

Source : BANGKOK POST

61322955

Date : 5 OCT 2018

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No :

ERC asked about power monopoly

Energy watchdog told to clarify Glow deal

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The Office of the Ombudsman has told the energy regulator it must clarify three issues concerning the acquisition of Glow Energy Plc by Global Power Synergy Plc (GPSC).

The Energy Regulatory Commission (ERC) must submit the answers within 30 days of the Ombudsman making a decision on whether the case will be heard by the Constitutional Court.

As such, the ERC must clarify whether GPSC, an affiliate of PTT Plc, the country's largest energy conglomerate, bought the shares of Glow Energy and how the deal progressed. It must also explain whether the acquisition, if successful, would trigger an electricity market monopoly by PTT and its affiliate. Finally, it needs to state whether the acquisition is in line with PTT's business objectives and whether it breaches a clause in the constitution — as well as ERC regulations — regarding monopoly prevention.

The Ombudsman's letter was submitted to the ERC on Sept 28.

ERC chairman Samerjai Suksumek said the Ombudsman ordered the ERC through a letter to investigate the takeover due to concern the deal may be unconstitutional.

In June, GPSC agreed to purchase 69.11% of Glow's shares from French-based Engie Group. The remaining 30.89% are expected to be bought through a tender offer.

The deal is likely to be worth 139 billion baht. All processes are set to be completed by next month.

Once complete, GPSC will own 80% of all private power purchase agreements (PPAs) in the Map Ta Phut area. Before the takeover, it controlled just 20% while Glow had 60%. The remaining 20% were held by the Provincial Electricity Authority.

Former finance minister Korn Chantikavanij has objected to the deal. He submitted a petition to the the ERC and Ombudsman on Sept 12.

Mr Korn said the acquisition could violate Section 75 of the charter, which prohibits the government from running a business that competes with the private sector. PTT is a state enterprise.

The ERC said earlier the probe would wrap up by the middle of this month, but the first move must come from the Ombudsman. This means the original of deadline of Oct 15 can no longer be met.

"The ERC has a lot of work to do on this deal as it involves many state agencies," Mr Samerjai said.

GPSC's newly-appointed president, Chawalit Tippawanich, said the company is waiting for Glow's ownership to be transferred before it conducts the necessary due diligence on Glow's PPAs and its buyers.