other violations under this act and the legislative acts on its implementation, which are not crimes, the violator shall be imposed by a fine of BGN 100 to 6000 – for natural persons or a property sanction of BGN 1000 to 20 000 – for legal persons.

(2) In the event of a repeated violation, a fine of BGN 200 to 12000 shall be imposed to natural persons or a property sanction of BGN 2000 to 40 00 – to legal persons.

Art. 83. (1) The acts for finding administrative violations shall be drawn up by officials, authorized by the Minister of Environment and Waters according to their competence.

(2) The penal decrees under Para. 1 shall be issued by the Minister of Environment and Waters or officials, authorized by him.

(3) Finding the violations, drawing up acts, issuing and appealing of the penal decrees shall be performed under the Act on Administrative Breaches and Punishments.

Additional provisions

§ 1. In the meaning of this act:

1. "Aviation operator" is a person, who exploits an air craft at the moment, in which it carried out aviation activity, included in the list of Annex 2 or if this person is not known or is

not indicated by the owner of the aircraft – the person, who is owner of the aircraft.

2. "Administrating Member State" is:

a) the EU Member state, which has issued the operative license to the relevant aviation operator in case of an aviation operator with a valid operative license, issued to him by an EU Member State in compliance with the provision of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast) (OJ, L 293/3 of 31 October 2008);

b) the EU Member State with the largest number of provided established aviation emissions from flights, carried out by this aviation operator during the basis year – in the cases part from those in letter "a";

c) the EU Member State with the largest number of provided established aviation emissions from flights, carried out by this aviation operator during the first 2 years of the previous period – in case that the aviation operator has not established aviation emissions from flights during the first 2 years of the period under Art. 37, Para. 1 in the state under letter "b".

3. "Alternative fuels" are fuels, which replace fossil oil sources in supply with energy of transport and have potential for contribute for its low carbonation including electric energy, hydrogen, bio-fuels, synthetic fuels, natural gas, including bio-methane and gas form (compressed natural gas) and liquid form (liquid gas and liquid oil gas).

4. "Annulations" is a notion in the meaning of Art. 3, p. 17 of Regulation (EU) N 389/2013.

5. "Base year" for the purposes of p. 2 is the first calendar year of the activity of an aviation operator, who has started an activity in the EU after 1 January 2006, and the remaining cases – the calendar year, starting on 1 January 2006.

6. "Beneficiary" is a person, who realizes a project on NSGE approved by NTEF.

7. "Bio-fuels" is a notion in the meaning of § 1, p. 1 of the Additional Provision of the Act on Energy of Renewable Sources.

8. "Validation" is a process of independent check and reliability and correctness confirmation of the project documentation.

9. "Verifier" is a legal entity carrying out verification activities within the meaning of Art. 3, item 3 of REGULATION (EU) No 600/2012.

10. "verification" means the activities carried out by a verifier to issue a verification report pursuant to Regulation (EU) N 600/2012;

11. "Generator of electric energy" is an installation, which on 1 January 2005 or after that has produced electric energy, intended for sale to third persons and in which no other activity is carried out, indicated in Annex N 1, apart from burning fuels.

12. "Project activity " is an activity on a project, approved by one or more parties under Annex N 1 in compliance with Art. 6 or 12 of the Kyoto Protocol and the decision, adopted according to UNFCCC or the Kyoto Protocol.

13. "Voluntary reduction of emissions" is reduction of greenhouse gas emission, achieved as a result of project realization, certified in some of the voluntary standards.

14. "Suppliers of liquid fuels and energy for transport" are person, who place on the market liquid fuels and energy for transport and are responsible for their liberation for use in the meaning of the Act on excise and Tax Warehouses.

15. "Units on Kyoto Protocol" means AAUs, emission reduction units ('ERUs'), certified emission reductions ('CERs'), RMUs, ICERs and tCERs, in the meaning of Art. 3, p. 12 of Regulation (EU) N 389/2013.

16. "Reduced emission units (REU) is equal to one tonne equivalent CO₂, achieved as a result of a joint implementation project under Art. 6 of Kyoto Protocol and the decisions,

adopted by UNFCCC or the Kyoto Protocol

17. "Emission" is emitting greenhouse gasses in the atmosphere from sources in an installation or from aircrafts, carrying out aviation activity, included in the list of Annex N2 of the determined gasses, related to this activity.

18. "Emission of greenhouse gasses of the whole life cycle" are all the net emissions of CO₂, CH₄ and N₂O, which may be connected to a certain fuel (including all its mixtures) or the produced energy by it. This includes all stages of growing and production of agriculture plants, including changes in the use of the land, as well as transport and dissemination, processing and burning.

19. "Emissions of greenhouse gasses of a unit energy" These are the total volume of emissions of CO₂ - equivalent to greenhouse gasses, related to a certain fuel, divided to the total energy contents of fuel (its is expressed as the low heat of burning of the relevant fuel).

20. "Energy for transport" is energy for use of different types of road transport vehicles, off-road movable equipments (including sailing vessels, sailing in the inland water ways), agricultural or forestry tractors or amusement sailing vessels, apart from the one, attained from liquid fuels for transport.

21. "Combustion" is every oxidation of fuels, notwithstanding of the way, in which the heating, electric or mechanical energy is used, produced through this process, and all other directly related activities, including purifying of used gases.

22. (amend. - SG 41/15) "Preparation of national inventory of greenhouse gasses" is summarizing the data, collected as a result of the data by the bodies under Art. 12, Para. 1, p. 2 - 6, p. 8 - 15, and calculation of the quantity anthropogenic emissions on sources and absorption by sinks of all greenhouse gasses, not controlled by the Montreal protocol for substances, which damage the ozone layer, signed on 16 September 1987 (ratified by Decree N 2235 – SG, N 82/1989) (SG, 71/1999), in the atmosphere air in the procedure, provided by the Ordinance of Art, 5, p. 4.

23. "Climate change" is the change of the climate, directly or indirectly related to human activity, which changes the composition of the global atmosphere and which is in addition to the natural climate variety, observed for comparative periods of time.

24. "Installation" is any non-movable technical facility, in which:

a) one or more of the indicated activities in Annex N 1 is carried out;

b) other activities are carried out on the same place, which are directly related and/or have technical relation to the facilities under letter "a" and which may have impact on the emissions and pollution.

25. "Historical aviation emissions" are the average value of the annual emissions during 2004 – 2006, emitted from an aircraft, carrying out aviation activity, included in the list of Annex N 2.

26. "Quota" is the right to emitting one tonne equivalent to CO₂ in the frames of a certain period, which is valid only for the purposes of EU ETS and may be transferred in compliance with this act.

27. "Climate system" is the combination of the atmosphere, hydrosphere, biosphere and geosphere and their interaction.

28. "Clearing" is a notion in the meaning of Art. 3, p. 32 of Regulation (EU) N 1031/2010.

29. "Credit" is a unit reduced emissions (REU) and/or certified unit reduced emissions (CREU).

30. "Persons, who place liquid fuels on the market" are the persons under § 1, p. 18 of the Act on Clean Atmospheric Air.

31. "Persons, who place energy for transport on the market" are persons, who place

on the market and supply energy for transport to end clients in the meaning of the Energy Act.

32. "Developing states" are the states outside the list of states in Annex N 1 of UNFCCC.

33. "National register for trade with quotas of greenhouse gas emissions" is the combination of lots of users under the jurisdiction of the Republic of Bulgaria in the EU register and the Kyoto Protocol register referred to Regulation (EU) N 389/2013.

34. "Beginning of a normal exploitation" is the first day of the first permanent period of 90 days, during which the activity of some of the installation modules reaches 40% of its capacity according to the approved investment project.

35. "New installation" is the one, for which the reasons for submitting an application for a permit for greenhouse gas emissions under Art. 32 occur after the enforcement of this act.

36. "New participant " is:

a) each installation, carrying out one or more of the activities under Annex N 1 for which a permit has been received for greenhouse gas emissions for the first time after 30 June 2011;

b) any installation, carrying one or more activities under Annex N 1, which has stopped its activity in the meaning of Art. 22 of Decision 2011/278/EU and for which there is a new permit for greenhouse gas emission for the first time after 30 June 2011;

c) any installation, carrying out activity, which is included voluntarily by the Republic of Bulgaria in EU ETS for the first time;

d) any installation, carrying out one or more activities, indicated in Annex N 1 or activity under letter "b", which has been extended its capacity by more than 10% after 30 June 2011 only in relation to the increased capacity.

37. "Public" is a notion in the meaning of § 1, p. 24 of the Additional Provision of the Act on Environment Protection.

38. "Operator" is a notion in the meaning of § 1, p. 43 of the Additional Provision of the Act on Environment Protection.

39. "Operator for commercial air transport" is an aviation operator, which provides services by air carriage of passengers, loads and/or post for remuneration.

40. "Sectors and sub-sectors of a significant risk of carbon leakage" are the branches and sub-branches, included in the Annex of Commission Decision of 24 December 2009 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage (notified under document C(2009) 10251) (OJ, L 1/10 of 5 January 2009).

41. "Greenhouse gasses" are: CO₂, CH₄, N₂O, HFCs, PFCs and SF₆, and other natural or anthropogenic gas components of the atmosphere, which absorb and repeatedly emit infra-red radiation.

42. "Repeated" is a violation, perpetrated within 1 year from the enforcement of the penal decree, with which the perpetrator is punished for the same type of violation.

43. "Useful load" for the purposes of the definition of p. 57 is the total weight of the carried during the aviation activity loads, post and passengers.

44. "2day spot" are quotas, sold in an auction for supply on a certain agreed date not later than the second market day after the auction date under Art. 38, Para. 2, letter "a" of Regulation (EC) N 1287/2006.

45. "Transmission" is a notion under Art. 3, p. 15 of Regulation (EU) N 389/2013.

46. "AAU" is traded unit of Assigned amount, equal to 1 tonne equivalent of CO₂, issued under the provision of the Annex to Decision 13 of the first conference of the parties of the Kyoto Protocol.

47. "Assigned quantity" is the total quantity greenhouse gas emission, determined for

the Republic of Bulgaria in the Kyoto Protocol for the period from 1 January 2008 to 31 December 2013.

48. "Change in the installation operation" is a notion in the meaning of § 1, p. 40 of the Additional Provisions of the Act on the Clean Atmospheric Air.

49. "Placement on the market" is a notion in the meaning of § 1, p. 17 of the Additional Provisions of the Act on Environment Protection

50. "Distance" for the purposes of the definition of p. 57 shall be the distance of the orthodrome between the airport of departure and the airport of arrival plus an additional unaltered factor of 95 km.

51. "Certified units reduced emissions (CREU)" is a unit, equal to one tonne equal CO₂, achieved as a result of a project "clean development" under Art. 12 of the Kyoto Protocol and the decisions, adopted under UNFCCC or the Kyoto Protocol.

52. "Settlement" is a notion in the meaning of Art. 3, p. 34 of Regulation (EU) N 1031/2010.

53. "Clearing system" is a notion in the meaning of Art. 3, p. 31 of Regulation (EU) N 1031/2010.

54. "Settlement" is a notion in the meaning of Art. 3, p. 36 of Regulation (EU) N 1031/2010.

55. "Liquid fuels for transport" are liquid fuels in the meaning of § 1, p. 21 of the Additional Provisions of the Act on Clean Atmospheric Air, which are used in engines with compulsory combustion and compressed combustion of road vehicles and off-road movable techniques (including sailing vessels, sailing in the inland water ways, when they do not sail in sea waters), agriculture and forestry tractors, as well as amusement sailing vessels when they do not sail in sea waters.

56. "Tonne equivalent CO₂" is one metric tonne CO₂, or quantity of any other greenhouse gas with equivalent potential for global heating.

57. "Tonne/km" is a tonne useful load in the meaning of the definition of p. 43, transported at a distance 1 km.

58. "Auction platform" is an institution, which organizes financial operations of an auction procedure, during the 3rd period of EU ETS through a system of clearing or settlement.

59. "Established aviation emissions" are emissions of all the flights, falling into the scope of the aviation activities, listed in Annex N 2, which depart from an airport, situated on the territory of a Member State or arrive at such an airport from a third state.

60. "Repeated violation" where 2 or more violations have been perpetrated within the term of up to 3 years of the provisions of regulation (EU) N 600/2012 while verifying the annual reports for greenhouse gas emissions by an operator of installation or an aviation operator.

§ 2. (1) This act shall introduce the requirements of:

1. Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC;

2. Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms;

3. Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008 amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community (OJ, L 8/3 of 13

January 2009);

4. Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community (OJ, L 140/63 of 5 June 2009);

5. Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC (OJ, L 140/88 of 5 June 2009).

(2) This act contains measures on the implementation of:

1. Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020;

2. 2011/278/EU: Commission Decision of 27 April 2011 determining transitional Union-wide rules for harmonized free allocation of emission allowances pursuant to Art. 10a of Directive 2003/87/EC of the European Parliament and of the Council (notified under document C(2011) 2772);

3. 2013/162/EU: Commission Decision of 26 March 2013 on determining Member States' annual emission allocations for the period from 2013 to 2020 pursuant to Decision No 406/2009/EC of the European Parliament and of the Council (notified under document C(2013) 1708);

4. Decision No 377/2013/EU of the European Parliament and of the Council of 24 April 2013 derogating temporarily from Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community (OJ, L 113/1 of 25 April 2013);

5. Decision No 529/2013/EU of the European Parliament and of the Council of 21 May 2013 on accounting rules on greenhouse gas emissions and removals resulting from activities relating to land use, land-use change and forestry and on information concerning actions relating to those activities (OJ, L 165/80 of 18 June 2013);

6. Art. 18, Para. 3 and Art. 59, Para. 4 to 7 of Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community;

7. Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council;

8. Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council;

9. Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011;

10. Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC

11. Commission Regulation (EU) No 1123/2013 of 8 November 2013 on determining international credit entitlements pursuant to Directive 2003/87/EC of the European Parliament

and of the Council.

12. (new - SG 41/15) Regulation (EU) No 421/2014 of the European Parliament and of the Council of 16 April 2014 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in view of the implementation by 2020 of an international agreement applying a single global market-based measure to international aviation emissions (OJ, L 129/1 of 30 April 2014).

Transitional and concluding provisions

§ 3. (1) By 31 March 2015 the change of CREU and REU for the equivalent quantities quotas under Art. 49, Para 7 shall be carried out by the EAE Executive Director upon request of the persons under Art. 49, Para. 1.

(2) From 1 January 2013, REU for reducing or restriction of greenhouse gas emissions from the activities under Annex N 1 shall not be issued.

(3) (new - SG 41/15) Installation and aircraft operators who have not used up the CER and ERU allowance for the period from 2008 to 2012 or are using credits under Art. 49, Para 1 shall be entitled to request from the EAE Executive Director to issue quotas valid from and after 2013, in exchange of:

1. certified emission reductions and ERUs that are eligible for use in the EU ETS for the period 2008 - 2012, issued for emission reductions from and after 2013 from projects registered before 2013;

2. Certified Emission Reductions that are eligible for use in the EU ETS for the period 2008 - 2012, issued for reductions in emissions after 2013 from new projects started from and after 2013 the least developed countries identified by the United Nations as least developed on the basis of indicators - low income, weak human resources and high economic vulnerability

(4) (new - SG 41/15) In the cases of Para 3 the EAE Executive Director shall replace and issue quotas valid from and after 2013, where the replacement deadline under Item 2 shall be 31 December 2020.

(5) (new - SG 41/15) The requirements under Art. 35, 36 and Art. 48, Para 1 shall not apply to:

1. aviation operators flying to and from airports located in countries outside the European Economic Area, for each calendar year from 1 January 2013 to 31 December 2016;

2. aviation operators flying between an airport located in an outermost region within the meaning of Art. 349 of the Treaty on the Functioning of the European Union, and an airport located in another region of the European Economic Area, in each calendar year from 1 January 2013 to 31 December 2016;

3. allowances transmitted to 30 April 2015 and corresponding to verified emissions for 2013 of flights between airports located in countries of the European Economic Area, as well as verified emissions for 2013 for these flights reported by 31 March 2015.

The European Economic Area includes the contracting parties to the European Economic Area, the countries that acceded the European Union in 2013 and the outermost regions within the meaning of Art. 349 of the Treaty on the Functioning of the European Union.

(6) (new - SG 41/15) The requirements under Art. 35, 36, 48 and 50 shall not apply to an aircraft operator that has total annual emissions lower than 25 000 tonnes CO₂, its emissions shall be considered to be verified emissions if determined by using the small emitters tool approved under Commission Regulation (EU) No 606/2010 of 9 July 2010 on the approval of a simplified tool developed by the European organisation for air safety navigation

(Eurocontrol) to estimate the fuel consumption of certain small emitting aircraft operators (OJ L 175/25 of 10 July 2010), and populated by Eurocontrol with data from its ETS support facility.

§ 4. The procedure and way for spending the revenues from sale of quotas of greenhouse gas emission for installation through an auction, come to the budget of the Ministry of environment and Waters by 31 December 2012 shall be defined by a Council of Ministers decision.

§ 5. (1) The application for approval or reporting activities of projects under Chapter Three, Section lii, submitted before the enforcement of the act shall be examined under the current procedure.

(2) The application for issuance or reviewing permits for greenhouse gasses, submitted before the enforcement of the act shall be reviewed under the current procedure.

(3) The issued permits for greenhouse gas emissions before the enforcement of the act shall keep their force.

§ 6. The traders, accredited as verification bodies before the date of the enforcement of the act shall keep their right to carry out verification activity.

§ 7. (1) financial measures, related to free allocation of quotas of greenhouse gasses shall be realized while observing the legislation, related to state assistance.

(2) Administrator of state assistance, granted under this act – unless another special act provides otherwise – shall be the Minister of environment and waters.

(3) (amend. - SG 85/17) State assistance in the meaning of § 1, p. 7 of the Act on State Assistance, subject to notification before the European Commission shall not be brought into action before the issuance of the relevant act of the European Commission, allowing granting of assistance.

§ 16. Within the term of 6 months from publication of the act, the Council of Ministers shall adopt the ordinances under Art. 5.

§ 17. Within the term of 3 months from the enforcement of the act, the bodies under Art. 4, Para. 2 shall adopt the relevant amendments in their acts of procedure, needed for implementation of this act provisions.

§ 18. The Minister of Environment and Waters shall issue the instructions under Art. 29 and Art. 70, p. 1 within the term of 3 months from the enforcement of the act.

§ 19. (amend. – SG, 14/15; suppl. - SG 41/15, amend. – SG 58/17, in force from 18.07.2017) The implementation of the act shall be assigned to the Minister of Environment and Waters, the Minister of Energy, the Minister of Economy, the Minister of Regional

Development and Public Works, the Minister of Transport, Information Technologies and Communications and to the Minister of Agriculture, Foods and Forestry.

§ 20. The act shall come into force from the day of its publication in the State Gazette.

The act with the annexes to it has been adopted by the 42nd National Assembly on 26 February 2014 and has been sealed by the official stamp of the National Assembly.

**Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ENERGY ACT**

(PROM. – SG 17/15, IN FORCE FROM 06.03.2015)

§ 57. The act shall enter into force on the day of its promulgation in State Gazette, except for § 13, which shall enter into force on 1 January 2016.

**Transitional and concluding provisions
TO THE ACT AMENDING AND SUPPLEMENTING THE ENERGY SECTOR ACT**

(PUBL. – SG 56/15, IN FORCE FROM 24.07.2015)

§ 25. This Act shall enter into force from the date of its promulgation in the State Gazette.

**Concluding provisions
TO THE ACT AMENDING THE ACT ON BULGARIAN FOOD SAFETY AGENCY**

(PROM. - SG 58/17, IN FORCE FROM 18.07.2017)

§ 76. This Act shall enter into force on the day of its promulgation in the State Gazette.

**Transitional and concluding provisions
TO THE MARKETS IN FINANCIAL INSTRUMENTS ACT**

(PROM. - 15 OF 2018, IN FORCE FROM 16.02.2018)

§ 42. This Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. Article 222, Para. 1-3, which shall enter into force on 3 September 2019;
2. paragraph 13, item 12, letter a, which shall enter into force on 1 January 2018;
3. paragraph 13, item 12, letter b, which shall enter into force on 21 November 2017;
4. paragraph 17, item 37 concerning Art. 264a and item 39 regarding Art. 273b, which shall enter into force on 1 January 2020.

Annex N1 to Art. 30, Para. 3

1. Installations or parts of installations used for research, development and testing of new products and processes and installations exclusively using biomass are not covered by the scheme for trade with greenhouse gasses.
2. The thresholds values given below generally refer to production capacities or outputs. Where several activities falling under the same category are carried out in the same installation, the capacities of such

activities are added together.

3. When the total rated thermal input of an installation is calculated in order to decide upon its inclusion in the Community scheme, the rated thermal inputs of all technical units which are part of it, in which fuels are combusted within the installation, are added together. These units could include all types of boilers, burners, turbines, heaters, furnaces, incinerators, calciners, kilns, ovens, dryers, engines, fuel cells, chemical looping combustion units, flares, and thermal or catalytic postcombustion units. Units with a rated thermal input under 3 MW and units which use exclusively biomass shall not be taken into account for the purposes of this calculation. "Units using exclusively biomass" includes units which use fossil fuels only during start-up or shut-down of the unit.

4. If a unit serves an activity for which the threshold is not expressed as total rated thermal input, the threshold of this activity shall take precedence for the decision about the inclusion in the Community scheme.

5. When the capacity threshold of any activity in this Annex is found to be exceeded in an installation, all units in which fuels are combusted, other than units for the incineration of hazardous or municipal waste, shall be included in the greenhouse gas emission permit.

Activity	Greenhouse gasses
1	2
1. Energy farm	
1.1. Combustion of fuels in installations with a total rated thermal input exceeding 20 MW (except in installations for the incineration of hazardous or municipal waste)	CO ₂
1.2. Refining of mineral oil	CO ₂
1.3. Production of coke	CO ₂
2. Metal ore (including sulphide ore) roasting or sintering, including palletisation	
2.1. Frying and agglomeration	CO ₂
2.2. Production of pig iron or steel (primary or secondary fusion) including continuous casting, with a capacity exceeding 2,5 tonnes per hour	CO ₂
2.3. Production or processing of ferrous metals (including ferroalloys) where combustion units with a total rated thermal input exceeding 20 MW are operated. Processing includes, inter alia, rolling mills, re-heaters, annealing furnaces, smitheries, foundries, coating and pickling	CO ₂
2.4. Production of primary aluminium	CO ₂ and

	perfluorocarbons
2.5. Production of secondary aluminium where combustion units with a total rated thermal input exceeding 20 MW are operated	CO2
2.6. Production or processing of non-ferrous metals, including production of alloys, refining, foundry casting, etc., where combustion units with a total rated thermal input (including fuels used as reducing agents) exceeding 20 MW are operated	CO2
3. Production of products from non-ore mineral raw materials	
3.1. Production of cement clinker in rotary kilns with a production capacity exceeding 500 tonnes per day or in other furnaces with a production capacity exceeding 50 tonnes per day	CO2
3.2. Production of lime or calcination of dolomite or magnesite in rotary kilns or in other furnaces with a production capacity exceeding 50 tonnes per day	CO2
3.3. Manufacture of glass including glass fibre with a melting capacity exceeding 20 tonnes per day	CO2
3.4. Manufacture of ceramic products by firing, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain, with a production capacity exceeding 75 tonnes per day	CO2
3.5. Manufacture of mineral wool insulation material using glass, rock or slag with a melting capacity exceeding 20 tonnes per day	CO2
3.6. Drying or calcination of gypsum or production of plaster boards and other gypsum products, where combustion units with a total rated thermal input exceeding 20 MW are operated	CO2
4. Other activities	
4.1. Production of pulp from timber or other fibrous materials	CO2
4.2. Production of paper or cardboard with a production capacity exceeding 20 tonnes per day	CO2

4.3. Production of carbon black involving the carbonisation of organic substances such as oils, tars, cracker and distillation residues, where combustion units with a total rated thermal input exceeding 20 MW are operated	CO2
4.4. Production of nitric acid	CO2
4.5. Production of adipic acid	CO2
4.6. Production of glyoxal and glyoxylic acid Carbon dioxide and nitrous oxide	CO2
4.7. Production of ammonia	CO2
4.8. Production of bulk organic chemicals by cracking, reforming, partial or full oxidation or by similar processes, with a production capacity exceeding 100 tonnes per day	CO2
4.9. Production of hydrogen (H2) and synthesis gas by reforming or partial oxidation with a production capacity exceeding 25 tonnes per day	CO2
4.10. Production of soda ash (Na2CO3) and sodium bicarbonate (NaHCO3)	CO2
4.11. Capture of greenhouse gases from installations covered by this Directive for the purpose of transport and geological storage in a storage site permitted under the Act on Storage CO2 in Earth (Directive 2009/31/EC)	CO2
4.12. Transport of greenhouse gases by pipelines for geological storage in a storage site permitted under Directive 2009/31/EC Carbon dioxide)	CO2
4.13. Geological storage of greenhouse gases in a storage site permitted under the Act on Storage CO2 in Earth (Directive 2009/31/EC)	CO2

Annex N 2 to Art. 30, Para. 3

(suppl. - SG 41/15)

From 1 January 2012 the scheme for trade of greenhouse gasses shall include all the flights, which arrive or depart from an airport, located on the territory of an EU Member State, for which the Treaty on the Functioning of the European Union shall apply

Activities	Greenhouse gasses
1	2
<p>Aviation: Flights, departing from or arriving at an airport, located on the territory of an EU Member State This activity shall no include</p> <ol style="list-style-type: none"> 1. flights, carried out only for transport on an official event of a governing Monarch and his relatives, of state leaders, government heads and Ministers of state, which are not Member States, where this is supported by an instruction about the nature of the flight in the flight plan; 2. military flights by aviation means and flights of the customs and police services; 3. flights, related to investigation and rescue operations, flight with anti fire purposes, humanitarian flights and for emergencies for medical help, permitted by the relevant competent authority under Art. 6, p. 1; 4. all the flights, carried out exclusively in the rules for visual flights, defined by Annex N 2 to the Chicago Convention; 5. flights, finishing at the airport, from which the aircraft has taken off and during which there were no other landings; 6. training flights, with the purpose of receiving a certificate or class of a flying crew with a certain note in the flight plan in the condition that the flight is not for carriage of passengers and/or loads or positioning or carriage of the aircraft; 7. flights with the purpose of conducting scientific researches or check up, testing or issuing a certificate for the aircraft or equipment, notwithstanding that its purpose is for flying of land operation; 8. flights by aircrafts with a certified maximum weight during taking off less than 5700 kg; 9. flights in the frames of duties for provision of public services provided by Regulation (EC) N1008/2008 to the inland airways of the EU, on itineraries of the furthest regions, defined by Art. 349 of the Treaty on the Functioning of the EU, or on itineraries, in 	<p>CO2</p>

which the proposed capacity does not exceed 30 000 seats per year and
10. flights, which would fall in this activity and are carried out by operators for trade air transportation and which are:

- a) less than 243 flights for the period of 3 successive quarters, or
- b) flights with total annual emissions under 10 000 tonne per year.

The flights, carried out only for transportation on an official event of a Monarch and his relatives, of state leaders, government heads and Ministers of Member States, shall not be excluded on this point.

11. flights that otherwise would fall within this activity, performed by a non-commercial aircraft operator operating flights with total annual emissions below 1000 tons a year.