

**Do proper research before calling for debate, Rahman tells Rafizi**  
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**Umno minister says 1MDB's entry into the IPP industry contributed to the elimination of 'sweetheart' power purchase agreements created by former PM Dr Mahathir Mohamad.**

PETALING JAYA: Barisan Nasional's strategic communications (BNSC) arm has accused PKR vice-president Rafizi Ramli of failing to do proper research in criticising the role played by 1Malaysia Development Bhd (1MDB) in the independent power production (IPP) industry.

Its director Abdul Rahman Dahlan rebuffed Rafizi's challenge for a debate on the matter, claiming that the Pandan MP was a "court-certified defamation specialist".

"I repeat that the entry of 1MDB into the IPP industry prior to the year 2012 together with the government's efforts has led to the elimination of such 'sweetheart' PPAs (power purchase agreements) that were created by the previous prime minister of 22 years, who is now with Pakatan (Harapan) and YB Rafizi's close friend," he said.

"This is yet another legacy problem of the past that has been corrected by this current government," Rahman, a minister in the Prime Minister's Department, added today.

He was referring to Dr Mahathir Mohamad, who was prime minister from 1981 to 2003, and who is now chairman of PPBM, a component party in the PH opposition coalition.

On Rafizi's questioning of why the new PPAs under current Prime Minister Najib Razak had not benefited the public through a reduction of Malaysia's electricity rates, Rahman said: "YB Rafizi should know that Tenaga Nasional Bhd's (TNB) electricity rates had been kept low due to gas subsidies from Petronas and reduced TNB profits, despite the legacy of the lopsided PPAs.

"Freed from this heavy burden, Tenaga has continued to register record profits resulting in higher dividends as well as a higher share price," he added.

Stressing that the Employees Provident Fund (EPF), Amanah Saham Bumiputra (ASB) and Tabung Haji were three of the top five shareholders of TNB, he claimed Rafizi had once admitted in public that he had more than RM1 million in the three entities.

“Therefore, he has certainly benefited from the dividends received from these funds arising from Tenaga’s increased profits and share price – along with tens of millions of ordinary Malaysians who keep their money with EPF, ASB and Tabung Haji,” Rahman said in a statement.

He also said Rafizi had incorrectly attributed Petronas’ gas subsidies to the IPPs being much lower now because of lower global gas prices.

“Even the global gas prices chart shared by Rafizi in his blog has proved himself wrong as it shows global gas prices remaining stable in 2012, 2013 and 2014,” Rahman said.

“However, Petronas gas subsidies had also declined in 2013 and 2014 – proving that reduction in gas subsidies bill is not due to global gas prices alone.

“Perhaps YB Rafizi failed to do his research and does not know that the subsidies on the price of gas charged by Petronas to the IPPs have been continually reduced over the years due to the government’s subsidy rationalisation programme.”

On Wednesday, Rahman said after 1MDB entered the IPP business, the government had called for the first ever open tender on PPAs in September 2012.

“1MDB consistently put in the lowest bid for every new or renewed PPA, thus helping to push down the PPA price for all other bidders,” he said.

Rafizi responded yesterday by asking why electricity tariffs in the country had not dropped if 1MDB, through its subsidiary Edra Power Holdings Sdn Bhd, had caused the PPAs to be fairer, leading to lower electricity generation and supply costs.

“Instead, electricity tariffs have risen since 1MDB got involved in the IPP industry,” he said.

Rafizi said the lower gas subsidy borne by Petronas was not due to 1MDB’s contributions, as claimed by Rahman, but was because the price of crude oil in the global market had fallen from 2012 to 2017.

In his statement today, Rahman said the price of gas charged by Petronas to the IPPs in 2008 was a “ridiculously low” RM6.40 per MMBtu (million British Thermal Units), which was below market value.

As subsidies continued to be rolled back, the price was gradually raised to RM13.70 in 2012 and RM18.20 in January 2016, he said.

“Despite the three-fold increase in natural gas prices charged to the IPPs since 2009, electricity rates to the users did not increase substantially,” he added.

“Due to this, Petronas has saved tens of billions in subsidies since 2009 – savings which have been used to benefit the public via other government programmes.”

Rahman added that TNB had at the same time continued to register increasing profits, proving that the lopsided IPP agreements of the past had been eliminated.

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