- Unofficial Translation -

Explanatory Note
(Draft) Proclamation of the Energy Regulatory Commission on
Subject: Certification Standard for Green Electricity Provision, B.E. ....

1. Introduction

Thailand's electricity industry currently operates under the Enhanced Single Buyer Model, as resolved by the Cabinet on December 9, 2003. The procurement of renewable energy (RE) in Thailand involves the Electricity Generating Authority of Thailand (EGAT) self-generation or through Power Purchase Agreements (PPA) between RE producers and EGAT, the Metropolitan Electricity Authority (MEA), or the Provincial Electricity Authority (PEA), as applicable. Each electricity authority purchases electricity from RE producers according to the contractually specified amounts. EGAT bulk supply electricity to MEA or PEA, or directly to customers under the Royal Decree on EGAT electricity users. MEA and PEA, in turn, combine the electricity purchased from EGAT with that purchased from independent power producers and resell it to their retail customers. Therefore, in the past, electricity sold to end-users was not identified by source.

At present, electricity users want to be able to choose and buy electricity generated from renewable sources. Internationally, standards for certifying electricity generation have been developed. These are digital certificates that certify the attributes of electricity (Energy Attribute Certificates: EAC). These certificates show the amount of electricity certified, where it was produced, the type of energy used in production, and the production period. For certificates of electricity produced from renewable energy, they are called Renewable Energy Certificates (REC). REC are non-energy instruments that can be bought and sold with or separately from electricity. The holder of a REC owns the electricity attributes specified in the REC and can buy, sell, exchange, or redeem it (claim the use of the rights), using it to prove that the electricity used, according to the amount stated in the held REC, is from a renewable energy source. RECs are not automatically generated with electricity production but are created upon certification of that production. After certification, they can be bought and sold. The mechanism for certifying and issuing RECs, up to their redemption, includes the appointment of a certificate issuing body, a registrant to register RE power plants and apply for REC certification, certificate issuance, ownership registration for tracking, and redemption. This whole process must be done under a reliable standard to verify that the certified amount of electricity is authentically produced from renewable sources and tracked until delivery to the end-user without duplication. Such standards include those used for tracking RECs domestically, such as the Green Electricity Certificate (GEC) standard of China; regionally, such as the Guarantee of Origin (GO) standard of

the European Union; and internationally, such as the I-REC standard of The International Tracking Standard Foundation.

2. Background

The National Energy Policy Committee (NEPC) in its 7/2022 meeting (162nd meeting) on November 7, 2022, approved the guideline for determining green electricity tariffs (Utility Green Tariff: UGT) in the retail electricity tariff structure. The Energy Regulatory Commission (ERC) announced the criteria for providing and setting green electricity tariffs (Utility Green Tariff) B.E. 2566 under this policy framework on January 8, 2024.

3. Rationale

The NEPC resolution and the ERC criteria regarding green electricity require EGAT, MEA, and PEA, as state-owned utility providers, to provide green electricity services so that electricity users can have universal access to this service to source their electricity consumption from renewable sources. This involves selling electricity bundled with RECs to electricity users. Therefore, the ERC is responsible for setting standards for this type of electricity provision. For electricity itself, the ERC has already established service standards. Only the REC portion provision remains to be regulated to protect electricity users, ensuring they receive good quality green electricity service that follows internationally accepted standards.

4. Scope

This Proclamation sets the standard for certification of green electricity provision that is the implementation of NEPC resolution and the ERC criteria for providing and setting green electricity tariffs, which is the provision of electricity with RECs. The acquisition of RECs for this purpose and the operational protocol is derived from government policies and regulations aiming at public, not commercial, benefit. The three electricity authorities are jointly responsible for the implementation of the scheme. Therefore, there needs to be specific stipulations regarding the applicable standards and management for regulatory oversight. The obligated electricity authorities cannot freely conduct transactions regarding RECs in their green electricity provision, which include acquisition, trades, transfer, or redemption. This type of electricity business falls under the Electricity Business Act, B.E. 2550, and is subject to this Proclamation. For businesses related to unbundled REC, which is a type of instrument being transacted separately from electricity, they do not fall under this Proclamation.