

BN: A history of protecting IPPs' megaprofits
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BN is behaving overly concerned about honouring the contracts with the independent power producers (IPP) that they have completely forgotten about their greater obligation to the rakyat, which is to govern with transparency, responsibility, and accountability.

Has Najib forgotten his oath upon becoming prime minister, to serve and protect the rakyat's best interests? Or is this great tendency to airbrush the issue and take the side of IPPs driven by something more sinister? Perhaps to cover unconscionable dealings and possible corrupt practices?

In the matter of IPPs, one undeniable fact remains: IPPs are making super profits. Their ability to make super profits is through lop-sided power purchasing agreements (PPA). These obscene mountains of super profits have been carved at the expense of Tenaga Nasional Bhd (TNB) and Petronas.

If Petronas and TNB pass through these costs and expenses to the public via an electricity tariff hike as they have begun yesterday, then the rakyat is now directly burdened to ensure IPPs continue their super profits.

While we strongly believe in the principle of sanctity of contract, we are also mindful of the legal doctrine of unconscionable contract. We have no quarrel with IPPs on making a decent profit, but we do not subscribe to the idea that they are entitled to make super and obscene profits at the expense of the rakyat and nation.

These unhealthy practices not only hurt the rakyat's pockets but have wider damaging economic consequences; these practices discourages competition and when profit margins are too wide, discourages efficiency and innovation.

Therefore, I am of the view that the very first step to resolve the issue of IPPs is to fully understand the terms and conditions of the PPAs. We must dig deep into the terms and conditions and see what loss-mitigating factors and alternative legal routes we can take.

Can we terminate the contract without repercussions that may affect the bond markets? We must also persuade the IPPs to come clean and put the onus on them to voluntarily give up unconscionable terms.

In order to pursue this line of strategy, I challenge the BN to fully disclose the terms of all the PPAs. If BN refuse to disclose to the rakyat directly then they must at least disclose to Parliament, or a special select committee comprising of MPs from the opposition and the government.

Before the government forces the rakyat to bear the burden of price hikes, the government must first prove that it has taken all proper steps to ensure that IPPs share the burden and abandon their super profits culture.

We cannot just leave the matter to Minister Peter Chin or BN alone to decide.

History has shown that successive BN ministers have failed to rein in the IPPs' super profits. In 2007, the then Energy, Water and Communications Minister Lim Keng Yaik crusaded against the IPPs and talked about imposing windfall tax.

In 2009, the then Energy, Water and Communications Minister in 2009, Shaziman Abu Mansoor promised to look into renegotiations of the PPAs. Both attempts produced no meaningful results.

Now, Minister Peter Chin doesn't even bother with the rhetoric and goes straight into the mode of explaining why he cannot get the IPPs to share the burden.

Every time there a new BN Minister is appointed to the post, they all pledge to do something for the rakyat. But nothing changes and no real change will happen, so long as BN rules with impunity, without transparency and any semblance of accountability.

This unfolding saga of the super profits of IPPs and energy hike serves to illustrate clearly the truth: that BN lacks the political will for transformation. Prime Minister Najib is not the transformative leader that he claims or wishes to be, he is but a transactional leader par excellence.

We, at Pakatan Rakyat can offer much better and more responsible solutions. Our policies and principles as outlined in the Orange Book promises a fair deal for the Rakyat and will bring real transformative change.

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