

Bulgaria's second largest coal-fired power plant is becoming the property of a new US giant fund, KKR. The transaction should be completed by the end of the year. The value of the contract between ContourGlobal and KKR is over 2 billion euros, and a new investor will decide on the future of Bulgaria's coal-fired power plant.

The contract with NEK on the purchase of electricity expires in two years

The second largest coal-fired power plant in Bulgaria, TPP ContourGlobal Marica East 3, has acquired a new owner. The American company ContourGlobal has agreed to sell its assets to the Kolberg Kravis Roberts Fund (KKR) for a little over 2 billion euros. The transaction is expected to be completed by the end of the year.

The arrival of a new investor in the Marica mining basin coincides with the moment of making a decision on the future of the thermal power plant and the announcements for the green hydrogen project.

The long-term contract for the purchase of electricity between TPP Marica Istok 3 and NEK expires in 2024, after which the power plant will have to operate on the free market.

From the point of view of the KKR fund, the agreement will add new capacities to renewable sources and several thermal power plants to the portfolio.

In 2021, ContourGlobal achieved record financial results with revenue growth of over 50%, to \$ 2.15 billion. One third of this amount was provided by the Bulgarian power plant. EBITDA was \$ 842 million.

TPP Marica-East 3 has 908 MW of installed capacity and is the largest power plant in the portfolio of ContourGlobal, which owns and operates 6.3 GW power plants worldwide (138 thermal and RES power plants).

ContourGlobal has a majority stake (73%) in the Bulgarian power plant since 2011, and the rest is owned by the state-owned National Electricity Company (NEK).

The government has pledged to buy electricity from TPPs at a discounted price of 650m euros over a 15-year period (2009 to February 2024).

TPP Marica East 2, one of the most modern in Southeast Europe, produces about 4,500 GWh of electricity annually, covering 10-15% of total consumption in Bulgaria, making it one of the most important power plants in the region, especially in a complex energy situation.

Source: capital.bg