

Bulgarian state-owned coal-fired thermal power plant Maritsa East 2 is in total financial collapse, after it recorded losses in the amount of 126 million euros in the first half of 2021. TPP Maritsa East recorded a net loss in the amount of 126.4 million euros in the first six months of the year, compared to 58.8 million euros loss in the same period of 2020. The plant's revenues decreased by 17 % to 98.3 million euros, while its expenses increased by more than 100 million euros. This makes the overall financial situation in the company even more critical as the accumulated loss reaches over 700 million euros.

Although market conditions in recent weeks have allowed the plant to sell electricity on the IBEX electricity exchange, it is unlikely that financial results will improve significantly by the end of this year. If TPP Maritsa East 2 was not a state-owned company, it would have gone bankrupt a long time ago. Last year alone, the parent Bulgarian Energy Holding (BEH) supported the power plant with more than 500 million euros.

The paradox lies in the fact that the more the power plant operates, the higher the costs for CO₂ emissions are. In the first six months of 2021, the power plant operated much less than in the same period last year, when there were serious restrictions due to coronavirus, and electricity consumption in the country was declining. 1.45 million MWh were produced in the first half of 2021, compared to almost 1.7 million MWh a year earlier, down 14.55 % year-on-year. More importantly, all produced electricity was delivered to the regulated market, in accordance with the quota set by the regulator, while the sales on the exchange were symbolic.

The main reason for the impressive losses of TPP Maritsa East 2 is the price of CO₂ emissions. Since the beginning of 2021, it has grown from less than 40 euros/ton to almost 60 euros. To produce one MWh of electricity, the plant emits about 1.2 tons of CO₂. According to the preliminary report for the first six months of this year, expenses for CO₂ emissions reached 110 million euros, compared to 173 million euros in the first half of 2020. With increased production in August, and probably in the coming months, and with the increase in CO₂ quotas, costs in the second half of the year will probably exceed 150 million euros, totaling to more than 250 million euros for the whole year.

For comparison, the cost of the construction of a completely new gas-fired thermal power plant, with a capacity of 500 MW, would cost the same amount. For 170 million euros, which was the amount of last year's loss, a solar plant with a capacity of about 200 MW could be built, along with storage capacity.