



**"Poonpirom" speeds up work to address energy crisis and global warming concern, delivering five robust policies for government officials under the Ministry of Energy to put into vigorous practice and assures that the Ministry of Energy is prepared to work hard to strengthen energy security, to accelerate the search for alternative energy supply and distribute fuel risks to reduce oil consumption and import, to ensure fair energy prices and to protect consumers particularly in terms of safety, to forge ahead the use of gasohol, biodiesel and NGV as primary alternative energy for Thailand, and to promote clean energy in all aspects together with environmental protection, in the hope that the private sector and general public will work together to push forward energy conservation to eventually attain sustainable reduction of energy consumption in the future.**

At a press conference on 27 February 2008, Lieutenant-General Poonpirom Liptapanlop, Minister of Energy announces her earnest policy given to officials under her Ministry, saying that the Ministry of Energy has pressing challenges to address in order to mitigate the impact of energy crisis on the people and to enhance the national economic stability while ensuring environmental protection. To reach this goal, major energy policies are, therefore, given today to the Ministry's officials to implement with utmost effectiveness. The policies cover five areas as follows:

**1. Strengthening energy security:** Energy supply must be sufficient to support the development of the country. The local oil production will be increased from 200,000 barrels per day to 250,000 barrels per day, or an increase from 28% to 35% within four years. The search for additional natural gas from local and foreign resources is needed to ensure a minimum of 30-year reserve, by accelerating negotiation on the development of Thailand-Cambodia overlapping area to come to a conclusion. For the electricity supply, to reduce fuel supply risks, there must be fuel diversification to include, among others, natural gas, clean coal and hydropower. Moreover, greater emphasis will be placed on private power producers including IPP/SPP/VSPP, with a special focus on Small Power Producers (SPP) and Very Small Power Producers (VSPP) which produce electricity using renewable energy. In addition, the Electricity Generating Authority of Thailand is instructed to maintain no less than 50% of the total installed generating capacity of the country and to maintain a reserve margin at an appropriate level

according to the international standard, i.e. about 15%. As for the nuclear power infrastructure establishment preparation scheme, further comprehensive study is necessary and detailed information must be provided to the public. Besides, public acceptance will have to be obtained before any decision-making is made in the future.

## **2. Promoting the regulation of energy industry to ensure fair prices and greater competition, including consumer safety protection:**

The objective is to ensure that energy prices in Thailand will not be more expensive than those in its neighboring countries and will be appropriate for its social and economic conditions. Prior to any decision-making on the prices of electricity, oil and cooking gas, consideration must be based on the fundamentals of optimum benefits to the public and fair competition. Additionally, in terms of consumer safety protection, provision of accurate information is emphasized and "Absolute Zero Accident" is to be promoted. Moreover, the establishment of Provincial Energy Office in every province will be accelerated to help push forward energy policy implementation at the provincial level. The Ministry of Energy is also prepared to support the work of the Energy Regulatory Commission to achieve the objectives stipulated in the legislation and in line with the policy framework of the government.

## **3. Promoting alternative energy development in all forms to provide options to the people in accordance with the Sufficiency Economy Philosophy:**

Emphasis will be placed on the development of alternative energy, focusing on those which can substitute oil, i.e. gasohol 95 & 91 (E10) and gasohol E20. Efforts will be made to increase the consumption volume from 7 to 12 million liters per day in 2008. In the future, the development of E85 may be considered to accommodate ample ethanol production, which will also help add value to agricultural products. On biodiesel, meetings with related agencies will be urgently called for to expeditiously seek for aggregated measures to solve problems of raw materials. Apart from the use of B2 at present, the distribution of B5 will be speeded up, and in the future, the use of B10 may be promoted when related factors allow. With regard to NGV, it is aimed that by August this year vehicles using NGV will be better facilitated and the time for waiting queue must be reduced by one-third, and sufficient supply of NGV will be closely monitored. By the end of this year, engine modification of 20,000 taxis to support NGV will be accelerated, and it is targeted that a total number of 50,000 A target is set to increase the share of NGV use in the transportation sector to 20% within four years.

In addition, other types of renewable energy will be supported under the concept of sufficient energy by efficient energy use. A master plan of Renewable Energy Development Plan (REDP) is being developed for further implementation in the next 15 years in order that the development of renewable energy would be comprehensive - involving research work, prototype development, supportive measures - which will lead to the betterment of quality of life and development of rural areas. Also, support will be given to the creation of one pilot energy

village in every province.

#### **4. Supporting earnest energy saving on a continuous basis nationwide to achieve greater impact:**

An ambitious target is set to increase energy efficiency from the initial target of 11% to 20% by 2011, and the manufacturing, service and residential sectors will be encouraged to use energy more efficiently. Actions to be taken are, for example, the improvement of "energy intensity" in the manufacturing sector, the discontinuation of the use of 30 million incandescent light bulbs across the country by 2010 and the replacement of existing 110 compact fluorescent tubes with new compact fluorescent tubes No. 5 by 2012, the acceleration of energy efficiency No. 5 labeling especially for air-conditioners, and the increase of efficiency performance of already labeled electrical appliances by 5%-10% by 2012. The issuance of four new Ministerial Regulations on Building Energy Code will be expedited with cooperation with the Office of National Buddhism and the Department of Religious Affairs to develop temples, churches and mosques to be knowledge centers about energy. Along with this, energy saving among the public will be promoted via more measures and better incentives, for instance, by expanding the credit line provision from the Energy Conservation Promotion Fund to cover the residential sector so as to achieve an increase of 10% energy saving in this sector. In addition, cooperation with financial institutions and commercial banks will be sought to provide credit lines to help business operators whose projects are energy saving-oriented.

#### **5. Promoting the development, production and use of energy in conjunction with environmental conservation and the use of clean energy:**

This is considered an important policy, aiming to reduce greenhouse gas (GHG) emissions by 20% per unit of energy use in every sector such as transportation, refinery and electricity production. A GHG Reduction Target has been set for the PTT Group, Electricity Generating Authority of Thailand, and Bangchak, including their subsidiaries, to reduce GHG emissions by 20%. Also, support will be given to Thai energy projects to get endorsement and approval under the Clean Development Mechanism (CDM), with an increased CO<sub>2</sub> reduction target to reach one million tons CO<sub>2</sub> per year and to make Thailand a leader in exporting carbon credits in Asia as well.

"These robust energy policies will help Thailand and Thai people have sufficient and efficient energy supply with fair prices in the long run. Also, they will pave a foundation for energy to be a key driver of a sustainable and stable economy of Thailand," summed up by Lieutenant-General Poonpirom Liptapanlop.

---

EPPO, April 2008