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Legal Insight Vol. June 2025

Draft Solar Panel Bill Sparks Mixed Reactions Amid Loophole Concerns

A new bill aimed at promoting solar panel installation in Thailand—the "Draft Act on the Promotion of Solar Power Electricity" (the "Bill")—has drawn mixed reactions from businesses and industry experts. It seeks to boost solar electricity generation in homes, businesses, and designated zones by lowering electricity costs and streamlining installation.

Section 7 of the Bill exempts self-use solar power panel from laws governing energy, factories, urban planning, energy promotion, and building control. Section 8 requires installers of self-use solar power panel to notify the Department of Alternative Energy Development and Efficiency at least 30 days before installation, and to report technical details to relevant electricity authorities. All systems must be certified by qualified engineers. In support of the Bill, Prof. Dusit Kraungam, chair of the Thai Photovoltaic Industries Association, emphasizes its potential to eliminate bureaucratic delays and encourage small and medium-sized enterprises to adopt solar power amid economic strain.

Despite these efforts, concerns persist over the sweeping powers granted to the energy minister, who has exclusive authority to regulate equipment standards, licensing bodies, electricity buyers, and pricing. Section 13 illustrates these powers by prohibiting unauthorized sales or distribution of solar electricity, with exceptions for sales to state utilities (i.e., Electricity Generating Authority of Thailand, the Provincial Electricity Authority, and the Metropolitan Electricity Authority) or to parties within the same premises or minister-designated zones. All such transactions must follow pricing rules set by ministerial regulations.

Although public consultation ended in May, opposition remains. A report by the Office of the Secretary-General of the House of Representatives suggested the risks associated with concentrating regulatory power in a single ministry. It recommends limiting ministerial discretion to ensure balanced and transparent governance. The report also proposes delaying the law's effective date until after its official publication to allow stakeholders sufficient time to prepare. Additionally, it advocates revising existing laws or issuing subordinate regulations rather than enacting an entirely new act, in line with constitutional principles. It also emphasizes that penalties should be proportionate to the offenses to ensure fair enforcement.

Thailand currently boasts over 4,000 megawatts of installed solar capacity, including solar farms, floating solar installations, and rooftop panels—both grid-connected and under independent power supply agreements. At present, the Energy Regulatory Commission is conducting hearings on licensing criteria for private power producers operating under such agreements, particularly in industrial zones. However, regulations governing peer-to-peer electricity trading remain unaddressed.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com