

ACE becomes a provider of net-zero solutions

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Efforts by companies to combat global warming have prompted SET-listed Absolute Clean Energy (ACE), a local biomass power developer and operator, to become a net-zero solution provider to benefit from growing demand for clean energy.

Many companies are looking for ways to achieve net-zero targets, a balance between greenhouse gas emissions and absorption. One method is trading renewable energy certificates (RECs).

ACE wants to sell more RECs and provide a service giving advice on carbon dioxide reduction to clients, said Tanachai Bunditvorapoom, chief executive of ACE.

Known as an incentive to encourage power companies to produce electricity from clean fuels, an REC certifies that the bearer generates one megawatt-hour (MWh) from renewable energy resources and it can be traded as an energy commodity.

“Our power plants can currently make sales of up to 1 million RECs a year. We expect the number to increase to 2 million annually if our new power generation facilities start commercial operation,” said Mr Tanachai.

Target customers will be large multinational companies which want to invest in building data centres in Thailand, he said.

The company operates 23 power plants, with combined electricity generation capacity of 258MW.

ACE is planning to allocate 20 billion

baht to finance 66 new renewable power plant projects it won in auctions held under the state’s clean energy policy.

The projects are 12 biomass power plants (142MW), two waste-to-energy projects (18.9MW), 18 biogas power plants (59MW) and 34 solar power generation facilities (124MW).

Most of the budget, accounting for 14 billion baht, will come from loans from banks while the remaining 6 billion baht will stem from two sources — 1 billion a year from the company’s earnings before interest, tax, depreciation and amortisation and the issuance of debentures valued at 500 million to 1 billion baht.

The company plans to spend the budget over a period of four years from 2024 to 2027.

Besides RECs, ACE is preparing to offer a consultancy service for businesses which want to cut carbon dioxide emissions, said Mr Tanachai.

They can reduce this greenhouse gas through afforestation projects.

He said the company is carrying out a pilot project to plant trees on 200 rai of land in Phayao.

It is studying plant species that best suit the weather and environment in this northern province. The goal is to find the right pattern for afforestation in Thailand.

In 2024, ACE expects its revenue to be on par with the 6 billion baht it earned last year, but once new power plants begin to operate in 2025, the company believes it will see a significant increase in earnings, said Mr Tanachai.