

PTT pegged to run B20bn re-gasify unit

Myanmar set to join deal next month

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Thailand and Myanmar energy policymakers are expected to sign a memorandum of agreement (MoA) to develop a floating storage re-gasification unit (FSRU) in Myanmar's Martaban Sea worth 20 billion baht.

Thai Energy Ministry permanent secretary Areepong Bhoocha-oom said the MoA is due to be signed during the Asean energy ministers meeting in Manila on Sept 26-28.

He said the development of the FSRU is aimed at supporting gas demand for the countries as natural gas resources from the Martaban Sea are drying up.

Thailand's national oil and gas conglomerate, PTT Plc, is expected to develop and run the FSRU and also its gas pipeline. The FSRU's capacity is expected to be 3 million tonnes per year.

Gas resources from Myanmar are depleting, with total gas supply from Myanmar's gas blocks at Yadana, Yetakun and Zawtika, supplying a combined 1,050 million standard cubic feet per day (MMSCFD), likely to fall to 350 MMSCFD during 2023-2024.

Gas sales from the Yadana and Yetakun gas blocks are expected to run out in 2025, while gas from Zawtika will remain at 250 MMSCFD.

Gas supply from Myanmar makes up 20% of Thailand's total gas demand, with all supply from Myanmar going to gas-fired power plants in the western region of Thailand.

Mr Areepong said the FSRU in the Martaban Sea would also be a receiving terminal for imported liquefied natural gas (LNG), to replace falling LNG supply in the Martaban Sea.

He said the MoA was also part of a move to prepare for the deregulation of the gas business in Thailand after it has been monopolised by PTT for more than three decades.

Thai energy policymakers plan to allow new players in the country's natural gas business by deregulating the LNG import and gas facility businesses, including gas pipelines and LNG receiving terminal businesses.

"Mainstream gas supply resources are depleting and being replaced by LNG. So, policymakers have to prepare for deregulation to allow all players to engage in free and fair competition," said Mr Areepong.

Gas supply from the Gulf of Thailand and the Malaysia-Thailand Joint Development Area are also falling, elevating the importance of the LNG imports.

LNG is expected to make up 40% of total gas demand in Thailand in 2025, up from the current 12%, he said.

Early next year, the Electricity Generating Authority of Thailand is due to kick off imports of 1.5 million tonnes of LNG by using PTT's gas receiving terminal as a storage point.

PTT has finished developing the receiving terminal in Map Ta Phut with a full capacity of 11.5 million tonnes.

The company has used up only 10 million tonnes of the storage capacity, leaving around 1.5 million tonnes that can be rented out for additional revenue.

The Department of Mineral Fuels is expected to regulate the service charge fee of PTT's LNG facility.