Utilities Sector – Overweight

News Update

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PDP-2026 public hearing draft summary

- **Document for the PDP-2026 hearing published last night**
- **Four capacity plans proposed for the hearing**
- **We see upside on gas capacity against our projection**
- **GULF is thus an even stronger winner from the plan**

The Energy Policy and Planning Office (EPPO) published last night the document for public hearing on the draft of the new Power Development Plan (PDP-2026), to be held on 8 September.

- EPPO cites five pressures that drive the PDP redraft: 1) green electricity demand from industry, 2) power demand from data centers and AI, 3) household prosumer policy, 4) EV transition, and 5) global carbon pricing.
- There are also three key government policies embedded in the draft: 1) Direct PPA and Third Party Access (TPA) to enhance accessibility to green electricity for industrial users, 2) household renewable generation, and 3) net-zero greenhouse gas emissions for the country by 2050.
- The draft frames a single large paradigm shift, from a passive, centralized, fossil-based system to a flexible, smart-grid, low-carbon system with multi-directional flows. This breaks down into three core pillars: 1) low-carbon baseload generation, 2) a smart grid able to manage a high renewable mix alongside battery energy storage systems (BESS), and 3) active consumers who both draw from and supply the system.
- The security criterion changes with it, with the reserve margin replaced by a loss of load expectation (LOLE) of no more than 1.0 day per year.
- The load forecast for the draft is based on key assumptions of 2.49% GDP growth and a 26.2m EV fleet, in two scenarios, low and high, depending on the amount of data center capacity to be developed over the next 25 years (6.8GW to 8.8GW of IT load capacity) and the success rate of the country's energy efficiency plan (EEP). These translate into 58-78% higher electricity consumption to 367-415TWh in 2050F and 102-117% growth in peak capacity demand to 74-80GW in the same year.
- The capacity projection to serve the forecast demand growth is proposed for public hearing in four alternatives: Case 1: business as usual; Case 2: Net Zero to be achieved purely by carbon capture and storage (CCS); Case 3: Net Zero to be achieved purely by renewable energy (RE); and Case 4: Net Zero to be achieved by a mix of CCS and RE.
- We focus on new capacity over the first 10–12 years, which is the same across all four cases, and compare it with our own projections in Exhibit 1. We see a meaningful upside on gas, at 9.1GW against the 5.0GW we assumed, but some downside on both wind (2.7GW against 15.0GW) and solar (24.3GW against 35.0GW) The draft also carries 14.5GW of BESS and a first 300MW small modular reactor (SMR) unit, neither of which is in our numbers.
- Estimated total capex required during this first 12 years is 21% below our forecast at Bt1.15tn for gas, solar, and wind combined, vs. our projection of Bt1.45tn. the SMR unit or the BESS in the plan, which we estimate would add a further Bt61bn and Bt64bn respectively.
- Total equity value creation from the first phase is also 15% lower than our estimate, at Bt285bn vs. Bt335bn. The key point is that gas accounts for 76% of the new value for the sector over the first decade, vs. 35% on our forecast. This is a strong upside for major gas players such as GULF, BGRIM and GPSC, at the cost of some downside for renewable-led operators.

Ex 1: First Phase Of New Capacity Plan From PDP-2026 Hearing Vs. Our Estimates

	PDP-2026 hearing (2026-37)			ttb wealth estimates (2026-35)		
	New capacity (GW)	Required capex (Bt bn)	Equity value creation (Bt bn)	New capacity (GW)	Required capex (Bt bn)	Equity value creation (Bt bn)
Gas	9.1	318.5	215.7	5.0	175.0	118.5
Solar	24.3	607.5	41.3	35.0	875.0	59.5
Wind	2.7	162.0	28.4	15.0	900.0	157.5
SMR	0.3	60.6	n.a.	-	-	n.a.
BESS	14.5	63.5	n.a.	-	-	n.a.
Total	**50.9**	**1,212.1**	**285.3**	**55.0**	**1,950.0**	**335.5**

Sources: Energy Policy and Planning Office (EPPO), ttb wealth estimates

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