

After completing the second securitization package of unpaid receivables, the next major challenge for state-controlled Public Power Corporation (PPC), will be the privatization of its wholly-owned subsidiary - electricity distribution network operator DEDDIE, which should be launched in the first quarter of 2021.

Previous plan to sell a 49 % stake in the operator with increased managerial rights remains in place, but the Government is also considering to lower the offered stake. In addition, some thought is being given to offering potential buyers the stake through two rounds of privatization. However, the offer of 49 % stake still remains the most likely option. The details regarding the privatization process will be finalized in September.

Recently, the Regulatory Authority for Energy (RAE) proposed the new regulatory framework for DEDDIE. Revisions concerning the operator's permitted earnings were proposed, while a four-year period is planned for the new framework, from 2021 to 2024, with an option for a four-year extension until 2028.

The new framework is expected to include bonuses for objectives achieved at the distribution network operator and vice versa. The company's business plan includes goals such as the replacement of conventional power meters with smart meters, as well as operating cost and electricity theft reductions.