

ENERGY

UAC Global pushes into renewables

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UAC Global Plc, an MAI-listed chemical trader, has set aside 3 billion baht for capital expenditure over the next three years as it looks to expand its renewable energy business.

President Chatchaphol Prasopchoke said the company would diversify into the energy sector to take advantage of profit potential at a time when the government is providing full support for renewable energy.

The company expects its chemical trading business to grow by 20-30% over the next few years as the market becomes saturated.

By contrast, renewable energy business is seen doubling.

UAC aims to raise its capacity to produce power from renewable energy to 80 megawatts during the three years to 2017.

This year's plan calls for development of six napier-grass biogas power plants and two solar farms with a total capacity of 15.5 MW.

Another goal is to construct four waste-to-energy projects. For these, however, the company must get shareholder approval.

UAC is also in talks to acquire or merge with other renewable energy firms, with proposals to be finalised by the third quarter of this year.

Under the company's renewable energy development plan through 2020, biogas power plants will be developed to add an additional 3,000 MW to the current 300 MW, while waste-to-energy projects will generate as much as 200 MW, up from 65 MW.

The Energy Regulatory Commission (ERC) recently announced a new feed-in tariff (FiT) for waste-to-energy projects and biomass in a range of 2.39 to 3.13 baht per kilowatt-hour and for biogas of 3.76 baht per kWh.

Under the ERC's new rules governing licences for renewable energy producers, a licence will be automatically revoked if a company has received a licence but has not developed any projects on the day they have committed to starting the operation.

"The new FiT rates will accelerate the development of renewable energy because they make the project worth the investment due to a good return," Mr Chatchaphol said.

Last week, UAC took over the entire 250-million-baht stake of Advance Polymers and Chemicals Co (APC), a polymer emulsion and solution firm.

UAC expects revenue this year to grow by 50% to 1.5 billion baht, driven by the company's commercial operations in renewable energy and revenue from APC.

Mr Chatchaphol said the proportion of revenue from renewable energy business and chemical trade at the end of 2015 would be 50:50, rather than 40:60 in previous years.

UAC shares closed yesterday on the Market for Alternative Investment at 9.70 baht, up 30 satang, in trade worth 146 million baht.