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Secretary General
Ministry of Energy, Green Technology And Water Malaysia
- YBhg Datuk Ir. Ahmad Fauzi Hasan
CEO, Energy Commission
- Ir. Pramod Kumar Karunakaran
President, Malaysian Gas Association
- Distinguished panelists, participants, partners and sponsors from the industry
- Members of the press, ladies and gentlemen

Assalamualaikum wbkt and good morning.

On behalf of the Energy Commission, Malaysian Gas Association, Energy Council of Malaysia and the organising committee, I wish to express our appreciation and gratitude to YBhg Datuk Loo Took Gee, Secretary General, Ministry of Energy, Green Technology And Water Malaysia, for your presence and support to the National Energy Forum 2015.

I would also like to bid a warm welcome to everyone at today's National Energy Forum 2015. So far, we have organized six 'National Energy Forums' and I am pleased that we are able to once again, converge on a platform to communicate and cooperate, exchanging and sharing a pool of ideas and knowledge on the industry, discuss and find solutions to current as well as long standing issues, and more importantly, addressing the need for a secure energy supply for the country.

LADIES AND GENTLEMEN,

The theme "*Sustainable Energy for Malaysia, Where Are We?*" is indeed relevant as we look into the various aspects of the industry that have both direct and indirect impact on the quest for sustainable energy, what with the recent development and unexpected turn of events, especially in the oil price volatilities and the impact and effect this will have on a chain of economic activities and probably lifestyles.

Latest projection by Malaysian Institute for Economic Research puts the real GDP growth for Malaysia ranging from 5.0 to 5.3% in 2014 and 5.3 to 5.4% in 2015. Inherently, the continued growth of a country comes with a heavy demand of an even more extensive supply of energy. In order to achieve or approach the developed economy status by 2020, the average projected demand for electricity is expected to grow at average of 3.1% annually.

In connection to this, competing fuel availabilities and stringent environment demands have raised the alarm for the need to explore alternative and sustainable sources of energy. The keyword is not only weighted on security of supply but must now incorporate efficiency and sustainability. Ecologically sustainable resource is talked about as the sequel to fossil fuel. As fossil fuel supplies around the world becomes more scarce, the need for alternative energy technologies, especially renewable energy, has become increasingly significant.

Generation technologies have exploited and invested into wide-ranging technologies from mini & macro hydropower, biomass and geothermal to solar PVs, biomass gasification, bio-refinery, solar thermal power, rock geothermal power and ocean energy to name a few. Unfortunately, these new technologies come with a

challenging price tag, and with limited capacities and invariably unable to be classified as firm for the present.

However, recent research and development advances have made some of these new technologies more affordable and accessible. And it is at forums such as today's that we pave the way for such advances to take place, on our shores.

LADIES AND GENTLEMEN,

Sustainable Energy for Malaysia: Where Are We? This question couldn't have been asked at any better time but now.

We are all aware that the regulation of energy resources includes price subsidy at some point. Controlled subsidy per se is not uncommon as a public policy worldwide but continued adoption of the regime may well have exceeded its original intention and some will argue that this has led to inefficient consumption which then contributes to the rate of consumption and thereby depletion of energy resources. Price reforms for energy in Malaysia, may therefore, be the first step towards ensuring a more sustainable energy supply. Will floating the local energy price to the world market price ensure long term energy security? The pros and cons of such a policy will be debated for a long time. But certainly, alternatives and substitutes must be considered for a more predictable and sustainable energy projection.

As for Malaysia, the question stands - are the energy resources enough for self-sufficiency and hence sustainability. Definitely we do need to step up concerted efforts inculcating innovative solutions that can lead Malaysia towards self-sufficiency. Plans are indeed being continually reviewed to ease the dependency on any one fuel, be it gas, coal or oil. Initiatives would include exploring marginal fields within the shores of Malaysia and abroad. Again, there is that co-relation between the price of energy sources, supply and demand to consider in discussing self-sufficiency and affordability. Perhaps we could look at some other nations, who may accept to be import-dependent on their national fuel mix whilst adopting other best practices around the world.

On that note, we are also lucky to have with us today two leading figures in the industry, lending their expertise to our discussions. Mr Nabuo Tanaka, the Global Associate for Energy Security and Sustainability, Institute of Energy Economics, Japan will be sharing with us his experience in Global Energy Challenges and Dr Dejan Ostojic, Lead Energy Specialist for East Asia and the Pacific, World Bank will be speaking on Energy Sustainability and Impact on Society later today. Their expertise and experience, I am sure, will be valuable input for our discussions throughout the forum today.

No doubt, innovation and technology are inevitably instrumental in achieving self-sufficiency. The process from exploration production, delivery and final consumption of energy has become more efficient with the advances in innovation and technology. As I have alluded to earlier, the revolution of power generation has developed in

leaps and bounds with the advancement of technology, thus making efficiency is a prime consideration for investment decision and hopefully enabling the drive towards better sustainability.

We at the Energy Commission have actually adopted a matrix to incorporate all these variables affecting

- i) acceptability of technologies,
- ii) availability of fuels,
- iii) accessibility and affordability in our capacity development planning options. It is also pertinent to mention that environmental considerations are also tabled in for our ranking of recommended options.

As we aspire to move up to a developed nation status, energy security will have to remain high on the Government's agenda. Malaysia's energy security is dependent not only on developing our indigenous energy resources but also on diversifying our energy supplies from foreign sources, in a more systematic and optimal manner.

In order to achieve the intended outcome, collaborations between organisations, policymakers, businesses and intellects are necessary to bring about the strategies and changes in managing energy policies. I believe the combination of key figures from the KeTTHA, EPU, industry, relevant partners and other experts within the industry as we have today will bear some very positive and promising outcome for the benefit of consumers and producers and our future generations.

As we acknowledge the presence of the experts in the industry, we are also honoured to have the support of our Platinum Sponsors - *TNB, General Electric and Siemens Malaysia*, Gold Sponsors- *Murphy Sarawak Oil Co. Ltd, Hong Leong Investment Bank, Sarawak Energy Berhad, Daelim Industrial Co. Ltd* and other sponsors who are also keen to see the successful outcome of this forum.

LADIES AND GENTLEMEN

In conclusion, delivering a sustainable energy future for Malaysia will be of paramount importance and this will not be very different from the approaches in other countries. Critical issues surrounding energy security, climate change, energy prices, subsidy rationalisation, reliability and intermittency of renewable energy plants, and initiatives for energy efficiency and demand side management will be feature as important criteria in our quest for sustainability.

I hope today's discussion will delve into the complexities, and probable solutions towards addressing these issues and help to strengthen the coalition between all stakeholders towards building a more resilient energy future as an enabler towards sustainable growth for Malaysia.

With that note, once again on behalf of the organising committee, our utmost appreciation to YBhg Datuk for officiating this forum and also to all the speakers and participants, I hope you all will have a productive and insightful discussions.

Sekian, wasalam and thank you.