



Date: 31 March 2009

PRESS RELEASE

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Bulgarian Energy Efficiency and Renewable Energy Credit Line (BEERECL) Facility Reaches Milestone in Business Plan Development

BEERECL submits 150th Rational Energy Utilization Plan (REUP)

EnCon Services/DAI recently submitted the 150th Rational Energy Utilization Plan (REUP) under the Bulgarian Energy Efficiency and Renewable Energy Credit Line (BEERECL) facility to Raiffeisen Bank in Sofia. Since April 2004, the €100 million BEERECL facility has disbursed loans of €81.4 million and provided incentive grants of €13.7 million to project developers. These projects have annually reduced Bulgaria's CO₂ emissions by over 570,000 MTCO_{2eq} and replaced 891,324 MWh of electrical capacity from the Kozloduy Nuclear Power Plant with green energy sources, enough to cover the electricity consumption of about 282,000 homes. As a result of this success, the EBRD¹ awarded a second extension to the BEERECL through 30 June 2011 to continue on-lending through local banks to private industrial companies in Bulgaria to finance energy efficiency and small renewable energy projects. The extension increases the existing BEERECL portfolio by up to an additional €55 million.

The EBRD funds are complemented by the Kozloduy International Decommissioning and Support Fund (KIDSF) grant funding which provides support to overcome barriers still faced by sub-borrowers in developing/financing and implementing such investments. The KIDSF grants will be used to provide: (i) a completion fee to sub-borrowers ranging up to 15% - 20% of the BEERECL loan amount, and (ii) completion fees to participating banks. The grant funds also provide free technical assistance from EnCon Services² to sub-borrowers.

The Bulgarian government has undertaken several key measures to combat energy wastage in the country. Nevertheless, energy consumption per unit of GDP remains well above the average for other EU states. Realizing this situation, in January 2008, EBRD awarded EnCon/DAI a contract to provide technical assistance for the second sustainable energy financing facility in Bulgaria – the European Union Energy Efficiency Finance Facility (EUEEFF). After 13 months of operation, 14 REUPs totalling €9.9 million have been submitted to two participating banks. Recognizing the need to combat energy wastage through the Balkan region, from January 2007 through December 2008, EnCon completed a 2-year KfW project in Montenegro - the Renewable Energies and Energy Efficiency Facility - to finance sustainable energy projects through a credit line with a partner bank. The EnCon team developed the project pipeline and prepared nine business plans for financing. In January 2009, EBRD awarded EnCon/DAI a new credit line in Serbia, Montenegro, Macedonia and Bosnia and Herzegovina – the Western Balkans Sustainable Energy Credit Line Facility (WeBSECLF) – a €60 million credit line for small renewable energy and energy efficiency projects.

¹ The EBRD, owned by 61 countries and two intergovernmental institutions, aims to foster the transition from centrally planned to market economies from central Europe to central Asia. Visit the EBRD's website: www.ebrd.com

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