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Power plan aims to cut reliance on gas Greater focus placed on renewable energy



Mae Moh power plant in Lampang province is powered by lignite. Clean coal will be a major fuel to produce electricity under the Energy Ministry's plan.

The proportion of natural gas to be used as a resource in producing power will be cut to 40% from the current 70% as energy policymakers diversify resources from fossil fuels to renewable energy.

According to the new power development plan (PDP) 2015-36, new sources of power will come from renewable energy, clean coal and nuclear power as well as purchasing power directly from neighbouring countries in order to secure Thailand's power supply.

The new PDP aims to develop the power sector over the next 20 years and increase capacity to meet rising demand.

It aims to produce an additional 57,500 megawatts by the end of 2036, taking the country's power capacity to 70,400 MW. That excludes 24,670 MW produced by ageing generators that will be cut off at the end of the plan.

The plan, which was launched to the public yesterday, was based on GDP growth averaging 3.94% during the course of the plan. That is slightly below the 4.41% GDP growth that was used in the previous PDP in 2010.

The new PDP was also based on an assumption of more efficient energy consumption and energy-saving campaigns that would help reduce power consumption to 500 MW a year or a total of 10,000 MW for 2015-36.

Energy permanent secretary Areepong Bhoocha-oom said the electricity tariff in 2021 would be 5.26 baht per kilowatt hour and would rise to 5.55 baht in 2026 from the current 3.75 baht.

"The tariff will not be too high compared with other members of Asean, so we don't have to worry that the new tariff will cut Thailand's competitiveness," said Mr Areepong.

By the end of the PDP, the proportion of renewable energy as a resource to produce power will rise to 20% from the current 8%. Clean coal will provide 25%, up from 7%, while imported power will rise to 20% from 7%. Nuclear power will provide 2% from zero.

Mr Areepong urged the private sector to participate in the PDP plan by investing in the renewable energy sector when the government opens up licences for up to 12,000 MW over the next 20 years.

Capacities of each renewable energy will be 3,000 MW from wind, 6,000 MW from solar, 5,500 MW from biomass, 600 MW from biogas and another 500 MW from waste-to-energy projects.

For clean coal and nuclear power, projects will be assigned to the Electricity Generating Authority of Thailand, which will generate an additional 8,000 MW from coal and 2,000 MW from nuclear.

Mr Areepong said a nuclear power plant would start operations by the end of the plan as the government needed to educate relevant officials as well as the public before starting the programme, which would take about a decade.

The tariff cost for nuclear power would be 2.54 baht, the second lowest after hydropower at 2.41 baht, while the tariff cost of clean coal would be 2.67 baht, with gas standing at 4-5 baht and diesel at 10 baht.

The proportion of gas in producing power is expected to remain above 50% over the next 20 years. That would mean gas supply disruption that can cause blackouts would last for years.

Business and academics generally suggest the government diversify sources of power to other fuels to avoid relying too much on gas. Tariff costs are increasing every year due to the rising costs of imported liquefied natural gas (LNG).

LNG imports for 2015 are expected to reach 2.5 million tonnes, up from 2 million tonnes in 2014.

