

ENERGY



A wind farm operated by Gunkul, which is seeking new business opportunities in nations where the use of direct PPAs is permitted.

Direct power pacts by year-end

YUTHANA PRAIWAN

Thailand's first direct power purchase agreement (PPA), which aims to facilitate renewable power trading, is expected to come into effect by the end of this year under a pilot project, says the Energy Regulatory Commission (ERC).

A direct PPA is a form of electricity trade that lets power companies directly sell clean power to clients, particularly electricity-intensive data centre operators.

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

"We are currently in the final stage of the work on the direct PPA project, jointly carried out by officials from the Energy Ministry and the Board of Investment," Poonpat Leesombatpi boon, secretary-general of the ERC, told the *Bangkok Post*.

Among the topics they are discussing is the Third Party Access Code (TPA Code).

The ERC said earlier that if power companies use the state grid under the TPA Code, a wheeling charge would be imposed on electricity trade.

This refers to a fee collected from the



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POONPAT LEESOMBATPIBOON
Secretary-general, ERC

use of state transmission lines to deliver renewable power.

Authorities have spent months pushing for the launch of the direct PPA scheme after the National Energy Policy Council (NEPC) approved in June last year a pilot direct PPA to support foreign investors who want renewable energy to run their businesses.

The government previously invited

foreign companies specialising in data centre development to invest in Thailand, but they sought clarity about the direct PPA policy.

The NEPC, which was chaired by then-prime minister Srettha Thavasin, resolved to approve electricity trade not exceeding 2 gigawatts under direct PPAs.

Renewable power can be generated from various sources, including solar and wind energy, hydropower plants and biogas.

The power trade would be conducted through the state grid.

Naruechon Dhumrongpiyawut, chief executive of Gunkul Engineering, an integrated clean energy developer, has urged the government to speed up the implementation of the direct PPA scheme to attract foreign investment.

Authorities may consider increasing renewable power generation capacity under the second-phase direct PPA scheme by 2GW to serve growing demand, said Mr Poonpat.

In another development, total energy demand in Thailand is expected to decrease by 1.6% year-on-year in 2025 in line with the sluggish economy, according to the Energy Policy and Planning Office.