

# Ratch, Chow Steel in JVs for solar projects in Japan

THE NATION

**RATCHABURI** Electricity Generating Holding (Ratch) and Chow Steel Industries have formed a partnership for joint investment in solar-power projects in Japan.

Yesterday, their subsidiaries signed shareholders' agreements to set up two joint-venture companies, with 60 per cent held by Ratch and 40 per cent by Chow Group. The initial investment phase will cover two solar projects in Japan with total dispatched capacity of 33 megawatts when commercial operation begins, scheduled for 2016.

Pongdith Potchana, chief executive officer of Ratch, said the agreement marked substantial progress for his company's ambition to become a leading integrated energy company in the Asia-Pacific region under the business strategy to seek partners to enhance its potential and competitiveness, coupled with expanding into new markets.

Japan is one of the targeted investment destinations, particularly for renewable energy, as the Japanese government has agreed to purchase 7,000MW of electricity generated from solar energy.

"Partnering with Chow Steel Group, which has extensive experience and expertise in doing business in Japan, will help increase our business opportunities and competitiveness," Pongdith said.

"The common aim to expand renewable-energy investment will also help drive our co-invested

solar-power projects in Japan towards success. The 33MW dispatched capacity of the two solar-farm projects will initiate commercial operation in 2016. The company strongly believes that both partners will be able to develop and extend cooperation in other projects in the second phase."

Anavin Jiratomsiri, CEO of Chow Steel Group, said this partnership was another significant step in expanding the renewable-energy business into Japan, where there are great opportunities for investment.

The two partners will jointly invest in the Ueda Solar Farm Project in Nagano prefecture and the Iwaki Solar Farm Project in Fukushima prefecture, with dispatched capacity of 10.8MW and 22.6MW respectively.

The 20-year power-purchase agreements of those two projects have been made with major users in the region and enjoy a 40-yen (Bt12) feed-in tariff per unit (excluding consumption tax) from the Japanese government that will strengthen the cash flow of both companies.

The joint-venture deal was made through subsidiaries of Ratch and Chow. RH International (Singapore) Corporation owns a 60-per-cent equity in one of them while Chow International Company has a 40-per-cent stake. A management service provider is co-owned by Ratchaburi Energy Co (60 per cent) and Premier Solution Co (40 per cent).

Ratch currently claims total installed capacity of 6,543MW from operating and developing independent power producers and small power producers in Thailand (4,834.05MW), domestic renewable projects (102.45MW), and international projects (1,606.02MW).

The company aims to grow sustainably towards enterprise value of Bt282 billion by 2023.