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HOW AND WHY BULGARIA MISSED ITS CHANCE TO BECOME AN ENERGY CENTER IN THE BALKANS**

This review analyses why Bulgaria missed a unique opportunity to become the energy centre of the Balkans. It examines the country's strategic position, its natural potential in energy resources, and the reasons for their underutilization due to internal or external political factors. Special attention is given to failed projects such as the Belene nuclear power plant and the "South Stream" gas pipeline. The review demonstrates the interdependence between energy security, political decisions, and external political pressures.

A country's strategic location would be an advantage and a flaw if a weak political class led that state. It would not only fail to take advantage of the geopolitical *status*. *Still, it would adversely affect ordinary people's lives* for generations. It seemed that the Bulgarian case was precisely the same because, in just two decades, the politicians

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missed the opportunity to turn Bulgaria into an energy centre in the Balkans. The Bulgarian authorities, constructed by all of the major parties in the country, did not even try to manoeuvre before the world hegemon.

Otherwise, the prospects in front of Bulgaria in the energy sector were more than acceptable. Towards the end of the 1980s, Bulgaria began building a second nuclear power plant (NPP) in Belene (Marsteller 1993, 140). By the end of 1989, the site for the NPP had been built, and the Bulgarian state purchased two thousand megawatt reactors from the USSR. A self-contained town was built for the plant staff, including residential buildings, a hospital, a kindergarten, and a school. However, the geopolitical shift that occurred with the fall of the Berlin Wall stopped everything. Mikhail Gorbachev ceded control of Eastern Europe to the West to focus on the difficult economic situation in the Soviet Union and the military conflicts in its territory, such as the Nagorno-Karabakh war. Bulgaria was no exception to Mikhail Sergeyevich's plans (Трайков 1999, 74–79). Thus, Moscow stopped subsidising the Bulgarian economy. Gorbachev disclosed one of the most loyal Soviet allies in the face of Todor Zhivkov (and the Bulgarians). The country no longer received cheap Soviet energy resources, which led to a sharp increase in foreign debt. The economy collapsed for several months. Soon, the Soviet Union collapsed, with its vast market for Bulgarian goods. Gorbachev's deal with the West projected its results in unexpected dimensions for the Western politicians. The USSR and the Socialist Bloc disappeared.

The economic collapse and the severed ties with Moscow predetermined the fate of the Belene NPP. Also, Bulgaria was disclosed by people like Gorbachev (Живков 1997, 638), and the state was dragged into the Western sphere of influence (Чакъров 2001, 130). The West had no interest in Bulgaria being independent in the energy field, primarily through nuclear capacities. This also contributed to the sad fate of the large-scale Belene project. Finally, the power plant's site became deserted, and the billions of levs spent on its construction (with two reactors) ended up in the Danube. The hope that Northern Bulgaria would experience some economic upswing through the construction of the second Bulgarian NPP also disappeared (Pedraza 2015, 479).

Because Bulgaria fell into the sphere of Western influence, the authorities in the country led the Bulgarians towards NATO and EU membership. The Bulgarian army was disarmed, and official Sofia

succumbed to the pressure exerted by Washington, D.C., and Brussels to close the so-called small reactors of Kozloduy NPP (Smilov and Primatarova 2018, 163). All these actions were presented to Bulgarian society to optimise the country's energy capacities (Dolchinkov 2023, 5–7). Thus, Bulgaria lost a capacity equal to the energy capacity of 1.760 megawatts. At the same time, a US-Canadian consortium rapidly developed the Romanian NPP near Chernavoda (Fuhrmann 2012, 116), while the Bulgarian plant remained entirely in the hands of the state.

Bulgaria needed energy capacity, especially after it became clear that the country would become a part of the EU and be bound by the so-called *Green Deal*. The deal was presented as a way to fight global warming. However, this concept was known to a small group at the beginning of the century, and the promise of a clean planet sounded good.

Perhaps part of the *Green Deal* was known by former Bulgarian Monarch Simeon Saxe-Coburg, who in 2001 became Prime Minister of Bulgaria and later signed the treaty for the state's accession to the EU. Familiarised with the circumstances by the experts, Saxe-Coburg-Gotha realised that without nuclear electricity, Bulgaria would experience difficulties, especially since his cabinet agreed to close the small reactors of Kozloduy NPP (Bechev 2010, 123).

Saxe-Coburg-Gotha was also aware of something else. The decision to close the small reactors of Kozloduy NPP was highly unpopular. It was a blow to the authority of the former Monarch inside the country. He announced the Bulgarian state would complete the Belene NPP (Tejada 2005, 80). This was a PR move rather than a serious intention (Bugajski 2014, 362). Soon, he lost the parliamentary elections, although his party remained in the country's government. After the vote in 2005, the Socialists had more power, and their leader, Sergei Stashishev, became Prime Minister.

Under the cabinet of Stanishev, contacts between Sofia and Moscow became more regular, and the idea of completing the Belene NPP gained shape. The interest of Russia was to establish itself as a producer of nuclear capacity in South-Eastern Europe and thus to stabilise its political position in the Balkans. In contrast, Bulgaria's interest was clearly expressed in acquiring new energy capacity that would turn Bulgaria into an exporter of electricity of a serious calibre for the region. And something significant – in 2007, a sociological survey was conducted, which more than clearly showed that the majority of

the Bulgarians (73%) spoke in favour of the completion of the Belene NPP, with the technical and financial support of the Russian Federation (Pedraza 2015, 479). Therefore, in 2008, the Bulgarian and Russian sides signed a memorandum for constructing two reactors in Belene, with a total capacity of 2000 megawatts (Osheyko 2013, 78).

The intentions for the completion of Belene NPP turned out to be short-term. In his turn, Stanishev lost the parliamentary elections in 2009, and a government led by Boyko Borissov came to power (Nikiforov 2024, 202). In 2010, as head of the Russian government, Putin personally visited Sofia to meet Borissov. The Bulgarian Prime Minister promised his Russian counterpart that the Belene NPP would be completed with Russian support. After that, to reassure Putin of his good intentions, Borissov gave him a puppy (Tarasheva 2014, 60), as in the West, this puppy was presented as a gift from “the people of Bulgaria” (Hutchins 2012, 205). This warned the Western audience that the Bulgarians would continue their political-economic ties with the Russians.

Bulgaria was in a geopolitical skirmish between the Kremlin and the White House (and the European Commission). Borissov was probably under severe pressure because, in 2012, he publicly announced that Sofia would abandon the Belene project because it was not profitable (Nosko and Mišík 2017, 214). After all, there were always talks about some advantages around projects such as the Belene NPP. Because of this, Borissov did not want to bury the idea of completing the NPP. An understanding that the construction of the second Bulgarian NPP had to continue was created, but with the participation of Western companies. Borissov also invited other Balkan countries to join the Belene project, which the Bulgarian PM already considered a pan-European project. Then came the Russian special military operation in Ukraine, followed by the Western sanctions against Moscow, after which the two reactors, stored at the Belene site, were put up for sale. Thus, the project for a second NPP in Bulgaria would be completely buried. Moreover, Sofia officially signed a contract with an American company to construct two new reactors at Kozloduy NPP, which would cost the Bulgarian taxpayer 25 billion levs. This decision will cause the Bulgarian people to fall into decades of indebtedness to a private US company.

During Vladimir Putin's second presidential term, the Russian Federation forced the construction of new routes for the energy resources that Russian companies exported abroad. A part of these initiatives was building a gas pipeline between Burgas and Alexandroupolis. That way, the route of the Russian gas would bypass Turkey and the straits (Kandiyoti 2008, 143). The Bulgarian state initially accepted the proposal, but a complicated circumstance emerged. In practice, Russia and Greece wanted to share the pipeline, leaving the Bulgarian side only 24.5% of the pipe ownership (Stefanov *et al.* 2011, 59). This was not advantageous for Sofia. Under such conditions, the pipeline became unprofitable for the Bulgarian side. The Bulgarian budget profits would be smaller than those of the Russians and the Greeks. In addition, the environmental risks threatening tourism on the Southern Bulgarian Black Sea coast and the investment for the alienation of thousands of acres of land were also raised. Because of that, the official Sofia made another offer. The pipe ownership ratio would be divided into one-third for each party (33.33%), which would justify the Bulgarian investment in the project. Sofia had another argument, asking for the revision of the terms. The massive profit from the project would belong to the Russian and Greek sides, as Russia would sell its gas, and Greece would distribute it throughout the Mediterranean, which meant substantial financial gains. Against this backdrop, Bulgaria would have received a dividend only from transit fees. Therefore, Sofia wanted an equal distribution of the rights over the gas pipe, but Moscow and Athens refused the Bulgarian proposal, which resulted in the project failing. This outcome was disappointing because Burgas would have become an energy hub in the Balkans by the eventual implementation of the gas pipeline with Greece and the intentions to build the Burgas-Vlora oil pipeline (Pekhivanov 2011, 176). In this situation, the priority for the Bulgarian state was already the European Nabucco project (Bugajski 2014, 362), which was conceived as a competitor to the Burgas-Alexandroupolis pipeline. Subsequently, Nabucco also failed, and Bulgaria suffered double the losses.

However, the idea of building a pipe between Bulgaria and Greece remained. At the beginning of 2023, an agreement was signed between Sofia and Athens to find a way to make an oil pipeline between Burgas and Alexandroupolis (Colibăşanu 2023, 220). Still, the big question remained: where would the oil come from to fill the pipe's capacity,

when Russia is under sanctions? In other words, sanctions against Russia would be circumvented, or oil from Azerbaijan would flow into the pipe (Praussello 2006, 140). Still, would Baku have the necessary resources to fill the pipe?

After the Orange Revolution in Kyiv, the Kremlin realised that the route of Russian gas to Europe through the old Soviet pipelines was threatened. Germany, the most solvent Russian customer, suffered from a lack of supplies because of the strained relations between Moscow and Kyiv. Therefore, the plan for constructing the Nord Stream and South Stream appeared. Through the new pipes, the Russian gas route would bypass Ukraine. Nord Stream was quickly built. This was not the case with the South Stream. Moscow offered Sofia perfect conditions for the construction of the project. The Bulgarian budget would receive \$ 2.4 billion annually from transit fees, and pipeline ownership would be 50% to 50% (Sanders 2016, 192). Thus, Bulgaria would become a consumer and distributor of Russian gas to Serbia, i.e., Central Europe, and via Greece and the Adriatic Sea to Italy. The politicians in Sofia initially accepted the project, and a company was set up to build the pipeline, with the pipes delivered to the port of Varna. And here came the crude US interference. On the one hand, the Americans pressured Bulgaria through the European Commission, which launched a legal procedure against Sofia (Dralle 2018, 45). Senator John McCain arrived in Sofia (June 2014) and met with Prime Minister Plamen Oresharski, who led a cabinet dominated by the Socialist Party (Подчаков 2023, 92–93). Immediately after the meeting, the head of the Bulgarian government publicly announced that Bulgaria would abandon the construction of South Stream. This new Bulgarian position was wrapped in some “consultations” with Brussels (Foster 2018, 187).

It was well-known that Borissov would soon rule Bulgaria again, and the prominent US Senator also met with him. Again, in his role as head of the Bulgarian government, Borissov met the Secretary of State John Kerry, British Foreign Secretary Philip Hammond, and NATO Secretary General Jens Stoltenberg in Sofia, and they all expressed their hope that Bulgaria would achieve *energy independence from Russia* (Filipova 2022, 278). Behind this diplomatic expression was the clear message of the powerful Western countries – Bulgaria had to abandon

South Stream completely. Thus, the South Stream project, which would bring considerable advantages to the Bulgarian side, was terminated. However, Borissov made some other commitments in front of the Russians because, soon enough, the Turkish Stream project became a fact for convenience. It was called the “Balkan Stream” by Borissov himself, so as not to provoke adverse reactions among Western leaders (MacFarlane 2024, 50).

Finally, Russian gas would flow through Bulgarian territory, but Turkey would benefit from the project. The transit fees for the Bulgarian state were modest, and the Bulgarian gas transmission network was not connected to the Balkan Stream. An advantage in this case was that from the Bulgarian-Turkish to the Bulgarian-Serbian border, the gas pipe was wholly owned by the Bulgarian state. This fact gave Bulgaria an instrument in adverse circumstances, i.e., pressure from the exporter (Russia) or the intermediary (Turkey/Türkiye).

The entire subordination of the Bulgarian energy policy to the West was evident after the start of hostilities in Ukraine. Bulgaria refused to pay for Russian gas in roubles, and Moscow suspended the gas supply to Bulgarian consumers.

The complete subordination of the Bulgarian ruling circles to Western interests would have left Bulgaria with one NPP. The used nuclear fuel remains in Bulgaria, but this would not last forever because the country would be turned into a vast environmental bomb. The two Russian reactors at Kozloduy NPP were switched to US nuclear fuel.

Mistakes made by the Bulgarian political elite allowed Turkey, which already had atomic facilities built by the Russians. Bulgaria remained only a transit point for the Russian energy resource, without even the possibility of using it. The fact that Bulgaria imports electricity from Serbian coal-fired power plants speaks for the complete failure of the Bulgarian energy strategy. The heavy consequences of this policy of the Bulgarian rulers would be on the backs of ordinary Bulgarian citizens (Dolchinkov 2023, 8).

In conclusion, through misguided political decisions and external pressures, Bulgaria has missed the opportunity to establish itself as the energy centre of the Balkans. Today, Bulgaria is an energy-dependent “transit” country, facing significant economic losses and the erosion of its international reputation. The missed opportunities and failed projects in securing energy security will have long-term consequences for Bulgaria’s regional role.

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