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# THAILAND

## Newsletter

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## Thailand: Selected Bidders Announced for Community-Based Renewable Power Projects

### Introduction

As part of the implementation of Thailand's 'Energy for All' renewable power scheme, introduced in November 2019, the first round of bids in the pilot project have been announced by the Energy Regulatory Commission (the "ERC"). The Energy for All power scheme allows private investors to co-invest with communities in renewable power. This initial bid round is for approximately 150MW, to be produced in equal amounts from biomass and biogas resources. Biomass power plants under this scheme cannot be larger than 6MW, and biogas plants may not exceed 3MW.

### Bid announcement

On 23 September 2021, the ERC announced a list of selected bidders in connection with the Notification of the ERC Re: Procurement of Power from Very Small Power Producers with respect to Community-Based Power Projects (Pilot Projects) B.E. 2564 (2021).

### Details of the bids

There are 43 selected bids comprising 16 biomass power projects and 27 biogas power projects. Set out below is a summary of the selected bids.

Community-Based Power Projects	No. of Selected Bidders	MW
<b>Northern Region</b>		
Biomass	2	7.75
Biogas	9	24.00
<b>Central Region</b>		
Biomass	2	12.00
Biogas	5	15.00
<b>North-Eastern Region</b>		
Biomass	6	29.40
Biogas	7	20.00



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Community-Based Power Projects	No. of Selected Bidders	MW
<b>Western Region</b>		
Biomass	1	6.00
Biogas	2	5.00
<b>Southern Region</b>		
Biomass	5	19.85
Biogas	4	10.50
<b>Total</b>	<b>43</b>	<b>149.50</b>

The list (in Thai) of the selected bidders can be found at this [LINK](#)

#### **Conditions for bidders**

Under the ERC's regulation, the selected bidders are required to be majority-owned by Thai individuals or Thai companies. In addition, 51% of the shareholding structure must be maintained from the date the bid application was submitted until three years from the commercial operation date of the project, subject to further conditions to be set forth in the power purchase agreement (if any).

The selected bidders were required to agree to conditions for executing the power purchase agreements with the Provincial Electricity Authority by no later than 30 September 2021 and execute a contract for the procurement of energy crops from the relevant communities as a pre-condition to the execution of the power purchase agreements. Such procurement contract would be regulated by the Contract Farming Promotion and Development Act B.E. 2560 (2017).

Each power purchase agreement must be executed by 21 January 2022, with scheduled commercial operations date of no later than 36 months from the execution date.

#### **Benefits to local communities**

There is also a requirement for the project to have a Memorandum of Understanding (MOU) regarding the joint investment between the project company and local communities at a ratio of 90:10. Under the MOU, local communities will be entitled to preferential shares of 10 per cent in the project company and other social and welfare development benefits for the community located nearby the project, such as those related to public health, utilities and education.

### Conclusion

The announcement of the 43 bids in relation to Thailand's "Energy for All" energy scheme is a positive move towards Thailand's commitment to move from fossil fuel energy sources to renewables, with the goal of 30% of total power production being from renewables (including imported hydropower) by 2037. In addition, the launch of the pilot project for 150MW, sets the stage for additional auctions for 1,000MW that are scheduled for 2022.

If you would like to discuss any of the legal implication of the matters discussed above, please contact the authors listed in left-hand column.

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