

Bulgaria: NPP Belene project remains unaffected by the pandemic

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The procedure for the construction of Bulgaria's second nuclear power plant Belene has not stopped for even a moment, despite the coronavirus pandemic, Bulgarian Minister of Energy Temenuzhka Petkova said.

Minister Petkova stressed that all five companies from Russia, China, South Korea, the United States and France have confirmed their intentions to submit binding offers and participate at the procedure for selection of a strategic investor. The next step in the procedure is to allow candidates to the so-called data room, where all the information on the project is kept. In March, she said that the second, binding round of NPP Belene tender could be slightly extended due to the pandemic.

In December, Bulgaria announced the five shortlisted companies to enter the second, binding round of NPP Belene tender. She specified that the Russian, South Korean and Chinese companies are bidding for the position of strategic investor in the project, Framatome expressed interest in supplying safety systems and financing this share of its participation, while General Electric wants to manufacture turbines and other equipment and will also self-finance this part of the project. The five were selected on the basis of their experience in building nuclear power plants, their financial stability and high credit rating. The following companies submitted bids for strategic investments at the tender concluded in August 2019: Russian Rosatom through its subsidiary Atomenergoprom, Korea Hydro & Nuclear Power Co., China National Nuclear Corporation (CNNC), Bulgarian company IPK & UP and two Bulgarian-registered consortia: Elektrocentrala Belene 2019 and AEC Belene. French Framatome applied to participate in the project's financial structuring and the supply of safety systems. US General Electric also seeks involvement in the financial structuring, but also as a potential designer and supplier of equipment. Bulgarian Grand Energy Distribution and Atomenergoremont is interested in acquiring minority stake in the project, while European Trade of Energy has expressed an interest in the purchase of electricity produced by the plant. North Macedonia also wants to participate in the project's implementation through a minority stake acquired by state-owned power utility ESM and a long-term electricity purchase contract.

In May 2019, Bulgarian Ministry of Energy announced that it is inviting potential strategic investors to express interest in taking part in the project for construction of a nuclear power plant Belene in the next 90 days. The candidates can be Bulgarian or foreign companies and consortiums. The selection procedure provides them with the opportunity to state their interest in acquiring a minority stake in the future project company. The candidates' applications must contain details on their organizational and shareholding structure, credit ratings as well as audited financial statements for the past three years, among other requirements. The selection procedure is expected to be completed within 12 months. The

Bulgarian side will participate in the project company with an in-kind contribution of the assets, including the licensed site, the available equipment, the issued decisions, permissions, licenses and other documents related to the project. According to Minister Petkova, the state set a number of conditions in order to maximally protect the interests of the Bulgarian side. The state reserves the right to a blocking quota in decision-making on certain matters within the competence of the General Meeting of Shareholders of the project company. It is envisaged that the construction of the plant will be realized on a market principle, without concluding long-term contracts for the purchase of electricity by the state and providing state guarantees.