

Renewable Portfolio Standard (RPS) in Thailand

Dr. Surachet Tamronglak

Director, Biomass One-stop Clearing House Energy for Environment Foundation



Presentation Outline

- What's an RPS? & Why renewables?
- Production cost & Externalities
- Measures supporting renewables
- Factors in designing an RPS
- RPS in other countries
- Thai RPS Framework
- Conclusions & suggestions



What is an RPS?

The RPS is a policy obligating each retail seller of electricity to include certain amount of electricity from renewables in its total electricity supplied to its retail load.

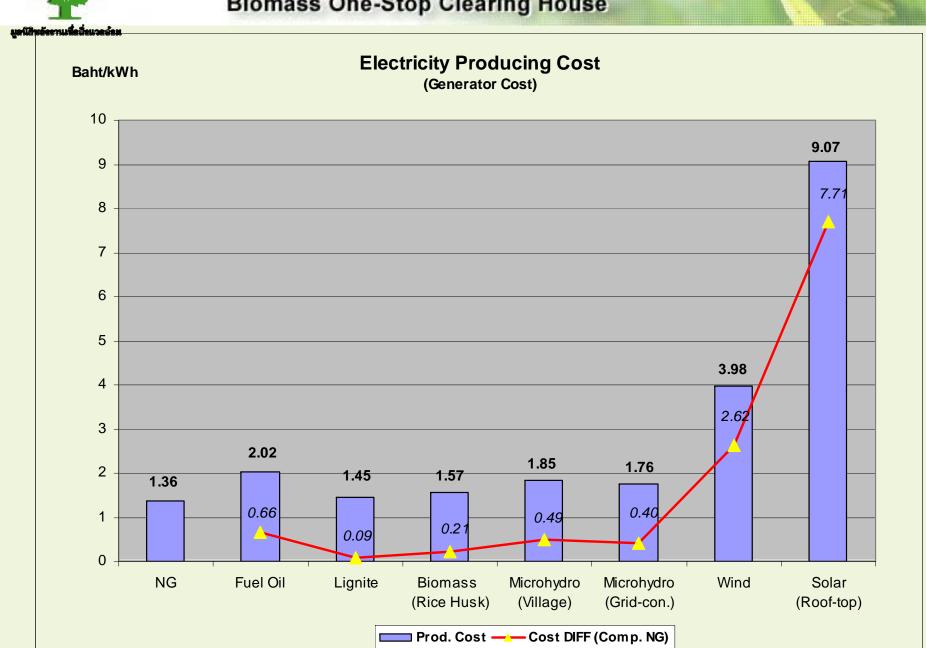
The retail seller can do this by:

- 1 owning renewable plant(s) and producing its own power, or;
- 2 purchasing renewable electricity from others



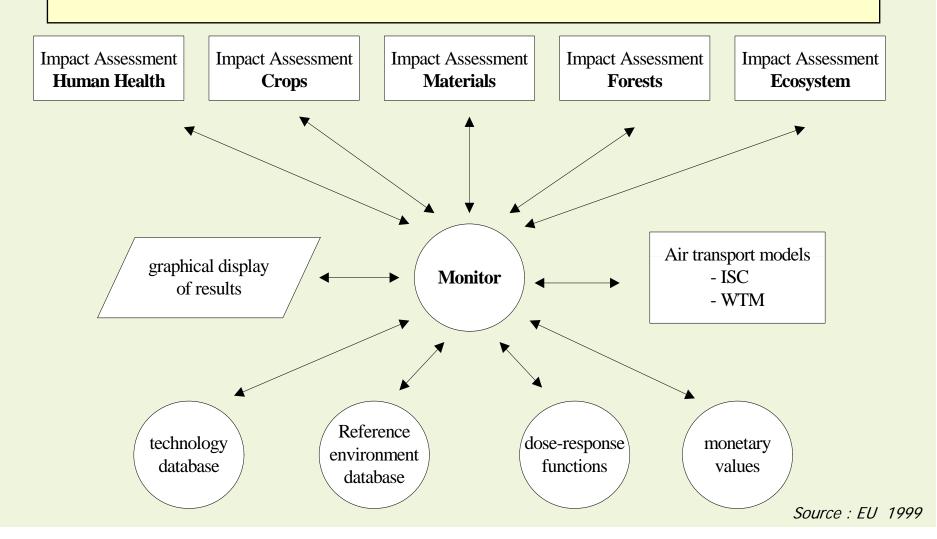
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ExternE - การวิเคราะห์ Externality Cost ของ EU

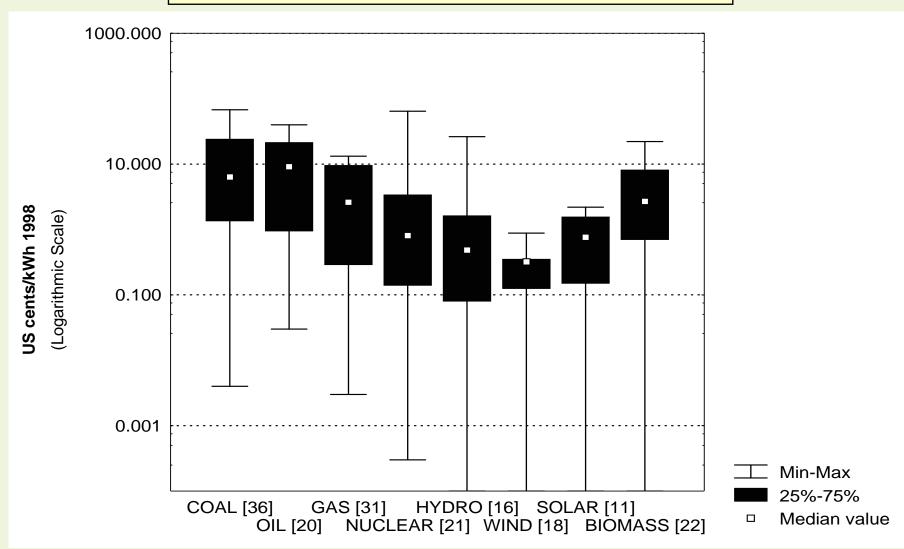




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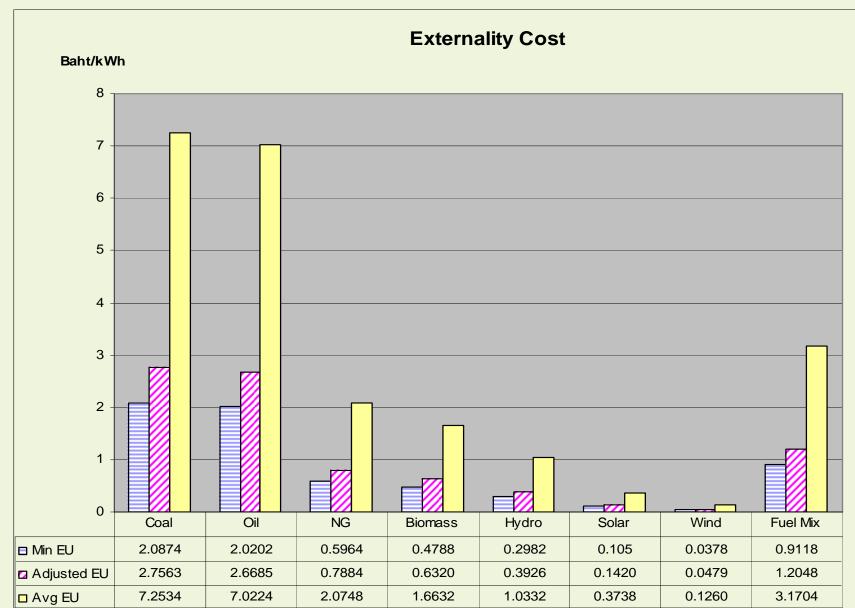
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Range of External Cost Estimates



Sources: Sundqvist (2000).





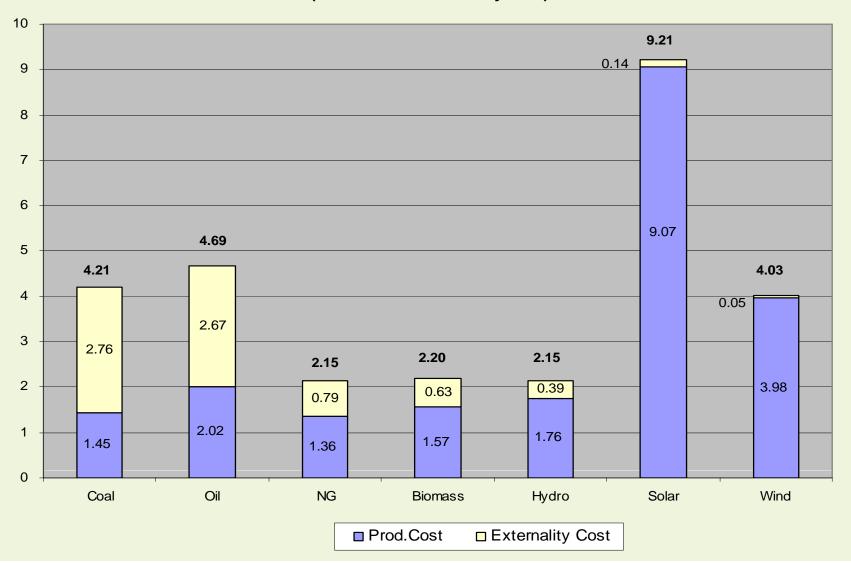


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Baht/kWh

Total Electricity producing Cost (Gen. Cost & Externality Cost)





Other benefits/considerations

- Environmental & health benefits
- Resource diversity
- Promoting technologies and education
- In-country economic development
- Respond to public support for renewables



Measures Supporting RE

- Incentive/promotional measures
- Enforcement measure RPS



Incentive/Promotional Measures

- Investment incentives
 - Investment subsidy, investment tax credits, low-interest loans, etc.
- Production incentives
 - Must-take, feed-in tariffs, production tax credits
- Net metering
- Grants for RDD&D
- Others



Factors in Designing an RPS

- Size
- Energy/capacity
- Fixed/percentage
- Schedule
- RE types
- Location
- Who has obligations
- Tradable credits

- Verification method
- Penalties
- Use of penalties
- Implementing agencies
- Recov. of admin. Cost
- Stakeholder involvement
- Act / legistration



Examples of RPSs

- UK (renewables obligation)
 - 3% (2002-03) to 10.4% (10-11)..to 20% (20)
- USA 16 states
 - CA:20% (17);
 - NV:15% (13) (5% solar);
 - TX: 2.2% or 2000 MW (09)
 - HI:old 9% (10).. new 8% (05) to 20% (20);
 - MD:set up Tier 1 and Tier 2 (large hydro, waste-toenergy)..differenet targets for each tier
- Other countries



Thai RPS Framework

- Policy announcement in Aug 03
- Framework approved July 04
- Details/action plan is on-going
- Large burden on Regulator
- Set-up of Regulator
- Set-up of its supporting / admin. unit
- Quota of each RE
- Location preference
- Verification methods
 - Co-firing verification
 - Fossil fuel supplementary & limit

- Grid code & dispatching order
- MW & MWh confusion
 - MW seemingly fixed at 5%
 - MWh periodically set
- Formula and its refinement
- CF assignment
- Penalties periodically set
 - No bid
 - Under production
- Use of "RE Development Fund"
- Existing SPP/VSPP Programs
- CDM/Kyoto Implication





Conclusions & Suggestions

- Need to support RE
- Learn from others
- What we get out of Thai RPS?
- Alternatives to RPS



Thank you

www.efe.or.th surachet@efe.or.th

Tel: 02-642-6424-8

Fax: 02-642-6426