



## **Licences for renewable sources to be issued soon**

The Energy Ministry is expected to open a new round of granting much-awaited licences for the development of renewable energy by mid-year, according to a source.

However, the total capacity for which it will provide licences is still unclear because the ministry has not yet concluded which sources of power will be the priority from options such as biomass, biogas and waste-to-energy projects.

The source said many investors were waiting for the start of the new projects, with some companies even joining agreements with partners to penetrate business opportunities in the renewable energy sector.

According to the new power development plan, renewable energy will be developed for another 12,000 megawatts of power on top of the current 7,280 MW, mostly by private companies, from this year to 2036.

"Returns from this sector are quite high at around two digits compared with other sectors — such as construction, transport operators or fossil energy, whose returns are lower than 10%," the source said.

The screening committee is preparing for granting licences by focusing on transmission, transformer and power storage infrastructure in order to ensure fast development.

Since 2010, energy policymakers have granted solar farm licences without appropriate screening of ready-to-connect infrastructure.

Since then, more than 1,000 MW of capacity could not be developed or operate, although many licences had been granted.

In the Energy Ministry report on the use of renewable energy for the last 12 months, it said the government would sign power purchase agreements (PPAs) for projects from 160 investors with a combined 918 MW.

Of the total, 161.4 MW is from 13 investors in waste-to-energy projects, 197 MW from 41 investors in biomass and 52-MW from 26 investors in biogas.

Solar farm projects delayed since 2010 could sign PPAs at a combined 507 MW from 80 investors.

All 160 investors are scheduled to develop projects this year and start operations in the second half.

Many SET and MAI-listed firms are ready to enter the renewable energy sector, including Takuni Group Plc, Vintage Engineering Plc, Ua Withya Plc and Power Solution Technology Plc, for projects including greenfield developments and mergers and acquisitions.

Wutichai Leenabanchong, the executive chairman of Ua Withya, said the potentially high returns on investment on renewable energy were attractive.

He said the sector could create long-term revenue and cash for 20 years compared with the risky business of bidding procurement by state utilities.

"The bidding process with state utilities until the payment date is too long to earn cash and too risky," he said.

