

## Foreword

Promoting the use of biomass in power generation is one option for Thailand to respond to the need to accelerate its share of renewable energy and to meet the growing energy demand in an affordable and sustainable manner. This is due to its potential supply, especially in its northern and southern provinces. Improving the biomass supply chain could also provide many opportunities for local people to engage in the activities, and thus increase their earnings and improve their well-being.

In this regard, the Ministry of Energy of Thailand requested the Economic Research Institute for ASEAN and East Asia (ERIA) to conduct a study on the biomass supply chain for power generation in southern Thailand. Acknowledging the country's need to respond to growing electricity demand in its southern provinces, ERIA deployed a professional team from its Jakarta headquarters to work with Thai experts comprising university professors and professional staff from its Ministry of Energy. Scoping the biomass supply chain and its supply potential is the first step to understand if expansion for new capacity of biomass power generation is viable or not. The expert team also analysed the levelized cost of energy to check the competitiveness of biomass power generation. The results suggest that expansion of biomass power generation in the southern provinces, supported by the government's policy on feed-in tariff, is very attractive for investment in biomass power generation. Thus, the study suggests that stable supply and competitive biomass price needs to be ensured through the improvement of the supply chain. The study also suggests that the current feed-in tariff policy is encouraged as it will attract more investments in the biomass power generation in Thailand's southern provinces.

Most importantly, the government, through its specialised agencies, should send a clear message to investors regarding the government's support to biomass power generation. The bureaucratic burden borne out by the administrative process, which could ultimately add cost to the investment, should also be minimised.

May I then take this opportunity extend my sincere appreciation to all those who supported and contributed to this study.



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