

BCPG readies Bt10 bn to boost green energy output

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BCPG PLC, an alternative energy arm of Bangchak Corporation Plc, plans to spend up to Bt10 billion this year on an upgrade that will boost its production capacity by 200 megawatts (MW) as part of a focus on Asia-Pacific countries, the company's president Bundit Sapianchai said yesterday.

The investment budget will come from both the company's initial cashflow, with cash in hand now of US\$150 million or about Bt4.8 billion, and the rest from project financing from a commercial banks.

Currently, the company has a production capacity of about 600 megawatts.

Bundit said that the company would focus on alternative energy operations, such as from wind, solar and biomass, with the investment targeted at Asia-Pacific countries.

At present, the company has investments in wind power in the Philippines and geothermal power in Indonesia.

The new investment would increase the company's production capacity in alternative energy by 200 MW, with 150 MW planned for the wholesale market, and 50 MW for retail, Bundit said.

Under the company's investment plan, the company expects its return on investment will be as much as 15 per cent, he said, adding that business growth of up to 15 per cent is targeted for this year, from last year, thanks to the investments in the Philippines and Indonesia that will generate income in 2018.

For 2017, the company recorded revenue from sales of electricity of Bt3.32 billion, up 7.7 per cent year on year, and booked a share of profits from investment in associates for the first time, to the tune of Bt749.4 million. This helped the company to report net profit before foreign exchange and extraordinary items of Bt2.07 billion, a year-on-year jump of 50 per cent.

For last year, the company booked a gain in foreign exchange from normal operations and positive accounting translation in net foreign-denominated liability exposure that amounted to a total of Bt72.4 million.

However, there was a loss from foreign currency forward contracts that came to Bt304.2 million.

The loss was attributable to hedging activities made to secure the investments in the Philippines and Indonesia. As a result, the company reported net profit of Bt2.01 billion, up 30.8 per cent from 2016.