



## Thought Leadership | Renewable Energy

### Renewable Energy Thailand: Pioneering Sustainability in Southeast Asia

As global environmental awareness surges, renewable energy stands at the forefront of sustainable development, playing a vital role in shaping a greener future. In this context, nations are increasingly turning to renewable sources as pivotal elements of their energy strategies.

Among these nations, Thailand is notable for its commitment to renewable energy. The journey through [renewable energy in Thailand](#) is complex and laden with both opportunities and challenges, highlighting the importance of expert legal guidance in navigating this evolving landscape. This article delves into Thailand's advancements in renewable energy, underlining the significance of informed legal support in seizing investment opportunities and adhering to regulatory frameworks.

#### Thailand's Renewable Energy Landscape

In a decisive shift from its historical reliance on fossil fuels, Thailand has progressively embraced renewable energy. Central to this shift is the implementation of the Power Development Plan (PDP) in which the most recent PDP is the PDP 2018 Revision 1 (2018-2037), which remarkably supports the advancement of renewable energy sources. Another key transition, significantly driven by the government, is the introduction of the Alternative Energy Development Plan (AEDP) 2015-2036. This pivotal policy sets a target for renewable energy to comprise 30% of Thailand's total energy consumption by 2036. The PDP and the AEDP not only mark Thailand's commitment to a greener future but also established a supportive framework for renewable energy companies operating in the country.

This strategic shift towards sustainable energy sources like solar, wind, and biomass, fostered by the PDP and the AEDP, positions Thailand as a regional leader in renewable energy. The country's evolving energy mix reflects a broader vision of sustainability and resilience, aligning with global trends towards cleaner and more sustainable energy solutions.

### February 2024 Get in touch

**Chai Lertvittayachaikul**  
Partner  
[chai.l@kap.co.th](mailto:chai.l@kap.co.th)

**Yanin Sirilak**  
Senior Associate  
[yanin.s@kap.co.th](mailto:yanin.s@kap.co.th)

**Kamonrat Kongtheing**  
Associate  
[kamonrat.k@kap.co.th](mailto:kamonrat.k@kap.co.th)



#### Kudun and Partners

34/3 Vivre Langsuan, 4th,  
5th, and 6th Floor, Soi  
Langsuan, Lumpini,  
Pathumwan, Bangkok 10330,  
Thailand  
[contact@kap.co.th](mailto:contact@kap.co.th)

## Major Renewable Energy Projects in Thailand

Thailand's renewable energy landscape is distinguished by an array of pioneering projects. These initiatives reflect the nation's commitment to diversifying its energy sources and demonstrate the practical application of its renewable energy policies. In addition to the tax exemptions offered by investment promotions schemes, a key factor contributing to the success of these projects is the Feed-in Tariff (FiT) scheme, which ensures financial viability by offering guaranteed prices for electricity generated from renewable sources like solar and wind.

- **Solar Power Projects**

Thailand has made significant strides in solar energy, with numerous large-scale solar farms. The FiT scheme has been pivotal in encouraging investment in solar projects, making them a lucrative option for renewable energy companies. These farms not only contribute to the energy mix but also exemplify Thailand's potential in harnessing solar power.

- **Wind Energy Developments**

The country has also invested in wind energy facilities, particularly in regions with favorable wind conditions. The FiT scheme's role in these developments cannot be overstated, as it provides a stable financial environment for investors and operators, encouraging further expansion in this sector.

- **Biomass and Biogas Plants**

Utilizing agricultural residues and waste, biomass and biogas plants in Thailand have turned waste management challenges into energy solutions. The support from the FiT scheme ensures these plants are not only environmentally beneficial but also economically sustainable.

- **Hydropower Initiatives**

Small-scale hydropower projects, though lesser in number, contribute to Thailand's renewable energy mix. The FiT scheme helps offset initial costs, making these projects more appealing to investors.

Each of these projects, bolstered by supportive policies like the FiT scheme, showcases Thailand's dynamic approach to renewable energy and its commitment to a sustainable future.

## About Us

### Projects and Energy Practice Group

Kudun and Partners has a broad range of experience in all aspects of the energy industry including solar farms, solar rooftops, wind farms, Waste-to-energy (WtE) and natural gas power plants. We leverage our unparalleled business and legal prowess assisting clients from inception to completion of a project, throughout the project's operational lifecycle. Our services include providing advice on FDI regulations, incentives by the BOI, company incorporation, corporate structure, tax structuring, acquisition and joint venture agreements, bid preparation, contract negotiation, and project financing.

Our award-winning work includes representing **B. Grimm Power and Energy China Consortium** in the successful bid and development of the world's largest hydro-floating solar hybrid power project at Sirindhorn dam by the Electricity Authority of Thailand (EGAT) worth over THB 842 million (approximately USD 27 million).

## Legal Framework and Policies

Understanding the legal framework governing **renewable energy Thailand** is essential for investors and companies in the sector. Recent policy shifts and legislative frameworks are designed to stimulate investment in renewable energy, offering various incentives and support mechanisms. Two pivotal laws, the Energy Industry Act B.E. 2550 (2007) (as amended) and the Energy Conservation Promotion Act B.E. 2535 (1992) (as amended), are instrumental in molding Thailand's renewable energy landscape.

- **Energy Industry Act**

Not only does it establish the Energy Regulatory Commission as an independent regulatory body to oversee the energy industry, the Act also sets forth stipulations on licensing, providing clear parameters for any investor, either individual or entity, wishing to operate within energy sector in Thailand.

The primary goals of this Act includes encouraging private sector and public involvement through enhanced participation and heightened competition, advocating for the efficient and eco-conscious utilization of energy resources.

- **Energy Conservation Promotion Act**

This Act is a cornerstone in Thailand's legal framework for renewable energy. It promotes energy efficiency and conservation, providing incentives for renewable energy development.

The Act encourages the adoption of sustainable energy practices among businesses and consumers, offering financial and policy support for initiatives that align with Thailand's energy conservation goals.

- **Recent Policy Shifts**

Thailand has recently implemented several policy changes aimed at further boosting the renewable energy sector. These include modifications to existing laws and the introduction of new incentives, all designed to enhance the attractiveness of Thailand's renewable energy market for investors and companies.

In light of these developments, the Ministry of Energy intends to revise the Power Development Plan (PDP) 2018 to PDP 2023-2037. This update will align with the goal of achieving carbon neutrality by 2050 and striving for net zero greenhouse gas emissions by 2065, thereby facilitating further growth in the renewable energy

sector. Nevertheless, it's worth noting that the PDP 2023 has not been announced yet. Please stay tuned for the further updates.

## Investment Opportunities in Renewable Energy

Understanding the incentives and legal benefits offered by the Thai government is crucial for investors looking to capitalize on these opportunities, though it's equally important to be aware of the associated risks and challenges.

- **Tax Incentives and Exemptions by BOI**

The Board of Investment (BOI) of Thailand offers substantial tax breaks and exemptions to promote investment in the renewable energy sector. Under the BOI, incentives consist of both tax and non-tax benefits. Eligible projects may receive corporate income tax exemptions ranging from 5 to 8 years, along with import duty exemptions on machinery. Additionally, non-tax incentives include the ability to hire foreign expatriates and remit funds abroad from Thailand.

These incentives are designed to reduce the financial barriers to entry, making it more attractive for both domestic and foreign investors to fund renewable energy projects in Thailand.

- **Feed-in Tariffs (FiT) for Renewable Energy**

The FiT scheme guarantees fixed prices for energy generated from renewable sources, providing long-term financial security for investors.

This policy reduces the financial risk associated with renewable energy projects, thereby increasing their appeal to potential investors.

- **Public-Private Partnerships (PPPs)**

Thailand encourages PPPs in renewable energy projects, offering a collaborative approach to infrastructure development.

These partnerships can leverage government support and private sector efficiency, creating synergies that benefit both parties and contribute to the sector's growth.

- **Low-Interest Loans**

Financial institutions in Thailand, in collaboration with governmental policies, have been known to offer soft loans or loans with lower-than-market interest rates for certain renewable energy projects.

- **Emerging Technologies and Innovation**

Investment in emerging renewable energy technologies and innovative projects is on the rise in Thailand.

These investments not only cater to the growing demand for sustainable energy but also position investors at the forefront of technological advancements in the field.

The combination of favorable government policies, including the incentives provided by the BOI, low interest rates for project finance and the growth potential in renewable energy technologies makes Thailand an attractive destination for renewable energy investments. However, a balanced approach that considers both opportunities and risks will be key to successful ventures in this sector.

### **Take away**

Thailand's journey towards sustainable energy is a model of progress and innovation in Southeast Asia. The flourishing renewable energy industry in Thailand offers exciting prospects for investors and companies alike. As Thailand continues to pave the way for sustainable practices, its role in the global energy landscape is increasingly significant.

### **Invest in Green Energy and Sustainability**

For those interested in exploring the vibrant world of renewable energy in Thailand, our law firm offers expert guidance and support. With our deep understanding of the legal and commercial landscape, we can help navigate the exciting opportunities in this sector. For more information, please get in touch with [our projects and energy practice](#), or alternatively, please contact the author at [chai.l@kap.co.th](mailto:chai.l@kap.co.th), [yanin.s@kap.co.th](mailto:yanin.s@kap.co.th), [kamonrat.k@kap.co.th](mailto:kamonrat.k@kap.co.th) or visit [www.kap.co.th](http://www.kap.co.th).

Discover more on Thailand's renewable energy, unlocking insights for potential investors and industry enthusiasts.