



LNG SUPPLIES FOR ASIAN MARKETS (LNGA) 2019

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Taipower Expects To Start Lng Imports From 2023

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Singapore (Reuters) - state-owned utility Taiwan Power Company (Taipower) expects to start its first imports of liquefied natural gas (lng) from 2023 and has signed two non-binding deals to buy the super-chilled fuel, a senior company executive said on Thursday.

The company expects to convert the deals into binding sales and purchase agreements by the end of this year, said Albert Jen, deputy director of Taipower's department of fuels.

Taipower's first imports would mean that state-run CPC Corporation would lose its status as Taiwan's sole LNG importer. Taipower, which consumes about two-thirds of the lng imported by the island, first obtained government permission to source the fuel from international markets in 2014.

The new fuel supply will feed into Taipower's planned gas-fired power plant at Taichung, where the first unit is expected to be ready by September 2023, according to Jen's presentation during the LNGA 2019 conference in Singapore.

Jen declined to identify the potential lng sellers, saying that the deals were confidential.

Based on the company's feasibility studies, Taipower's LNG imports are expected to grow from 150,000 tonnes in 2023 to 3.6 million tonnes in 2032 based on a gas-fired generating capacity of 1,300 megawatts (mw) and a 65 percent utilization rate.

The company currently operates five gas-fired power plants with a total 11,364 mw in capacity. Its consumption of natural gas has more than doubled from 2009, Jen said.

Last year, Taipower generated electricity using a mix of nearly 40 percent natural gas, nearly 40 percent coal and the rest based on nuclear, oil and renewable fuels, he said.

The utility also plans to add Hsieh-Ho power plant by 2025 or 2026 and expects to issue a request for proposal, or a solicitation of bids, by the end of March for the supply of LNG and a floating storage and regasification unit (FSRU).

Feasibility studies for the Taichung and Hsieh-Ho power plants have been approved.

Reporting by Jessica Jaganathan; editing by tom Hogue