

Gunkul stresses need for hike in clean power supply

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Thailand may lose an opportunity to increase digital economy investment, including in data centres, if it does not step up efforts to significantly increase its supply of clean power, says SET-listed Gunkul Engineering, an integrated clean energy developer.

Without sufficient renewable energy, it will be difficult for the country to promote investment in new industries and commit to its pledge to cut carbon dioxide emissions, said chief executive Naruechon Dhumrongpiyawut.

She was referring to data centres, artificial intelligence technology firms, electric vehicles, and smart electronics, all of which are key components of the digital economy.

In Thailand's power development plan (PDP), authorities 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 PDP, scheduled for enforcement from 2024 to 2037, is delayed after sailing through a public hearing last year. The National Energy Policy Council (NEPC) has yet to approve the plan as authorities need to revise key electricity generation issues due to objections

raised by energy analysts.

"The 51% renewable power proportion is too low," said Ms Naruechon.

If Thailand wants to promote development of the data centre industry, it needs more investment from foreign tech firms.

Many prospective investors want the government to ensure there will be sufficient clean power to run their daily operations, she said.

The NEPC, chaired by former premier Srettha Thavisin, last year approved a pilot direct power purchase agreement (PPA) to promote greater use of renewable power, but the project has made slow progress.

Direct PPAs enable businesses, particularly electricity-intensive data centre operators, to directly purchase electricity from producers.

Peer-to-peer power trade in the renewables category remains prohibited in Thailand.

Data centre operators have expanded their businesses into Southeast Asia since 2022 and demand for clean energy is an essential part of their investment decision.

"It seems to me the outgoing government was not enthusiastic about facilitating the supply of clean energy to data centres," said Ms Naruechon.