

Bo Nok and Ban Krut Power Plants

Background

The proposed coal-fired power plants at Bo Nok and Ban Krut originate from the Thai government's development policies of 1996. The aim was to develop provinces along the west coast in the southern part of Thailand (particularly Prachuab Khiri Khan) to become a Steel Industry Zone in order to expand investment from the private sector and further economic development of the country. Projects to improve infrastructures in the area were implemented, and plans for two power plants for electricity supply for the region were developed. Both of the plants are under the Independent Power Producer (IPP) project.

Projects' investors

Bo Nok power plant will have the capacity to generate 734 MW of electricity. The plant will cover an area of 162 hectares along the coast in Bo Nok sub-district, Muang district, Prachuab Kiri Khan Province. The plant belongs to Gulf Power Generation Co., Ltd. which in turn is owned by:

- Gulf Electric Co., Ltd.* 60%
- Edison Mission Energy (US) 40%

The expected cost of construction is US\$ 0.88 billion (or THB 32,000 million).

Gulf Power Generation Co., Ltd. signed a twenty-five year contract with the Electricity Generating Authority of Thailand (EGAT) under IPP. The sub-bituminous coal to be used in the power plant will be from PT Adaro mine in Indonesia, owned by Australian company New Hope. Co-incidentally Edison used to have shares in this mine.

*Gulf Electric Public Company Limited is 50% owned by Electricity Generating Public Company Limited (EGCO), the first independent power producer in Thailand, 49% owned by Electric Power Development Company Limited (EPDC), one of the largest power producers in Japan, and 1% owned by Mitsiam International (Thailand), an affiliate of Mitsui & Co.

Ban Krut power plant will have a generating capacity of 1,400 MW of electricity. The plant will cover an area of 162 hectares along Ban Krut coast, Thongchai subdistrict, Bang-saphan district, Prachuab Khiri Khan Province.

The project belongs to Union Power Development Co., Ltd (UPDC - Thai company), which in turn is owned by:

- Union Energy (Thai) 15%
- Tomen Corporation (Japanese) 29%
- Toyota Tsusho (Japanese) 15%
- Chubu Electric (Japanese) 15%
- Hong Kong Electric 26%

Fortum, a Finnish company and Consolidated Electric Power Asia (CEPA), a US company withdrew their investment at the end of 1999. A Singaporean company that had shown interest in the project also withdrew their investment plans citing public opposition as the main reason.

The expected cost of construction is US\$ 1.2 billion (THB 48 billion).

UPDC has signed a twenty-five year contract with the Electricity Generating Authority of Thailand (EGAT) under IPP project. The sub-bituminous coal to be used in the power plant will be imported from Australia (80%), Indonesia and South Africa.

Projected impacts of the projects

The projects have been opposed by local villagers and environmental groups for about eight years. The communities have organised against these projects because they would:

- Uproot a sustainable community that is opposed to such industrial development
- Create a pollution problem that will despoil local ecosystems and public health
- Grossly contribute to climate change through carbon dioxide emissions, and
- Reduce the potential for Thailand to meet its electricity with clean energy.

Other impacts will include loss of farming income, damage to nearby wetlands, and threats to human health.

The environment around Bo Nok and Ban Krut is extremely rich in biodiversity, the best known examples being whales and coral reefs respectively. Yet, incredibly, the existence of whales and coral reefs in the area was not even mentioned in either companies' Environmental Impact Assessment.

Greenpeace campaigns

Greenpeace campaigns to stop the expansion exploration for fossil fuels and their continued utilisation due to the potentially devastating impacts of climate change. Climate change is caused through burning fossil fuels. At the same time, Greenpeace also champions the harnessing of renewable energy and energy efficiency-based power use and production. The Greenpeace climate and energy campaign is thus a combined campaign to stop climate change, to promote the use of renewable energy, and to prevent the proliferation of polluting industries.

Greenpeace has initiated, conducted and organized extensive environmental studies and has used the scientific knowledge generated to lobby the Thai government to switch support to clean energy and to phase-out the country's use of fossil fuels.

As well as talking we take action. In April 2002, Greenpeace helped the villagers of Bo Nok and Ban Krut in the province of Prachuab Khiri Khan install solar power on a local school and temple to illustrate that the communities are serious in their desire for renewable energy for Thailand.

Greenpeace also supports the peaceful activism of communities in different ways, like skill-sharing, the holding of seminars, teach-ins, environmental training, and media work.

Greenpeace Demands

Greenpeace believes that the Thai Government should –

- Commit to adopting a 30% target for power generation from renewable energy sources by 2020 and to energy efficiency standards.
- Overturn all existing approvals for fossil fuel power plants, including those at Ban Krut and Bo Nok.
- Phase out all direct and indirect subsidies to polluting fossil fuels by 2007.

For more information on Greenpeace's campaign for Clean Energy for Thailand visit www.greenpeacesoutheastasia.org

Greenpeace's Positive Energy Choices report for Thailand is available from:

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