

Bulgaria: US Contour Global & AES investments in coal fired power plants

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Maritsa Iztok complex is the largest energy complex in the south-eastern Europe. The complex consists of three thermal power plants, placed in a large mining basin which includes several lignite mines, situated in the province Stara Zagora.

Maritsa Iztok 1 is located near the town of Galabovo. In October 1998, the old power plant was privatized by the Consolidated Continental Commerce (3C), and later sold to the American AES Corporation. In February 2000, the AES and Bulgarian National power company NEK (EAD), signed a 15 year Agreement. According to the Agreement, AES has committed itself to build a new plant at the site of the old power plant. In June 2006, the company started the construction and in 2011, the new power plant, with the capacity of 670 MW, was put into operation. The new facility consists of two boilers of 335 MW, two steam turbines, two generators and a desulfurization plant. The power plant was built by Alstom and it cost 1.2 billion euros.

In 1998, the American energy company, Entergy Corporation, bought 73% of the shares of TPP Maritsa Iztok 3 out of Burglary. During 2002, the Italian company ENEL was included in the project, and in 2006, the ENEL purchased the shares owned by the Entergy Corporation.

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Currently, the negotiations on amending the agreement with the AEC Corporation and ContourGlobal are in the progress in Bulgaria, which should be completed by the end of March.

Bulgaria hopes that they will negotiate about the contract with AES Corporation and ContourGlobal for the purchase of the electricity from the thermal power plant AES Maritsa Iztok 3 and ContourGlobal Maritsa Iztok 3 by the end of March, said Minister of Energy Temenuzhka Petkova.

According to the contract which was signed a decade ago, the Bulgarian National Energy Company has been purchasing the electricity from these two power plants at the prices

higher than the average market prices paid to other manufactures.

In May 2014, the DKEVR requested the amendment of the contract with the thermal power plants. AES owns the majority shares in Maritsa Istok 1, while the ContourGlobal is the majority shareholder in Maritsa Istok 3.

According to Petkova, the urgent measures are needed to address the deficit in the National Energy Company. In the energy sector, the audit and checks are conducted in all energy companies at the moment.

On the initiative of the Ministry of Energy, the negotiations with the AES Corporation and ContourGlobal are in progress. Mrs. Petkova expressed the hope that the outcomes of these discussions would be known soon.