

DAP: Millions in green subsidy handed to firm
MalaysiaKini.com
May 2, 2014

DAP MP Ong Kian Ming has urged the Energy, Green Technology and Water Ministry to explain why it has promised millions in subsidy to back an Umno-linked green energy company.

Ong, the Serdang MP, said that the award of a 30MW feed-in-tariff (FiT) quota to a Sabah-based company to build Malaysia's first geothermal plant late last year short-circuited the usual process.

Since its inception in 2011, the Sustainable Energy Development Authority (Seda) has published all its over 2,700 FiT applicants online.

But this award, also Seda's biggest to date, was only confirmed by the company on its website and by the Sabah chief minister in a written reply to a DAP state assemblyperson's query.

"I want the minister as well as the company's CEO to answer... as this raises a lot of problematic issues," Ong (right) told reporters at DAP HQ today.

"The plant costs over RM500 million to build and the return would be worth more than that," he added.

The plant can generate up to 36MW of electricity using underground energy sources by 2016.

As it has received 30MW FiT, the plant's revenue was now almost fully covered by Seda, which is a fund generated through taking 1.6 percent from nearly a third of all Tenaga Nasional Bhd's customers' bills for the sake of promoting green energy.

These affected all households consuming more than 300 kilowatt per hour of electricity a month, Ong said.

Even the rules were allegedly changed to suit the pioneer geothermal plant, he added.

Seda's rules previously spelt out that only power generated from biogas, biomass, small hydro and solar energy should qualify for FiT.

"How could it have been awarded (the FiT) on Nov 8, 2013 when the move to introduce geothermal energy as a category in the schedule of the renewable energy act was only gazetted on Dec 24?" Ong asked.

Malaysiakini is seeking comment from the company, which first confirmed the award on its website. The rate for the FiT quota, which would reveal the total subsidy cost, was however kept secret.

'Suspicion that the minister stepped in'

Ong also noted that Seda did not publicise this award on its website, as it normally does, and therefore raising suspicion that Energy Minister Maximus Ongkili himself stepped in to endorse the FiT quota through direct talks with the company.

He also said that a check on the publicly accessible Companies Commission of Malaysia website noted that this company was 52 percent owned by Sabah Umno division chiefs.

The matter must be clarified before the RM500 million-rich Seda fund proceeds to change its modus operandi and hands out even more money to the 'big boys'," Ong said.

"At a briefing by Seda chief operating officer (COO) Ali Ashkar, he stated that applications for solar PV quotas above 425kWh would have to be submitted manually and that these quotas would be decided by the minister," Ong said.

He added that this would be a mockery of the e-FIT system set up by Seda for transparency's sake.

From 2011 onwards, Seda has given out 556 MW of FiT quotas to 2,760 applicants up to this January.

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