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PSTC eyeing renewable projects, digital ventures

SET-listed Power Solution Technologies Plc (PSTC) plans to expand its renewable energy business and diversify into digital-related business ahead of the imminent digital economy.

Chief executive Pranai Kungwalrut said the company planned to tap the high-potential market, in which the return on investment was about two digits a year, including biomass, waste-to-energy, solar farm and wind turbine ventures.

The company hopes to generate annual revenue growth of 20% from now.

It is also continuing its plan to tap the high-potential solar farm business after diversifying into this sector in 2011 with two farms in Udon Thani, each generating one megawatt.

The company developed another three solar farms last year of 1 MW each.

Mr Pranai said from 2015-17 the company would have a total capacity of 17.7 MW from projects in hand that would be developed soon. They are one solar farm, seven biomass power plants and two waste-to-energy projects.

"This sector generates return on investment of more than 15% each year thanks to the government's new feed-in-tariff that was approved a year ago," he said.

Mr Pranai said the company expected revenue growth of 20% this year from 437 million baht last year.

Half of its backlog investment budget of 400 million baht will be spent over the next few years. About 200 million baht in revenue will be realised this year.

Under the national renewable energy development plan for 2014-20, it will have plenty of room to develop a total 10,000 MW of power from renewable energy from several sources including biomass, biogas, solar panels, wind farms and waste-to-energy plants.

Recently, the company was given the nod to develop a waste-to-energy project by Ubon Ratchathani town at 8 MW. It is registered as a feed-in-tariff project with the Energy Ministry.

Last year, revenue from this sector rose to 16% of the company's total from 12% in 2013.

The company is allocating capital expenditure of nearly 600 million baht to develop renewable energy projects this year.

PSTC offers services ranging from turnkey contractor and maintenance to operator of businesses.

Most of its revenue comes from power storage systems, environment monitoring systems and turnkey contracts.

Mr Pranai said there were several positive signs that would help to support the company's renewable power business and also the digital economy, which would encourage efficient energy consumption.

The company also plans to diversify its roles to support the market for internet service providers, 4G telecommunications broadband and fibre optics, and data centres.

"We plan to seize opportunities once the digital economy development plan kicks off 18 months from now," Mr Pranai said.

PSTC shares closed yesterday on the SET at 2.08 baht, down six satang, in trade worth 128 million baht.

