

Policymakers stand pat on feed-in tariff rate

Energy Ministry says it must hold steady at B2.44 per kilowatt-hour to maintain fair playing field

YUTHANA PRAIWAN

⁰³
Energy policymakers have reaffirmed their renewable power purchasing framework, stressing that a 2.44-baht kilowatt-hour (kWh) feed-in tariff (FiT) is necessary to maintain a fair policy because some renewable power generators already hold contracts at that lower price.

Last October, 70 investors received licences for renewable power generation as small power producers under firm-power purchase agreements (SPP Hybrid firm), but only 17 biomass operators have been granted licences from the Energy Regulatory Commission for a combined capacity of 300 megawatts (MW) for operation of their plants in mid-2018.

The SPP Hybrid firm contracts set the FiT rate at 2.44 baht. Energy Minister Siri Jirapongphan said it would be impossible for new renewable power investors to get a rate above 2.44 baht because the policymakers have to maintain a fair policy.

"We cannot change the rate that we offered to 17 operators; it would be nonsense to change the policy," Mr Siri said.

The reaction comes as the Federation of Thai Industries has called for the FiT rate to be above three baht per kWh for renewable power generation after policymakers announced in late March that they did not plan to buy renewable power from 2018 to 2023.

After the announcement, renewable investors reacted negatively, saying they were being dissuaded from further investment. Policymakers then backtracked on that plan, but they said the rate should be equal to or less than the grid

parity rate, now at 2.44 baht.

The fuel tariff rate for renewables is charged at 18 satang per kWh for energy bills, while the state utilities buy at a FiT rate of 4-7 baht under the existing contracts, ranging from 20 to 25 years.

The National Energy Policy Council has updated the country's renewable power portfolio as of February, with total power for both operations and development totaling 9,855MW or 64.5% of policymakers' long-term goal of 16,780MW by 2036.

Separately, the policymakers have started to encourage the B20 diesel programme for bus and truck fleet operators on a voluntary basis, saying they will enjoy a three-baht-cheaper rate, compared with B7 diesel, which is now 28.29-28.89 baht a litre.

The price gap will be partially subsidised through the state Oil Fund, while an oil excise tax will trim B20 to lower than B7.

B7 is a 7% palm-based biodiesel blended with 93% diesel. Policymakers want to increase the content of methyl ester made from crude palm oil to 10% (B10) and 20% (B20).

Mr Siri said B20 is intended to help mitigate global oil price fluctuations, while policymakers have held discussions with 30 fleet operators, pure biodiesel suppliers and oil wholesalers to implement the programme.

At least 90,000 large trucks will be compatible with B20 during the first stage of the launch, starting in June or early July.

Mr Siri expects nearly 900,000 trucks to use B20 this year.

"We aim to maintain the lower price of diesel," he said. "But B20 will not be available at petrol stations, because B20 has yet to be standardised for general vehicles."



A wind turbine farm rises above cassava plantations in Dan Khun Thot district, Nakhon Ratchasima province.