

TPP AES Galabovo announced that it has decreased its tariff, as agreed upon in the amendment to TPP AES Galabovo's Power Purchase Agreement with the state-run National Electricity Company signed in 2015. The new capacity price reduction of 14% became effective on April 27, 2016, leading to BGN 50 m annual savings, or more than BGN 500 m for NEK for the remaining term of the PPA, which expires in 2026.

What is more, TPP AES Galabovo paid BGN 99 m to Maritza East Mines, the plant's coal supplier. The 690-megawatt plant is using only local fuel and is among the biggest consumers of lignite produced by Maritza East Mines. The payment of the amount, accumulated as a result of the delayed payments to TPP AES Galabovo, will secure the investment program of the mines and will guarantee the employment of thousands of Bulgarian miners.

The decrease of the capacity price and the payment of the due amount to the mines became possible as a result of the full payment of the arrears of NEK towards TPP AES Galabovo.

"I am happy to announce that our partner, NEK, paid all its arrears. This is the final step of the process of renegotiation of the PPA. The amended PPA brings direct benefits to the Bulgarian people and contributes to the efforts of the Government to restructure the energy sector", said the Executive Director of AES Bulgaria Olivier Marquette.

"The Government of Bulgaria has made important progress to sustainably strengthen the energy sector and lower electricity prices for consumers", said Andrés Gluski, AES President and Chief Executive Officer. "TPP AES Galabovo is one of the most reliable and cleanest coal-fired plants in Europe, using only domestically sourced fuel. By meeting all of its contractual obligations, Bulgaria is sending a very positive sign to all foreign investors in the country", Gluski added.

source: [publics.bg](http://publics.bg)