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Ratch lays out plans to boost power generation capacity

SET-listed Ratchaburi Electricity Generating Holding Plc (RATCH), Thailand's largest private power producer, plans to spend a combined 13 billion baht to increase power production capacity.

Of this, 8 billion baht has already been used for existing projects, while 5 billion will be poured into new projects this year, chief executive Phongdit Photchana said yesterday.=

He said the investment would be both in Thailand and abroad.

"We are currently looking into 10 potential new projects to develop and expect at least four of these will be developed eventually," Mr Phongdit said.

He said new projects included a coal-fired power plant in Myanmar, solar farms in Japan and a biomass power plant in Thailand.

The 2,460 megawatt coal-fired power plant in Myeik, Myanmar is still undergoing a feasibility study and will have public hearings soon.

The Myanmar government is expected to decide on approval in May.

Mr Phongdit said this project would require US\$4 billion in investment capital, with Ratch owning 45%.

He declined to give further details on another new 2,000-MW international project due to secrecy requirements of its partner.

But he said Ratch was currently conducting a feasibility study on that project too, and project details were expected to be finalised by June.

The company is also interested in solar power plants in Japan as well as negotiating the purchase of two biomass power plants with combined capacity of 16 MW, with a deal expected by mid-year.

Also this year, Ratch will gain an additional 552 MW of power production capacity from Ratchaburi World Cogeneration Co via a Songkhla biomass plant and the Hongsa power plant in Laos, bringing its total capacity to 6,117 MW.

The first phase of the 1,878-MW Hongsa project is expected to be operational in June.

This is part of a 34-billion-baht investment budget for 2014-15 excluding 6.5 billion set aside for mergers and acquisitions last year.

Mr Phongdit said the 34 billion baht was for energy development projects in Cambodia, Laos, Myanmar, Vietnam and Australia.

Ratch expects revenue of 50 billion baht this year, with net profit about 10% of the revenue level. Last year, revenue was 58.7 billion baht for a net profit of 6.2 billion.

"Revenue from power generation keeps fluctuating but is likely to decrease since old power plants have unstable capacity," Mr Phongdit said.

However, a new 100-MW Berk Prai cogeneration plant in Ratchaburi, 35% owned by Ratch, is still under construction and is set to be completed in 2019.

Two solar farms in Japan with combined capacity of 33.5 MW are expected to be completed next year.

A liquefied natural gas receiving terminal worth 20-30 billion baht to feed its gas-fired power plant in Thailand is also undergoing a feasibility study.

That project is majority owned by PTT Plc, with 30% owned by Ratch.

RATCH shares closed yesterday on the SET at 62.25 baht, unchanged, in trade worth 27 million baht.

