

ENERGY

BCP keen on geothermal

NUNTAWUN POLKUAMDEE

Bangchak Petroleum Plc (BCP) is looking at investing in a geothermal power plant in Indonesia and a solar farm in Japan this year. The move is part of its goal to raise revenue from renewable energy business and reduce its reliance on oil refining as oil prices remain weak.

The SET-listed oil refiner and retailer is mulling investment in a geothermal power plant in Indonesia with an initial capacity of 60 megawatts, said president Chaiwat Kovasisarach. It is also considering geothermal power investment in other Ring of Fire areas such as the Philippines and Malaysia.

"BCP is studying investment in an Indonesian geothermal power plant, with a deal expected to be sealed in the second half. Investment in geothermal energy in the Philippines and Malaysia is expected to generate a return of at least 12-15% per year," he said.

It is also conducting a feasibility study for possible investment in Thailand's first geothermal power plant in Tak province, but its electricity-generating capacity is expected to be only 1-2 MW as the country is not

situated in the Ring of Fire.

If the company invests in Indonesia and Japan, BCP's power generation from renewable energy will rise to 200-250 MWs from 118.

Under BCP's five-year business plan through 2019, it plans to earmark around 25 billion baht to renewable energy, increasing capacity from that sector to over 500 MW. The company expects revenue from the oil refining business will dip to 50% of total revenue by 2019 from 80% now, with renewable energy contributing one-third.

BCP joined with SET-listed Chow Steel to invest in a 50-60 MW solar power plant in Japan. It is expected to begin feeding power into the grid this year.

BCP aims for its earnings before interest, tax, depreciation and amortisation (EBITDA) to reach 10.4 billion baht this year before escalating to 25 billion in 2020. Its EBITDA plunged 45% to 5.16 billion last year, adversely affected by the sharp fall in the oil price.

BCP shares on the SET yesterday closed at 32.75 baht, up 25 satang, in trade worth 95.6 million baht



Chaiwat: Turning to renewable energy