

Bulgarian energy holding received a single loan offer for AES, ContourGlobal debt issue

The state-owned Bulgarian Energy Holding (BEH) has received a single offer for a loan it needs to pay the debts of its subsidiary - the National Electricity Company (NEK) - to two private power stations - AES Galabovo TPP and ContourGlobal Maritsa East 3 TPP.

There is still time for candidates to submit their offers, Bulgaria's energy minister Ms Temenuzhka Petkova said, as quoted by the Bulgarian National Radio.

The state-owned BEH has been looking for a loan since the summer of 2015.

If NEK manages to pay its debts of some BGN 700 m (about EUR 350 m), the two power plants will be able to pay their contractors, among which are the state-owned Maritsa East Mines. Moreover, the two TPPs will offer NEK a discount from their availability price set by PPAs. The deal was meant to take effect as early as July 1, but was mainly delayed by the offset electricity pricing period.

The ongoing financial issue was the reason for the recent dismissal of BEH CEO Jacklen Cohen, officially cited by the energy minister. It was also mentioned by Fitch in the fall of 2015 when it announced it downgraded the rating of BEH to 'BB-'.

source: publics.bg