

**Privatised power deals show Mahathir-era 'crony capitalism' thriving, says Tony Pua**  
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A controversial power plant deal which national utility Tenaga Nasional Bhd (TNB) is now disassociating itself from shows that Dr Mahathir-era crony capitalism still thrives in Malaysia, opposition lawmaker Tony Pua said today.

The DAP Petaling Jaya Utara MP accused Putrajaya of awarding a RM3 billion power plant deal called Track 4A to the YTL-SIPP-TNB consortium to appease it for not getting the RM11 billion Project 3A won by state asset manager 1Malaysia Development Bhd (1MDB).

"It is shocking how the Energy Commission has proceeded to make an award for a 20-year concession to a group of companies that didn't even know that they are going to be working together," he said in a statement in Kuala Lumpur, referring to TNB's denial that it was yet part of a consortium despite receiving an offer letter.

The Energy Commission said last month that the YTL Power, SIPP Energy Sdn Bhd and TNB consortium would carry out the RM3 billion 1,000MW to 1,400MW gas-turbine power plant "Project 4A" based on its tender papers for the Project 3B due to the urgency for another power plant.

The award came within three months of Putrajaya awarding Project 3A to 1MDB to build and operate a 2,000MW coal-fired power plant although the company did not submit the lowest tariff for the tender exercise which attracted seven bidders.

"Malaysians can only conclude from this circus that the federal government has decided to fast forward the Project 4A award without any form of tender and transparency, in order to placate YTL Power as well as SIPP Energy which were shortchanged by the Project 3B award," said Pua, who is also the DAP national publicity secretary.

YTL Power is owned by the YTL group, which pioneered Malaysia's independent power producer sector during Tun Dr Mahathir Mohamad's time as prime minister while SIPP Energy is associated with the Johor sultan, whose business interests are mainly in property.

"The federal government is basically telling these companies that 'Don't worry, as long as you allow us to bail out 1MDB, behave by not being critical of the exercise, we will take good care of you, even at the expense of the rhetoric behind Najib's New Economic Model'.

"In a gist, as long as you scratch my back, I will continue to scratch yours. This is the epitome example of Mahathir-era 'crony capitalism' thriving a decade after the former prime minister has retired," Pua added.

YTL Group managing director Tan Sri Francis Yeoh had touched off a barrage of criticism this month when he said Malaysia must do away with crony capitalism, with critics pointing out his company had been awarded lucrative contracts in the energy, communications and property sector.

Yeoh had apologised and said his words at a government forum were misquoted.

But Pua pointed out that the award for Track 4A was not only directly negotiated, but also "the terms of the award were vague, unspecific and flimsy, as if it was conducted in an absolute hurry".

"Neither the size of the plant was fixed nor was the exact tariffs finalised – except to say that it must be 'comparable to the last tender exercise'," he said, adding that even the consortium arrangements between YTL Power, SIPP Energy and TNB were up in the air.

He said that the slew of new power plants could lead to higher electricity tariffs for consumers in the near future, adding that Prime Minister Datuk Seri Najib Razak would "just deny all culpability by the government as it has 'no other option' but to do so", referring to this year's rate hike.

The 15% to 17% rate hike from January 1 came despite TNB's RM4.61 billion profit for the 2013 financial year. It recorded higher profits of RM3.4 billion for the first half of the 2014 financial year, up from RM2.6 billion for the same period last year.

TNB has largely become an electricity transmission company as most new power plants have been awarded to IPPs but on June 3, the utility said it had received a conditional letter of award from the Energy Commission and "TNB is currently evaluating the offer as well as TNB's role in the project."

But Pua said TNB has now gone to the extent of disassociating from the project.

He quoted the TNB chief executive Datuk Seri Azman Mohd as saying yesterday, "TNB would like to reaffirm that we have not had any prior

discussions with any parties regarding the matter. As of now, we can confirm that we only received the offer letter and refute claims or assumptions that we are already part of the consortium.” – June 17, 2014.

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