

## **The World Renewable Energy Congress 1999**

The Palace Of The Golden Horses Hotel, Kuala Lumpur 8 June 1999

"Alternative Energy Options: Challenges and Opportunities"

I would like to thank the Ministry of Energy, Communication and Multimedia for inviting me to officiate the World Renewable Energy Congress 1999 Malaysia today. It is indeed an honour and a great pleasure to speak before this gathering of energy experts from all over the world. I wish to bid a warm welcome or 'Selamat Datang' to all the distinguished foreign participants and wish them a pleasant stay in Malaysia.

2. Energy is vital to human progress. But there is a cost that is not confined to just finance in order to make energy available for human development. The more important cost is the effect of energy generation on the environment. Admittedly, we cannot get something for nothing. And so we cannot get energy without paying a price, in terms of finance and in terms of environmental degradation. But we can at least reduce the cost, not so much in monetary terms but more in terms of the effect on the environment. Today almost everyone favours higher financial cost than higher environmental cost. I say almost everyone because when people are very poor, they cannot be blamed if they care less for the environment than for the money they have to spend. We really cannot blame the poor from cutting down timber to burn for their energy needs. They cannot be expected to freeze to death or to eat uncooked food because the rich object to trees being cut and smoke from wood-burning to pollute the environment.

3. We should therefore get our priorities right. If we feel that even the poor should not pollute the environment, then the rich should be prepared to pay for them. At the Rio Summit in 1992, we agreed that the rich must contribute towards the poor countries in order that they will not cut down their trees etc to develop their countries and their people. But as we all know the contribution is not forthcoming. Yet their environmentalists, particularly their NGOs are relentless in their condemnation and action against those who have little choice but to exploit their few natural resources.

4. Poor countries and even middle-income countries have a duty to develop and bring a better life to their people. While we are debating which fuel mix is most sustainable for a better life style, the United Nations statistics show that more than 2.4 billion people in developing countries do not have any access to commercial energy. This means that almost 40 percent of the world's population has inadequate energy for basic needs. A World Solar Commission report pointed out that these people not only have no access to power distribution networks, but cannot expect to have access to them in the medium term. This alone will impede development and progress. When we speak of sustainable development, we must also think of equity. Climate change will be meaningless if there is great disparity in emission levels between developed and developing countries. Sustainable development must help to reverse environmental

degradation without impoverishing the poor any further.

5. Renewable energy can be justified based on the fundamental objectives of national energy policies whose main goal is to ensure security and sustainability of energy supply at reasonable cost. Sustainability naturally implies efficient utilisation and the wider applications of environmentally-friendly technologies. And the best assurance of energy supply security and sustainability is to develop and use the country's own energy resources. On this basis, indigenous renewable energy sources can be easily justified, but they must be at reasonable cost. If costs are high, it will not interest industry and business leaders, unless the Government is willing to subsidise the price. Within the constraints of cost, a major challenge, therefore, is for policymakers and planners to formulate institutional and enabling regulatory framework to facilitate private sector involvement in renewable energy development. In this context the richer developed countries must recognise the need for developing countries to have access to renewable energy technologies at subsidised or at least affordable prices. Only then can we overcome barriers to sustainable development.

6. I would also like to highlight a major initiative of the World Solar Commission, of which Malaysia is a member. The Commission held its first World Solar Summit in 1996 in Harare. This Summit had launched the preparation of a ten-year World Solar Programme on the basis of an outline plan submitted to it by the Commission. Following elaborate consultations with Governments, non-governmental organisations, international agencies and business leaders, the World Solar Programme, which identifies implementation strategies at the global, regional and national levels, was finalised in June 1997. This programme particularly offers realistic renewable energy alternatives to the rural communities in developing countries where grid connection is prohibitively expensive and not seen as possible for a long time to come.

7. It is hoped that the World Renewable Energy Network will work hand-in-hand with the World Solar Commission and the global community in providing the necessary R&D and rapid commercialisation support for the World Solar Programme. To promote greater utilisation of renewable energy technologies, we must complement each other. In this way, we will not only offer a realistic hope of economic progress to the 2.4 billion people in the developing world, but will also address issues relating to global climate change.

8. In line with our commitment to the Rio Summit, Malaysia signed the Framework Convention on Climate Change in 1994 and the Kyoto Protocol early this year. Notwithstanding the current financial crisis, Malaysia is positive and willing to contribute and play its role in seeking the way forward for a sustainable solution to the concerns of climate change and the economic and social development of our people.

9. For almost two decades, Malaysia has devoted substantial resources towards the development of diverse power generation systems. This is in order to help stabilise electricity prices, reduce the environmental impacts of electricity production and support research & development in renewable energy and

energy efficiency as alternative energy options. It is now timely to accelerate and make necessary preparations to bring these ' fringe' but unique domestic energy options into the mainstream. The technological solutions to harness these options also offer an opportunity for mass production in Malaysia for domestic use and export, thereby offering an opportunity for cost reductions.

10. In this regard, I am happy to announce our plan to study the merits of expanding our current four-fuel strategy by incorporating renewable energy as the fifth fuel. In fact, this Congress comes at the most opportune time as we assess our National Energy Policy towards developing a more sustainable national energy system. The next five-year national development plan, the Eighth Malaysia Plan, will identify appropriate implementation strategies for the development and utilisation of renewable energy sources as an important component of our total energy mix. As a unique domestic resource, recurring savings from energy efficiency programmes will also qualify as renewable energy.

11. Currently, the success of the four-fuel strategy, that includes oil, gas, hydro and coal, is obvious in the electricity sector as shown by the high growth in electricity consumption over the last two decades. Today, the environmentally friendlier gas accounts for over 70 percent of the country' s total electricity generation. However, too much reliance on gas is obviously not wise in the long term. We have to fall back on truly renewable energy source such as hydro. As I have pointed out, we cannot get something for nothing. Hydro power requires some sacrifice in terms of deforestation. But Malaysia is 70 percent covered by forest and tree plantation. The actual areas to be cleared would not affect this percentage much. Yet the electricity generation is less polluting than even gas.

12. Concerted and co-ordinated efforts must therefore be put into motion to begin pre-commercialisation demonstration projects to evaluate the economic viability and ease of implementation of the more promising renewable energy technologies. In this regard, the Government has established a special purpose vehicle, Pusat Tenaga Malaysia (PTM) or Malaysia Energy Centre, to promote and coordinate these efforts among the public and private sectors. This Centre will play an important role to bridge R&D and commercialisation of renewable energy technologies and work with international organisations to build the necessary capacity to implement market-oriented renewable energy and energy efficiency programmes.

13. I must also commend the trustees of the Malaysian Electricity Supply Industry Trust Account (MESITA) for their generosity to contribute substantial funding towards energy efficiency and renewable energy research projects despite current financial difficulties. For the information of our distinguished foreign participants, MESITA was set up in 1997 to serve as the industry' s machinery to meet its social and national obligations. All power generation companies contribute annually, on a voluntary basis, one percent of their total generation revenue towards MESITA. MESITA' s top priority is rural electrification. In addition, MESITA also supports projects on energy efficiency, R&D in renewable energy and human resource development for the electricity

industry.

14. While we act locally, we must also think globally. In line with our commitment to the World Solar Programme, we must work closely with the World Solar Commission to promote the Programme globally. Through the generosity of MESITA, Malaysia has contributed to the World Solar Commission Trust Fund to enable the Commission to implement the World Solar Programme. Besides offering to host the Business and Investment Forum for Renewable Energy in the Asia and the Pacific Region, Malaysia is also keen to set up a regional network for Education, Training and Information Dissemination for renewable energy. This network will support the global network being set up by the World Solar Commission Secretariat based in Paris. We will work with countries in the Asia and the Pacific region with the support of bilateral and multilateral technical support agencies to set up this virtual network.

15. On this note, I hereby officially declare open the World Renewable Energy Congress 1999 Malaysia.