

The Bulgarian Energy Holding (BEH) is now considering options to pay off debts to the AES and ContourGlobal thermal power plants, Bulgarian Energy Minister Temenuzhka Petkova has said.

Speaking to reporters, she added the BEH would launch a procedure to secure funding by the end of next week.

The total amount of debts owed by the state-owned utility National Electricity Company (NEK) to the power stations is approximately BGN 900 M (EUR 450 M), public broadcaster BNR quotes Petkova as saying.

The minister explained that BEH had intended on launching the procedure earlier, but decided to wait until the national energy watchdog KEVR announced new power prices for industrial consumers. Higher electricity rates for businesses have been in force since August 1.

Another reason for the delay were “negotiations with ContourGlobal which went on for a little longer than what was planned,” Petkova added.

Paying off debts was part of a deal between the government, AES and ContourGlobal that was signed in April and which allowed NEK to save some BGN 100 M every year through amendments of long-term contracts for purchasing energy from the two power plants.

In March, Fitch Rating lowered BEH’s long-term foreign currency issuer default rating to BB from BB+, a negative development in light of BEH’s forthcoming attempts to secure a loan.

source: novinite.com