

Bulgaria Again Offered Nuclear Plant Financing

By [The Moscow Times](#)

December 14, 2010

The  Moscow Times

GOVEDARTSI, Bulgaria — Bulgaria needs to reach a deal with Russia on the price of a planned nuclear plant at Belene before it decides how to proceed with the 2,000-megawatt project, the executive director of state power utility NEK said.

Krasimir Parvanov said Moscow, eager to expand its nuclear presence into the European Union, has renewed its offer to extend 2 billion euros (\$2.64 billion) to start off the project, which Bulgaria put on hold last summer.

“We have been offered an option envisioning financing of 2 billion euros by the Russians, but there will be no movement on the project before we can agree on a final price,” Parvanov told Reuters in an interview.

The EU and the United States have urged Bulgaria to take stock of its heavy dependence on Russian gas and oil and encouraged the Balkan country to seek Western investors for the

nuclear project at Belene on the Danube River.

In April, Sofia rejected a similar funding offer by Moscow, saying it wanted instead to focus on finding other investors for the plant. Since then the center-right government has indicated that it is willing to push ahead with the project, which it put on review in July 2009 along with other Russian-backed projects to check whether they met national interests and the EU agenda.

After a series of meetings with senior Russian officials, in November the cabinet decided to proceed with the Moscow-backed South Stream gas pipeline and set up a project company for the Belene plant in four months.

Bulgaria's attempts to attract Western interest for Belene have been largely unsuccessful so far, although Finland's top utility Fortum Corporation and French technology consultancy Altran have each considered a 1 percent stake.

The government is unwilling to give the project up, as it has already invested over 900 million euros in it and may be forced to pay hefty compensation to Russia's Atomstroieksport, which NEK contracted to build the reactors in 2006.

The price for Belene was set at 4 billion euros then, but the two companies now disagree over how much the sum has risen. Moscow says it will reach 6.3 billion euros, while Sofia says it should be in the range of 5 to 5.5 billion.

Parvanov said a new round of talks over the construction price would be held in Sofia this week, and Bulgaria has said it does not plan to invest new funds.

He said Sofia expects a strategic foreign investor to join Belene in the next few months and argued that the funds Bulgaria has invested so far should secure it a 20 percent stake.

Prime Minister Boiko Borisov has suggested that Germany's Siemens — also a subcontractor to Atomstroyeksport for Belene — will be willing to take a stake. NEK plans to invest only 27 million euros for Belene in 2011 and is not considering taking loans for the plant.

Sofia has contracted British bank HSBC to seek foreign investors and help streamline its financing, which analysts say could jump to 9 billion to 10 billion euros.

Original url:

<https://www.themoscowtimes.com/2010/12/14/bulgaria-again-offered-nuclear-plant-financing-a3741>