

A Study on Thailand Solar Energy Business Opportunity in Very Small Power Producer (VSPP) sector contributed by Feed-in Tariff

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Abstract

In recent Thailand energy business, solar power plants have high potential due to a clean and renewable energy of solar power. However, the information about solar energy business opportunity is also essential for private sector investment. Since 2013, Feed-in Tariff (FiT) has been announced to replace the Adder measure that also results in the difference of electricity cost structures. This study presents the review of solar energy business opportunity contributed by FiT focusing on Very Small Power Producer (VSPP) sector. The analysis of Adder and FiT measures in terms of business promotion was performed. Also, an 8 MW VSPP solar farm project was selected as a case study for investment analysis contributed by FiT. From analysis, it can be noted that the benefit from electricity purchase rate contributed by FiT would be lower than that of the Adder due to the high costs of PV system recently which is also included in the initial investment. However, if the technology and other related costs of PV system decrease, the solar power projects subsidized by the FiT would be more worthwhile for investment in the future.

Keywords: Solar Energy, Policy, Subsidy, Measure, Investment