

**Controversial Johor power plant under scrutiny after royal flap, Yeoh  
crony remark**  
**Malaysian Insider**  
**June 16, 2014**  
**By Anisah Shukry**

A controversial multi-billion ringgit Johor power plant deal is coming under close scrutiny as part of a backlash against tycoon Tan Sri Francis Yeoh's now famous speech on cronyism and widespread concern over legislation that would have given the Sultan of Johor executive powers in the state, say sources.

Yeoh's YTL Power International Bhd, the Johor ruler's SIPP Energy Sdn Bhd and national electricity provider Tenaga Nasional Bhd have been awarded the Track 4A combined gas cycle project that could generate up to 1,400 megawatt (MW) of power under a controversial directly-negotiated deal.

There have been allegations of secretive meetings in London attended by officials from the consortium and a senior minister of the Najib administration. Also being openly talked about is the involvement of a family member of Prime Minister Datuk Seri Najib Razak in the promotion of the new IPP or independent power producer.

But it is only in recent days have the press started lifting the veil on the award of the project. At the same time, members of the Energy Commission have been on the defensive over the award of the Track 4A power plant through direct negotiation, instead of conducting an open tender.

This latest development is largely due to Yeoh's infamous comments that Malaysia must do away with crony capitalism and take advantage of its ethnic diversity to gain greater economic achievements and compete globally.

At the Global Malaysia Series forum run by Putrajaya's efficiency unit Pemandu, the tycoon had allegedly said that 85% of YTL's businesses were in Britain, Singapore and Australia because these countries did not tolerate corruption, practise meritocracy and stand for the rule of law.

"For example in Singapore, we own a third of Singapore's electricity; there is no subsidy of any kind, there is no cronyism of any type.

"The good thing about these three territories, I don't have to kowtow to the prime minister before I do a deal, I don't have to see them even, even after I've won the deal," he was quoted as saying at the event.

Yeoh later clarified that his words were misrepresented and apologised but it was too late and he has been savaged in the media by Umno politicians and former prime minister Tun Dr Mahathir Mohamad whose administration gave YTL its first power project.

At the same time, there is concern about the Johor ruler, Sultan Ibrahim Sultan Iskandar, who was in the news last week over his role in a housing and property board law that some say would lead to the throne being involved in government decisions. A slew of last minute amendments to the proposed enactment limited the ruler's role but the new law has yet to be signed into effect.

Barisan Nasional (BN) sources say Putrajaya is making overtures to the state ruler to find another partner for the project as there are also objections from TNB worker unions over YTL's participation in the Track 4A deal.

The SIPP-YTL consortium had earlier bid for the RM11 billion Project 3B to build a 2,000 megawatt (MW) coal-fired power plant with its closest competitor being the government's 1Malaysia Development Bhd (1MDB).

The Malaysian Insider understands that the consortium was deeply upset that it lost out to 1MDB in the larger power plant project and made its displeasure known to Najib and members of the Energy Commission.

It is uncertain if the government awarded the 4A power plant in Johor to appease the powerful and well-connected members of the Sultan of Johor-YTL consortium.

Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili said earlier this month that Putrajaya had considered all options before awarding the project to the SIPP-YTL-TNB consortium.

"Everything is in order. The Cabinet considered all angles before taking this decision to fast track the planting up of the 1,000 MW to 1,400 MW plant.

"The terms are being finalised by the Energy Commission," he said, adding that there was a condition for the Engineering, Procurement and Construction (EPC) portion of the project to undergo competitive bidding process.

But there is growing pressure for YTL to drop out of the consortium to prove that there is no crony capitalism in Malaysia apart from pressure for open bidding for the entire project. – June 16, 2014.

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Source: <http://www.themalaysianinsider.com/malaysia/article/controversial-johor-power-plant-under-scrutiny-after-royal-flap-yeoh-crony>