

**ENERGY**

# Renewables expansion facing fresh challenges

**YUTHANA PRAIWAN**

Caretaker prime minister Anutin Charnvirakul's decision to dissolve the House adds challenges to the state push for a transition to clean energy in 2026.

The caretaker premier announced in late September Thailand would make more serious efforts to achieve a net-zero target, a balance between carbon dioxide emissions and absorption, by 2050, 15 years earlier than previously planned.

The pledge requires actions that must begin as soon as possible, but Thailand has yet to have a new power development plan (PDP) that will map out what the country must do over the next decade to pave the way for the net-zero strategy.

Businesses are eager to know how much renewable power will be increased to gradually make Thailand a low-carbon society and how the clean energy supply will be sufficient to serve the growing demand of investors, particularly those in the data centre and cloud service businesses.

**UNSTOPPABLE**

Despite a political vacuum during which Thailand has only a caretaker government with limited power to drive

the country, businesses remain hopeful the new PDP will not face further delay.

"We hope the plan will be successfully launched," said Natee Sithiprasasana, chairman of the Federation of Thai Industries' Renewable Energy Industry Club.

He is among business leaders who believe the ongoing work to draft the PDP should be finished, leading to enforcement in early 2026.

This is because Thailand has been using the 2018 PDP for too long without new power supply management that better fits changes in economic conditions, said Mr Natee.

A new PDP is also crucial for the country to maintain competitiveness in drawing foreign investors who demand more clean power to operate their businesses.

Vietnam, Thailand's key investment rival, has already implemented a new power development plan, known as PDP VIII, to serve its growing electricity demand, fuelled by more foreign investment, as well as the country's net-zero ambitions, said Smittipon Srethapramote, chief executive of Banpu Next, the energy technology arm of Banpu.

Under PDP VIII, Vietnam wants to make a major shift towards renewable energy, aiming for 47% of total power

generation capacity from renewables by 2030 as well as a balance between greenhouse gas emissions and absorption by 2050.

Thailand is pushing for the 2026 PDP, which will replace the 2024 version, previously scheduled for enforcement from 2024 to 2037. Its predecessor was scrapped, despite going through a public hearing, due to the need to adjust some key energy issues and the change to the new government.

A new PDP drafting panel has been established, aiming to stop further delay in its implementation which has lasted for nearly seven years.

The panel, chaired by Thosaporn Sirisamphan, former board chairman of the Bank of Thailand, the Tourism Authority of Thailand and PTT Plc, will work on the 2026 PDP, aimed at outlining electricity demand and supply plans that better match Thailand's transition to clean energy, according to the Energy Policy Administration Committee.

**RISE OF RENEWABLES**

In the 2024 PDP, authorities set a target to have renewable power make up 51% of the nation's power mix by 2037, up from 22% at the end of 2024, but this figure is now outdated.

"We need to increase renewable



Gunkul Engineering's wind farm in Sikhiu district, Nakhon Ratchasima. The company says expanding renewable supply could help drive economic growth.

power beyond the 51% threshold," said Mr Natee.

One reason is that Thailand is committed to its pledge to achieve the net-zero target sooner. If the country can significantly cut carbon dioxide emissions from the power sector, the goal can be attainable.

In 2022, Thailand emitted 372 million tonnes of carbon dioxide equivalent, with 70% or 260 million tonnes from the power and transport sectors, according to the Department of Climate Change and Environment.

Another reason is the Thai economy is still dependent on foreign investment, so the government needs to attract overseas firms with sufficient clean energy supply.

Naruechon Dhumrongpiyawut, chief executive of Gunkul Engineering, an integrated clean energy developer, supports the need to boost renewable energy in the new PDP.

Renewable energy is playing a crucial role in promoting investment in new industries that can pave the way for Thailand to develop the digital economy, she said.

These industries include data centres, artificial intelligence technology firms, electric vehicles and smart electronics.

It will be an uphill task for the PDP-drafting panel as it has to set an appropriate proportion of renewable power while continuing to use electricity from gas-fired power plants which is important to ensure energy security during the transition to a low-carbon society.



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**NARUECHON DHUMRONGPIYAWUT**  
Chief executive, Gunkul Engineering

#### **DIRECT PPA CHALLENGE**

Mr Natee also urged authorities to consider scaling up the direct power purchase agreement (PPA) policy to better serve growing demand for clean energy among investors.

Last year the National Energy Policy Council, chaired by former premier Srettha Thavisin, approved a pilot direct PPA scheme, facilitating data centre operators who want to directly buy renewable electricity companies.

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

Investors in data centres are a targeted group because they are expected to help Thailand develop server farms, which are growing rapidly in the country.

The scheme has power generation capacity of 2 gigawatts, facilitating the rapid growth of resource-hungry data centres.

"We want authorities to clarify whether they can increase the capacity," said Mr Natee.

The Energy Policy and Planning Office estimated Thailand needs up to 10GW of clean energy to supply to data centres by 2030.

The government needs to think of capacity expansion under the direct PPA scheme as other industries also want clean energy under peer-to-peer power trade, said Mr Natee.

These industries, including electric cars as well as food and beverages, are committed to campaigns against global warming.