

LOSING OUT

Gunkul predicts foreign investors may look to regional competitors because the long-term power supply remains unclear. **B3**

Gunkul says Thailand lags power peers

Losing appeal among foreign investors

YUTHANA PRAIWAN

Thailand is likely to lose its allure when it comes to attracting foreign investors as it lags behind neighbouring countries in managing long-term power supply, says SET-listed Gunkul Engineering, an integrated clean energy developer.

"Though the country is offering attractive investment incentive packages to foreign companies, many power supply development projects are facing a delay," said Naruechon Dhumrongpiyawut, chief executive of Gunkul Engineering.

The new national energy plan (NEP), which outlines the roadmap towards a low-carbon society, is one example, she said.

Scheduled to be enforced from 2024 to 2037, the NEP has already been through a public hearing but was delayed last year partly due to the protracted process of forming a new cabinet under Paetongtarn Shinawatra.

The NEP comprises long-term energy management plans, including the power development plan which set a target to have renewable power make up 51% of the nation's total power supply by 2037, up from 22% at the end of 2024.

"The proportion is too low as it does not ensure Thailand will reach a net-zero target by 2065," said Ms Naruechon, referring to the state's campaign to achieve a balance between greenhouse gas emissions and absorption within that year.

Thailand is slower than other countries in curbing greenhouse gases as many countries in Southeast Asia set the year to attain the net-zero goal at 2050.

Ms Naruechon also raised doubts over a delay in implementing a pilot direct power purchase agreement (PPA) project, though it was approved in June last year by the National Energy Policy

Council, chaired by former prime minister Srettha Thavisin.

The direct PPA enables businesses, particularly electricity-intensive data centre operators, to directly purchase electricity from producers.



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Peer-to-peer power trade in the renewables category has not been permitted in Thailand.

The National Energy Policy Council gave the green light to electricity trade not exceeding 2,000 megawatts under direct PPAs.

The move follows the government's plan to promote data centre development. Prospective foreign investors are



Gunkul Engineering's wind farm in Nakhon Ratchasima's Sikhiu district.

interested in data centre projects but are awaiting clarity on the direct PPA policy to facilitate renewable power trade among firms, according to media reports, citing Mr Srettha.

"The Philippines and Vietnam have applied direct PPAs since 2024. They also have an advantage over Thailand in terms of a higher working-age population and more clean energy supply," said Ms Naruechon.

Solar and wind power generation capacity in Thailand stands at 5,000MW, compared with 23,000MW in Vietnam, she said, adding that Thailand took 10 years to develop solar and wind power generation facilities, which are only equal to one-year of development in Vietnam.

According to Ms Naruechon, authorities introduced the utility green tariff to set a standard for renewable power prices, but the tariff is too high, which means it is not possible to attract foreign investment.