

Pakatan cries foul over sweetheart IPP deal for Syed Mokhtar
The Malaysian Insider
October 18, 2011
By Shannon Teoh

KUALA LUMPUR, Oct 18 — The federal opposition accused the government today of signing a blank cheque for Tan Sri Syed Mokhtar al-Bukhary with the award of an independent power producer (IPP) deal without first agreeing to tariff rates and the length of the concession.

The Energy, Green Technology and Water Ministry said in a written reply to a parliamentary question yesterday that the 1,000-megawatt plant in Tanjung Bin, Johor has been awarded to Tanjung Bin Power, a subsidiary of Malakoff Berhad.

But the government's reply to Petaling Jaya Utara MP Tony Pua also said that the Energy Commission will only finalise the power purchase agreement with the company controlled by Malaysia's richest Bumiputera at the end of the year.

Pakatan Rakyat (PR) lawmakers told a press conference that the deal awarded after a limited tender between two bidders "is scandalous, if not criminal."

"You cannot avoid the perception that the government is signing a blank cheque to Syed Mokhtar (picture) to fund the war chest ahead of elections," PAS research chief Dzulkefly Ahmad told The Malaysian Insider.

"How do you decide if you do not know the price in advance? It is not surprising that electricity prices remain high despite the RM8 billion gas subsidy IPPs receive every year," Pua, who is also DAP publicity chief, told reporters.

Pua compared Malaysia, which supplies gas to IPPs at RM13.70 per million metric British thermal units (mmBtu) but charges consumers RM157.20 for each 500 kilowatts used per month, to Thailand where gas is supplied at RM23.10 per mmBtu but households are charged RM129.50 for using the same amount of electricity.

Putrajaya had in June raised electricity prices by an average 7.12 per cent in an effort to trim its burgeoning subsidy bill, but promised the hike will not affect some 75 per cent of domestic consumers.

But public anger ahead of an expected general election has been fuelled by rising cost of living as inflation has persisted at over 3 per cent since March, a two-year high.

The government has said that despite tariff hikes, it will still spend some RM26 billion to subsidise the gas bill this year.

The Malaysian Insider
Copyright© 2011 The Malaysian Insider
Source: <http://www.themalaysianinsider.com/malaysia/article/pakatan-cries-foul-over-sweet-heart-ipp-deal-for-syed-mokhtar/>