

Banteay Meanchey solar-energy project awarded

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The Council for the Development of Cambodia (CDC) on Tuesday approved Thai-owned Ray Power Supply Co Ltd's \$39.8 million 30MW solar-energy project in the Kingdom's far northwestern province of Banteay Meanchey.

Located in Chhnuor Meanchey commune in the province's southeastern Preah Net Preah district, the site is around 55km east of downtown Poipet and a little over 40km from the Thai border at its closest point.

Ministry of Mines and Energy's General Department of Energy director-general Victor Jona told The Post the company signed a power purchase agreement with State-run electricity supplier Electricite du Cambodge (EdC) at \$0.076 per kilowatt-hour, which Jona described as "acceptable".

"According to the plan, the project will be connected to the national grid network in 2021. This year the company is preparing the land and ordering the materials to operate the project," he said, adding that the solar farm would cover about 40ha.

He heralded the project as a reflection of the government's power diversification strategy "for Cambodia's energy security".

Bangkok-based B Grimm Power Plc's wholly-owned subsidiary, B Grimm Solar Power 1, entered into a share purchase agreement with Pramote Laocharoenwong, who is not connected with the company, to acquire all shares of Ray Power Supply for \$300,000.

This is according to B Grimm Power's filing to the Stock Exchange of Thailand (SET) in November.

The agreement gives B Grimm Solar Power 1 the right to develop a ground-mounted solar farm project pursuant to the power purchase agreement for 30MW with the EdC with a 20-year term, and distribute the electricity generated as later determined by the EdC.

Jona said the government is currently developing 450MW of solar energy capacity, of which 180MW have been connected to the national grid, with the remainder set to be online next year.

The EdC projects that electricity demand in the Kingdom will surge from the 1.5GW last year to 2.3GW this year and 2.8GW next year.

EdC director-general Keo Rottanak said in July last year that the government will prioritise renewable energy development rather than hydroelectric power.

Speaking at a presentation on Cambodia's 2020 energy vision, Rottanak said Cambodia will expand its solar energy investment by 12 per cent by the end of this year and increase to 20 per cent over the next three years.

He said solar power would be used to meet the increasing electricity demands in the industrial and commercial sectors.

"We want to set up solar power plants in many locations. We believe solar power will provide lower prices. As EdC's director, I do not want to see the Mekong River as part of the hydropower generation," he said.

In January 2018, Cambodia issued new rules for the integration of solar power.

The Kingdom's electricity demands are currently covered by hydroelectricity and coal power, accounting for around 48 per cent and 47 per cent of generation, respectively.

In November, Rottanak said Cambodia plans to spend more than \$100 million on subsidies by next year to reduce electricity tariffs in a move to spur economic growth and relieve the financial burden on businesses and households, of which, he said the government has spent \$95 million.

On the SET, B Grimm Power's (BGRIM's) share price inched up 50 satang (1.6 US cents) or 1.05 per cent to close at 48 baht (\$1.54) on Thursday for a market capitalisation of 125.1 billion baht, with 7.9 million shares traded.