

Buriram Sugar ups biomass energy output

More renewables, organic fertiliser eyed

SET-listed miller Buriram Sugar Plc (BRR) starts up its second biomass power plant today for an extra 9.9 megawatts.

The 700-million-baht plant generates power from bagasse, a waste byproduct from sugar production, managing director Anan Tangtongwetchakit said.

He said 80% of the total power produced from the plant or about 8 MW would be sold to the Provincial Electricity Authority (PEA) and the rest used as the company's own power source.

The company is set to sign a power purchase agreement with the PEA soon, Mr Anan said.

The company expects its renewable energy revenue will rise by 200 million baht to a total of 450 million this year thanks to a higher feed-in tariff (FiT).

The Energy Ministry has raised the FiT to 4.53 baht a kilowatt-hour from 3.60 baht.

Buriram Sugar still operates its first biopower plant, also with production capacity of 9.9 MW and located at the same site in Buri Ram province as its mills.

The company plans to diversify into more renewable energy sectors and organic fertiliser, Mr Anan said, adding that a feasible study into ethanol production has been conducted.

Despite low global oil prices deterring motorists from switching to biofuels, Buriram Sugar has earmarked 1 million baht to produce 150,000 litres of ethanol a day in the near future.

"Home-made biofuels are still receiving full support from the government despite not being cost-competitive at this stage," Mr Anan said.

He said sales of power and fertiliser from the second plant were expected to increase the revenue proportion from biomass to 20% of the total in the short term from 17%, jumping to 30% by year-end.

"We're not a top sugar producer in terms of production, but we are tops in terms of sugar yield, as we always teach our cane farmers to be smart growers," Mr Anan said, referring to methods used to raise the sugar content of cane.

Its average sugar-cane yield is 118 kilogrammes a rai, up from 105 kg last year and above the national average of 109 kg.

The company raised another 900 million baht via an initial public offering last November, with the funds going towards enhancing sugar production capacity.

BRR shares closed yesterday on the SET at 9.45 baht, up 45 satang, in trade worth 251 million baht.

