

Bulgaria Seeks Friendly Outcome on Nuclear Plant and Gas

By The Moscow Times

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SOFIA, Bulgaria — Bulgaria hopes to dissuade Russian nuclear power plant builder Atomstroyexport from taking legal action after Sofia dropped plans for a power station at Belene that the company had been contracted to build, the economy minister said.

Atomstroyexport, which had been contracted to build two 1,000-megawatt reactors, has repeatedly warned Bulgaria that the country will have to pay up to 1 billion euros (\$1.33 billion) in damages if the project collapses.

"The Russians have their reasons to seek compensation, but we also have arguments to explain why we do not have to pay it," Bulgarian Economy and Energy Minister Delyan Dobrev told local TV7 channel before flying to Moscow on Thursday.

Dobrev said Bulgaria had spent more than 1.3 billion levs (\$885 million) on the project and more than 100 million euros would have to be spent to dismantle what had already been built in Belene on the Danube River.

Bulgaria abandoned the project because it failed to attract serious foreign investors in the past three years after Germany's RWE pulled out due to funding concerns.

It still plans to pay for one reactor that has already been built and aims to install it at the operational 2,000-megawatt Kozloduy power plant.

Former Economy Minister Petar Dimitrov said Bulgaria did not have a strong case in negotiations with the Russian state company.

"There are no arguments to convince Russia not to seek compensation," Dimitrov said. "They could seek from 800 million euros (\$1.067 billion) to more than 1 billion euros."

"And there's even a worse scenario with Russia keeping the (1,000-megawatt) reactor, which has already been constructed," he said.

Dobrev also faces a difficult task in trying to arrange a price discount of about 10 percent for Bulgaria's gas supply for this year when he meets Gazprom officials.

Bulgaria covers more than 90 percent of its gas needs with imports from the Russian company.

"I will seek a \$100 million discount from Gazprom, but I realize that it is a very hard task and that it will be very difficult to negotiate such a price," Dobrev said.

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