

Project Development Programme (PDP) South-East Asia

Thailand pushes solar with new policies and programmes

FiT for solar farms / more capacities for residential rooftop / new solar community scheme

The military regime in Thailand is reviving the ambitions of the country in solar power development. The new policies announced are aiming to reach the country's target of 3,000 MW of installed solar capacity by the end of 2015 already instead of by 2021 as originally foreseen by the Alternative Energy Development Plan (AEDP). On August 15, the National Energy Policy Council (NEPC) approved several policy packages and initiatives to achieve an ambitious goal: current installed capacity (including PV systems under construction) which is roughly at 1.5 GW (~1.1 GW solar farms constructed, ~400MW solar farms under construction, about ~130MW solar rooftop under construction) **shall double by the end of next year**. The following initiatives have been agreed upon:

Power Development Plan (2015-2036) to integrate Renewables and Efficiency Plans

The Power Development Plan (PDP) is Thailand's major plan for the country's power system development and prepared by the state-owned Electricity Generating Authority of Thailand (EGAT). The existing PDP 2010 was supposed to be revised in 2013 already but due to the political situation, a new version could not be passed by the cabinet at that time. Next to the PDP, the AEDP and the Energy Efficiency Development Plan (EEDP) of Thailand are laying out targets for renewables and energy efficiency, however, largely independent from the PDP. According to the wish of Areepong Bhoocha-Oom, Permanent Secretary of the Ministry of Energy (MoE), the PDP is now **set to be revised** and cover the years **2015 to 2036**. Furthermore it is set to **integrate AEDP and EEDP** and thus to offer a more comprehensive approach to integrated energy planning. The ministry's plans have been approved by the NEPC on August 15. A series of public hearings are scheduled to take place while the new PDP will be drafted. By the end of November, the draft is scheduled to be ready for approval. The initiative will be coordinated by the Energy Policy and Planning Office (EPPO). Surprisingly, the National Council for Peace and Order (NCPO) chief and now Prime Minister General Prayuth Chan-ocha stated that nuclear energy is not going to play a role in Thailand in the future. Prayuth addressed energy reform and energy security issues in a speech on August 9 and stated that constructing a nuclear power plant in Thailand will be very difficult.

Private investor solar farm business to be revived

Thailand was one of the first Asian countries to implement a feed-in premium model, called the "adder" program, which ensured guaranteed purchases and attractive tariff rates for solar power projects. The policy directive that set up a solar farm (ground-mounted solar installations) target of 2.000 MW to be reached by

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2021 was initiated in 2006. By 2010 PPAs for 2,537 MW were granted to solar farms – out of a total of ~3,600 MW of applications – however, only 1,083 MW achieved the anticipated commercial operation date (COD), with another ~400 MW currently still under construction. The NEPC decided on August 15, that those applicants who did not receive a PPA at the time would now get a chance to finally realize their project proposals. This will apply to ~1,050 MW of applications submitted by investors. However, among those, only **500-600 MW of solar farm capacity will be awarded** – the mode still to be clarified.

The conditions will change compared to the original adder scheme. The projects are not going to receive the former adder tariff, instead, a feed-in tariff (FiT) of 5.66 Baht/kWh (currently 13.34 €cent) will apply that will be granted over a period of 25 years. Targeted SCOD for the awarded PPAs is December 2015. The programme will be administered by the Ministry of Energy, Department of Alternative Energy Development and Efficiency (DEDE).

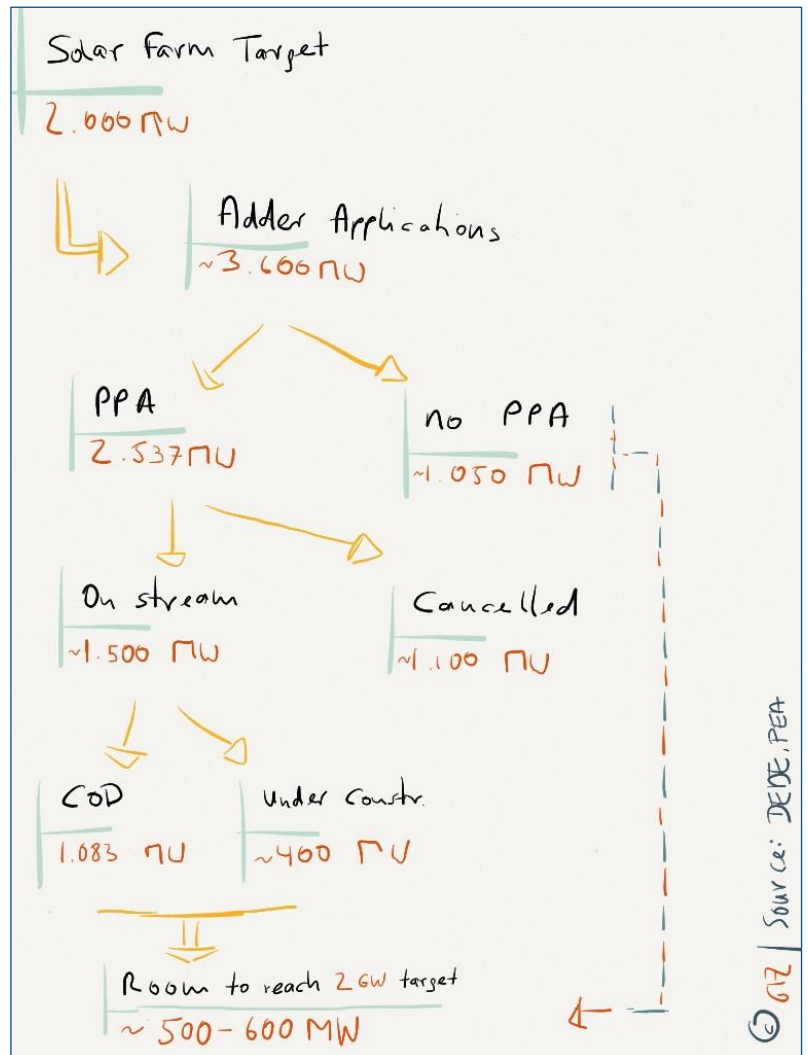


Figure 1 - There is room for 500-600 MW of PPAs that will be awarded to those applicants that did not receive a PPA under the former adder scheme

More residential rooftop capacity to be awarded to achieve 100 MW quota

In 2013, the Royal Thai Government at the time announced the first solar rooftop policy for the country with first projects starting to be developed as of October that year. In total, a target of 200 MW of commercial and residential rooftop systems was set to be achieved. While the quota of commercial projects (100 MW) was reached fast, the respective quota for residential solar was not. NEPC has thus announced **that ~70 MW of residential rooftop capacity will be opened up for applications** soon and receive a feed-in tariff of 6.85 Baht/kWh which will be granted for 25 years. The Energy Regulatory Commission (ERC) will be

supervising this programme.

Solar Community Scheme transformed into Government and Agricultural Coop. Programme

Like the solar rooftop programme, the “solar community programme” had been announced last year but was never implemented. It was supposed to be implemented by the Thai Village Fund in cooperation with the Provincial Electricity Authority (PEA) but faced issues in how the financing of the projects could be structured while ensuring the transparency of the scheme. In order to move ahead and still realize the aims of the scheme – such as local value creation and generating new income opportunities for local communities – the programme has been transformed. It now aims at realizing **solar farms with up to 5 MW in size in the form of Public Private Partnerships with the governmental sector or agricultural cooperatives**. The respective feed-in tariff to be granted will also be at 5.66 THB/kWh granted for 25 years. A **total quota of 800 MW** is set to be achieved with a SCOD set by Dec 2015. More details are expected soon.

Contact

Mr. Thomas Chrometzka
GIZ Thailand, Director Renewable Energy
+66 2 621 8441
thomas.chrometzka@giz.de
www.giz.de/projektentwicklungsprogramm

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