

## TPIPP sets sights on Q2 record profit

YUTHANA PRAIWAN 83

SET-listed TPI Polene Power Plc (TPIPP), a waste-to-energy power plant operator with the largest capacity in the Thai market, is confident its second-quarter revenue hit a new high.

Pakkapol Leopairut, executive vice-president for accounting and finance, said the commercial operations of two power plants with a combined capacity of 100 megawatts drove the company's power generation in the second quarter.

The two plants began operations in April.

The first unit is a waste-heat recovery facility with 30MW capacity. The other plant is a refuse derived fuel (RDF) plant with 70MW capacity.

Some 90MW of that capacity is purchased by the Electricity Generating Authority of Thailand (Egat), with an adder tariff of 3.5 baht per kilowatt-hour (unit) for a seven-year contract.

"We estimate that TPIPP's revenue hit a new high in the second quarter, thanks to the increasing of new power generation in the period," said Mr Pakkapol.

But TPIPP has yet to report its financial performance for the period to the Stock Exchange of Thailand.

TPIPP is now operating six RDF power plants at a combined capacity of 220MW and requires huge RDF volume. That has prompted the firm to develop several waste separation and RDF production process facilities.

The company has waste separation units in Kanchanaburi, Nakhon Ratchasima and Rayong and RDF production process facilities in Samut Sakhon, Ayutthaya and Rayong.

Those facilities are expected to provide enough RDF for TPIPP's power generation needs.

TPIPP has two more plants in the development pipeline, including a coal-fired power plant with capacity of 150MW.

The other project is an RDF power plant with capacity of 70MW, located next to a coal-fired power plant.

By year-end, TPIPP expects to operate 440MW at full capacity, up from 220MW in March.

Mr Pakkapol said the RDF power generation in Thailand is the only high potential facet of the renewable power sector as there is ample room for expansion, while it is not faced with the same power tariff regime as other renewables — 2.44 baht or less per unit.

TPIPP further plans to acquire eight power plants.

The company is particularly looking to acquire RDF power plants, and is also looking into getting new licences or making green field investments.

TPIPP is conducting due diligence on several acquisition deals, expected to be concluded this year.

Mr Pakkapol said most power plant operators are lacking liquidity while some of them need RDF expertise.

Energy policymakers and the Interior Ministry granted licences for waste-to-energy development to several dozen firms for a combined capacity of 505 megawatts over the last three years, but only 265MW was developed.

The Interior Ministry recently increased the quota for waste-to-energy licences by another 300MW, raising concerns about environmental management policy.

TPIPP can offer its know-how and experience in this sector and open to buying the assets of the remaining licence holders, he said.

"All the licences that we have received are being used, so we need to expand to other assets," said Mr Pakkapol.

Worawit Lerdbussarakam, vice-president for production, said new waste-to-energy licences will be open for auction this half, with Nakhon Ratchasima, Chon Buri, Songkhla and Chiang Mai targeted for new power plants.

TPIPP shares closed yesterday on the Stock Exchange of Thailand at 5.95 baht, up 25 satang, in trade worth 105.73 million baht.