

The Bulgarian Energy Holding (BEH) has launched a procedure to pick a lender that would help it pay off part of its debts.

BEH, a structure managing state-owned assets in the energy sector, is now committed to make the payments under a deal with the AES and ContourGlobal thermal power plants which was reached in the spring.

Earlier estimates suggested the sum amounts to EUR 450 M.

The move, if successful, could help the state-owned National Electricity Company (NEK) partly solve its debt crisis which has been posing risks to Bulgaria's energy system.

April's deal between the state, AES and ContourGlobal was one of the arguments for the national energy regulator to increase prices for household consumers from August 1.

In return, when debts have been settled, fixed prices for electricity generated by the AES Maritza East 1 and ContourGlobal Maritsa East 3 TPPs will go down over the next years, allowing NEK to save some EUR 500 M (BGN 1 B) over ten years.

Preferential pricing contracts were signed under the administration of PM Ivan Kostov (1997-2001), and some experts have argued financial imbalances in the energy system should be partly attributed to the contracts.

source: m.novinite.com