

## **SEDA Must Re-Open Bidding Process**

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**By Tony Pua**

The explanation by Sustainable Energy Development Authority (SEDA) Chairman Fong Chan Onn that the selection process for Feed-in Approval Holders (FiAH) to supply solar energy is "above board" beyond belief and insults the intelligence of ordinary Malaysians

The Sustainable Energy Development Authority of Malaysia (SEDA Malaysia) is a statutory body formed under the Sustainable Energy Development Authority Act 2011. The key role of SEDA is to administer and manage the implementation of the feed-in tariff (FiT) mechanism which is mandated under the Renewable Energy Act 2011.

Under this mechanism, individuals and companies with factories and open land as well as companies in the renewable energy sector could apply to SEDA to become a Feed-in Approval Holder which then gives them the right to sell power generated from renewable energy sources to Tenaga Nasional Berhad.

In our press conference held on Tuesday, we have pointed out that 45.9MW or 32.4% of the allocation to supply solar power has gone to 12 companies owned by Suzi Suliana bt Mohd Sidek and her husband, Todd Michael Morath, as well as 2 business partners. Their ownership is hidden via a complex layer of holding companies and joint ventures. Their combined allocation is much larger than established companies of Cypark and Petronas Power which received 9.2% and 7.1% of the allocation respectively.

Suzi Suliana happens to be the daughter of Mohd Sidek Hassan, the recently retired Chief Secretary to the Government, and newly appointed chairman of Petronas Bhd.

The Star yesterday reported that SEDA Chairman Dr Fong Chan Onn had claimed that "the selection was above board as it was done through an online system". More specifically, Dr Fong explained that "the companies had met all the necessary technical criteria as well as financial commitments".

If the above is indeed the case, then SEDA under Dr Fong's chairmanship must be extremely incompetent because all of the companies which were awarded the combined total of 45.9MW of solar generated electricity were set up only a few weeks before the 2 December 2011 application deadline. In fact, at least 8 out of the 12 of companies which was successful was set up only on 11 November 2011.

A random check on two companies – Synergy Must Sdn Bhd and Trinity Creations Sdn Bhd – showed that they had only RM100 in paid-up capital each.

How is it that these companies with no capital, no track record and in all likelihood no employees as at the point of time of application, met "all the necessary technical criteria as well as financial commitments"? Hence the only conclusion we can arrive at given Dr Fong's reply, is that he is either completely blind, or is lying through his teeth.

What is scandalous is the fact that the quota for solar energy supply is much sought after by industry players due the more lucrative feed-in tariffs offered by the Government. In fact the demand far outstripped the available quota to the extent that the quota was fully taken up within 2 hours of the application being open.

The Renewable Energy Act 2011 had sought to protect "the need for fair competition and transparency in the implementation of the feed-in tariff system" while the Ministry of Energy, Green Technology and Water wants to "avoid any monopolisation of the Renewable Energy (RE) quota".

And yet what we see is the complete opposite where companies set up by a kin of a top Government official being given the opportunity to secure the largest chunk of the lucrative solar energy supply quota.

We call upon SEDA to re-open the bidding process for the solar energy quota to ensure that all players are given fair treatment, while those who can't possibly meet "all the necessary technical criteria as well as financial commitments" are knocked out from the qualification process.

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