

Legal Update

## Thailand's Legislative Reform to Decentralise Solar Energy

Kornjan Tangkrisanakajorn

D: (66) 2089 8998

E: [kornjan@thanathippartners.com](mailto:kornjan@thanathippartners.com)

CV: [KT\\_CV \(click\)](#)

Sita Maneenut

D: (66) 2089 8960

E: [sita@thanathippartners.com](mailto:sita@thanathippartners.com)

CV: [SM\\_CV \(click\)](#)

August 2025

Recently, Thailand's interest in solar energy systems has grown steadily, driven by rising electricity costs and increasing environmental awareness. However, the motivation for non-commercial users to adopt solar power may have been partly constrained by overlapping regulatory requirements and burdensome administrative procedures, particularly the need to obtain approvals from multiple governmental authorities and the absence of a unified legal framework governing solar energy systems. These barriers have created a compliance landscape that is often unpredictable, time-consuming and costly, thereby discouraging participation in renewable energy initiatives across Thailand.

To address these challenges, the Thai Cabinet recently approved, in principle, the Draft Promotion of Solar Power Usage Act (the "Draft Act"). This proposed legislation represents a significant milestone in Thailand's energy transition, aiming to streamline regulatory processes, decentralise solar power adoption, and promote the self-consumption of clean energy across residential and commercial sectors.

### Key Highlights of the Draft Act

- **Exemption from Licensing Requirements**

The Draft Act adopts a notification-based approach for rooftop solar installations. Individuals and businesses installing solar energy systems for self-consumption at residences or commercial premises will no longer need to obtain a licence or prior approval from government agencies. Instead, they must notify the Director-General of the Department of Alternative Energy Development and Efficiency ("DEDE") at least 30 days in advance of installation. The solar energy system must comply with technical and safety standards to be prescribed in subordinate regulations. Solar energy systems that comply with the DEDE's technical standards will be presumed eligible for grid connection without a separate approval process.

- **Restriction on Electricity Distribution**

Electricity generated under this regime must be consumed solely within the premises where the solar energy system is installed. Distribution or sale of electricity to third parties or other locations is prohibited, except for the sale to the Electricity Generating Authority

of Thailand (EGAT), the Metropolitan Electricity Authority (MEA) or the Provincial Electricity Authority (PEA), and comply with the criteria, procedures, and electricity tariff rates approved by the Minister of Energy.

- **Safe Disposal of Solar Energy Equipment**

Only licensed entities may establish facilities for solar equipment waste. The collection, dismantling and disposal must meet environmental and safety standards to be set by the DEDE, and system owners will be required to dispose of used equipment at designated collection or disposal sites.

- **Regulatory Oversight**

DEDE officials will be empowered to access the premises to inspect the installations and review compliance with applicable technical standards, environmental safeguards, and usage conditions as set out in the Draft Act and its subordinate regulations, and issue remedial orders where installations are found to be unsafe or non-compliant.

- **Penalties for Non-Compliance**

Violations, such as installations without the required certifications, unsafe practices, unauthorised electricity sales, or a failure to notify, may be subject to administrative fines of up to THB 100,000 and/or up to three years imprisonment. Daily fines may also apply for continuing non-compliance.

## **Legal and Practical Implications**

This proposed legislation reflects a clear policy shift from a permission-based model to a notification-based regime for small-scale solar energy system usage. If enacted, the Draft Act will significantly reduce regulatory friction and lower the entry threshold for residential and commercial users, enabling broader uptake of rooftop solar energy in Thailand.

Nevertheless, the ban on third-party energy distribution remains a limiting factor for community solar models, commercial peer-to-peer networks, and local energy-sharing platforms. Industry stakeholders may need to await further regulatory development before such models can be fully realised.

Given the Draft Act is still under legislative review, stakeholders, including investors, property developers, building operators, and energy service companies, should closely monitor the legislative process and engage with the issuance of subordinate regulations, which will determine the specific technical, safety, and reporting obligations under this new legal framework.

*This document is solely intended to provide an update on recent developments in Thailand's legislation and is not purported to provide a legal opinion, or a legal advice to any person. Stakeholders are advised to seek professional legal counsel for specific legal guidance related to the above issue.*