

Bulgaria: Italy's ERG & Russia's Lukoil JV company LUKERG Renew to buy more wind farms

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LUKERG Renew, a joint venture between Italy's ERG SpA (ERG) and Russia's OAO Lukoil, has received permission from the Commission on Protection of Competition (KZK), to buy four Bulgarian companies running wind farms in the northeastern village of Hrabrovo, Varna district.

In Bulgaria, LUKERG is involved in the production and wholesale sales of electricity through its companies running wind turbines on the territory of Kavarna.

Italy's ERG SpA, which controls 50% of the joint venture, has no commercial activity on Bulgarian territory.

Lukoil, which controls the other 50% of the capital of LUKERG, produces electricity through a thermal power plant and a photovoltaic plant near Burgas. The company also owns the Lukoil Neftochim refinery in Burgas.

According to the KZK report, the planned acquisition will not harm competition in the sector, and LUKERG Renew is free to buy Globo Energy, Mark 1, Mark 2, and UP Bulgaria 4, which are managed by Yordan Merakov.

The deal is viewed as a continuation of the investment activity of the company in Bulgaria, after in 2012 it bought wind turbines near Kavarna, according to the competition watchdog.

The acquisition only has an impact on the production and wholesale sales of electricity and does not violate competition rules, KZK informs.

According to data of the Electricity System Operator and the Ministry of Economy and Energy, as cited by investor.bg, in 2012, thermal power plants generated 54% of Bulgaria's electricity, the Kozloduy NPP had a share of 33%, renewable energy sources had a share of 11%, and pumped-storage hydroelectric power stations had a share of 2%.

Wind farms had a share of around 23.4% of all power plants using renewable energy sources, while hydroelectric power plants had a share of around 60%, photovoltaic plants had a share of 15.7% and biomass-running power plants had a share of 0.8% of the total.

Source; Serbia Energy See desk/KZK Bg