

ENERGY

Bangchak curious about biogas, biomass production

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CHAIYAPHUM: SET-listed Bangchak Petroleum Plc, the mostly state-owned refiner and retailer, is looking at the possibility of branching into mining and various types of renewable energy.

So far, Bangchak has entered the solar farm business with a combined capacity of 118 megawatts, but opportunities are limited given that no new solar farm licences have been granted since 2009, said president Vichien Usanachote.

As a result, Bangchak is preparing to conduct a feasibility study into biogas production from Napier grass as well as biomass projects.

The company is also interested in mining, but Mr Vichien declined to give details.

"We should not depend hugely on the oil business because the industry is so volatile. Consequently, diversification is needed," he said.

After nearly a decade of developing solar farms and biofuels, revenue from non-fossil business now accounts for a fourth of Bangchak's total sales.

The firm aims to boost contributions from non-oil business to half of total revenue by 2020.

Mr Vichien said Bangchak is able to raise fresh funds of 30 billion baht through loans or bonds to support new investment.

Meanwhile, a potash joint venture in Chaiyaphum has suffered many years of delay on unclear government policies.

Bangchak has set a three-year capital budget of 12.9 billion baht through 2015 for three major initiatives in both oil and non-oil business.

Among them is the third phase of the solar farm business, with five projects to be built in the Northeast at a cost of 4.5 billion baht for 48 MW of capacity, all of which are to start up in the first half of 2014.

Bangchak expects revenue from solar farms to more than double to 2.8 billion baht by 2015.

An expansion of methyl ester or pure biodiesel production at the Ayutthaya plant from 360,000 litres a day to 810,000 is under way to serve growing demand from oil retailers.

The company is also debottlenecking its Bangkok refinery to raise capacity from 110,000 barrels a day to 120,000.

Mr Vichien said that while China's Suntech Co, which supplies solar modules to Bangchak, is heavily in debt, it will not affect Bangchak's solar farm business.

"Suntech has so far maintained normal service for us and the efficiency of its solar modules is in line with what we ordered," he said.

Shares of BCP closed yesterday on the Stock Exchange of Thailand at 33 baht, unchanged, in trade worth 119.38 million baht.