

Revolving fund eyed for company projects

The Energy Ministry plans to set up a 600-million-baht revolving fund to provide financial support to companies investing in renewable energy and energy-saving projects, a senior official of the ministry said yesterday.

Energy permanent secretary Areepong Bhoocha-oom said the fund would come from the state Energy Conservation Fund (ECF) and provide soft loans to private companies wanting to renovate machinery, modify business facilities or invest in projects aimed at reducing energy consumption.

The loans, to be disbursed by mid-year via more than 10 local banks, are aimed at helping to stimulate investment in renewable energy in the second half of this year, he said, adding that the interest rate would be lower than 4%.

A soft loan fund was set up in 2010 in order to help stimulate investment in renewable energy.

However, the recent political turbulence disrupted continuity in that project.

The government normally allocates financial support and tariff privileges to encourage investors to develop more energy-saving projects in the long term.

In 2012, the Energy Ministry in collaboration with several banks extended loans to almost 300 projects to help finance consulting, design, equipment and civil work associated with energy efficiency.

The Board of Investment (BoI) also grants special promotions for projects that are environmentally friendly or feature energy saving or renewable energy, offering benefits such as exemption from corporate income tax for eight years.

The BoI also slashed import duty on machines for energy-saving projects and enhanced tax deductions for transport, electricity and water supply costs.

The ECF raised funds from levy collected from motorists by 25 satang per litre from petrol, gasohol and diesel and seven satang from bunker oil.

The move to provide soft loans is part of plans to raise the capacity of renewable energy to 25% of the country's total use or 19,000 megawatts by 2036 from the current 11% or 7,400 MW.

Energy Minister Narongchai Akrasanee affirmed the government's plan on renewable energy, saying his ministry would open bids for another 3,000 MW from solar farms and the rooftop scheme from the present 2,800 MW.

"Solar power will be the largest renewable energy resource, surpassing biomass," he said.

Mr Narongchai declined to reveal the year that bidding for solar power would open but said the government might use the ceiling of the electricity tariff as a reference tariff.

In 2010, solar farm licences for 3,000 MW were granted, but only 1,000 MW are operating.

The remaining 2,000 MW have been delayed due to the political unrest.

Mr Narongchai said the remaining solar farm licence holders must start developing their projects this month, or else the licences will be automatically terminated.

The delay of solar farm licensing has affected implementation of other renewable energy projects, he said.

The additional renewable energy capacity is expected to stem from solar farms (6,000 MW), biomass (5,500 MW), wind farms (3,000 MW), biogas (1,300 MW), waste-to-energy plants (500 MW) and mini hydropower plants

