

# SESB's Perspective on “Challengers and Prospects in Enhancing Malaysia Energy Security”

Presenter :  
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Senior General Manager (Asset Development)

**28 February 2012**

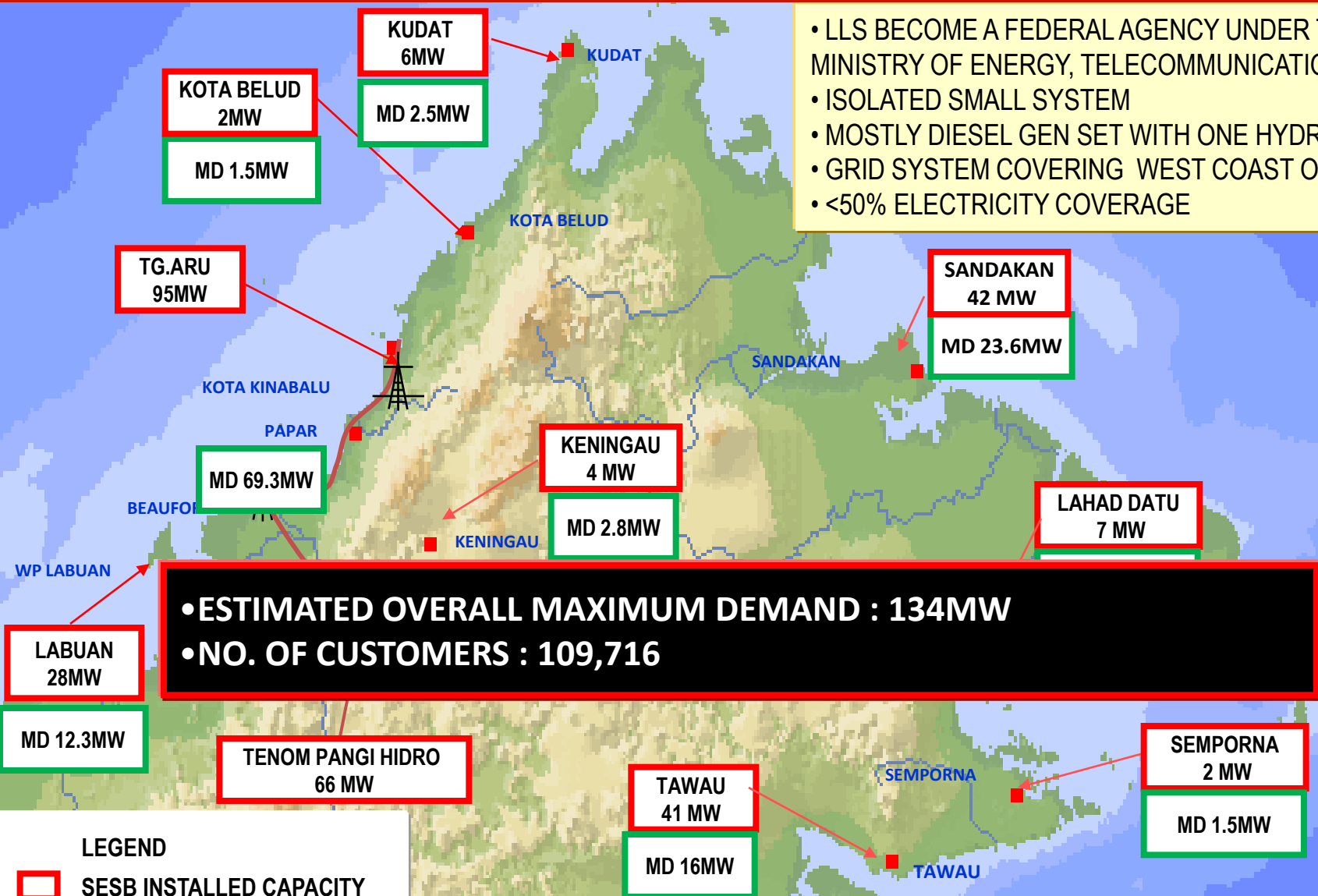
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- **SUPPLY AND DEMAND GROWTH**
- **CAPITAL INVESTMENT & OPERATING SUBSIDY**
- **WAY FORWARD**
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  - **RENEWABLE ENERGY DEVELOPMENT**
  - **DEMAND SIDE MANAGEMENT**
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# SUPPLY & DEMAND GROWTH

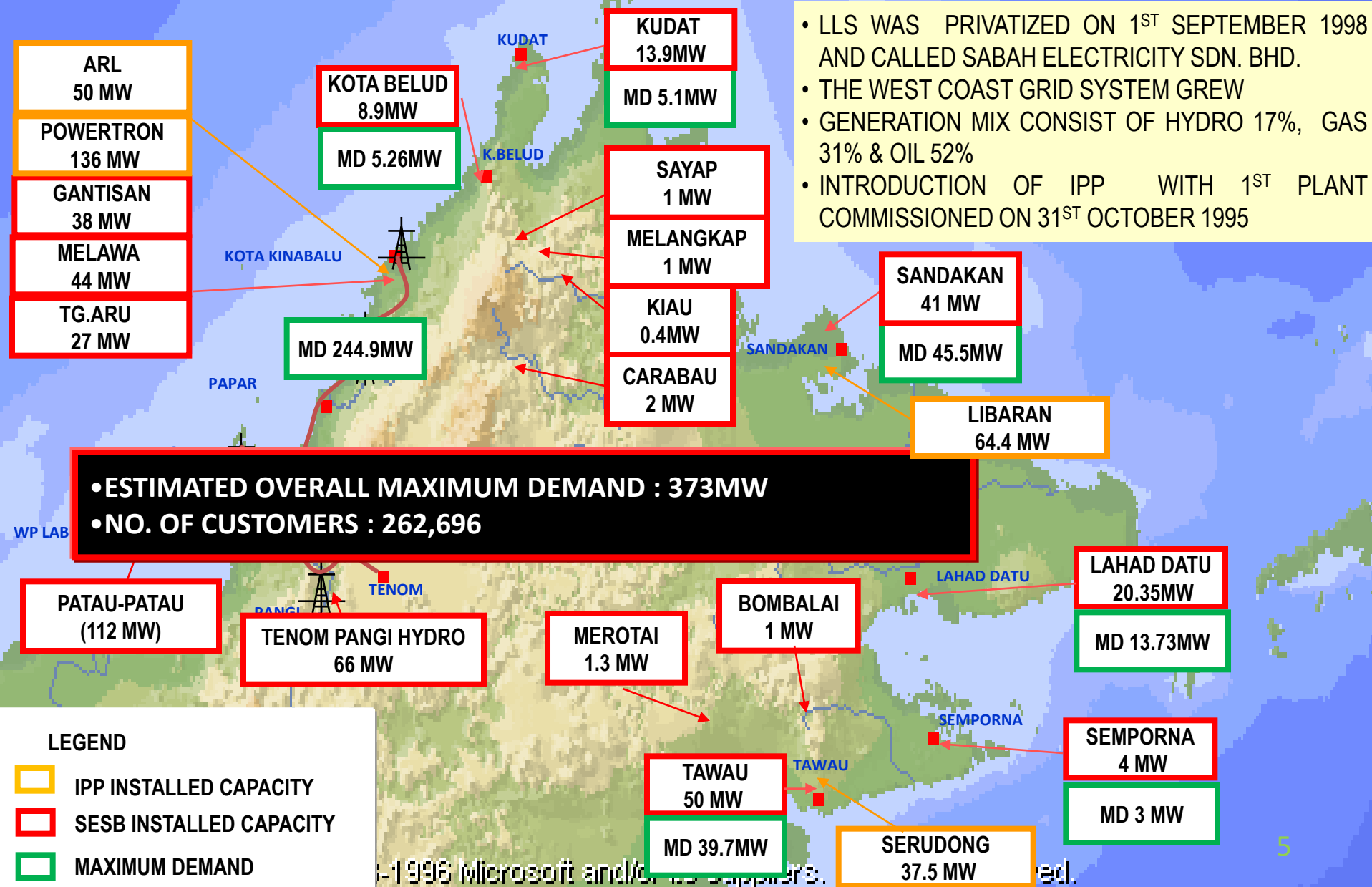
# ELECTRICITY SUPPLY SYSTEM SABAH 1984

- LLS BECOME A FEDERAL AGENCY UNDER THE MINISTRY OF ENERGY, TELECOMMUNICATION AND POST
- ISOLATED SMALL SYSTEM
- MOSTLY DIESEL GEN SET WITH ONE HYDRO
- GRID SYSTEM COVERING WEST COAST ONLY
- <50% ELECTRICITY COVERAGE



# ELECTRICITY SUPPLY SYSTEM SABAH 1998

- LLS WAS PRIVATIZED ON 1<sup>ST</sup> SEPTEMBER 1998 AND CALLED SABAH ELECTRICITY SDN. BHD.
- THE WEST COAST GRID SYSTEM GREW
- GENERATION MIX CONSIST OF HYDRO 17%, GAS 31% & OIL 52%
- INTRODUCTION OF IPP WITH 1<sup>ST</sup> PLANT COMMISSIONED ON 31<sup>ST</sup> OCTOBER 1995



**LEGEND**

- IPP INSTALLED CAPACITY (Yellow box)
- SESB INSTALLED CAPACITY (Red box)
- MAXIMUM DEMAND (Green box)

# ELECTRICITY SUPPLY SYSTEM SABAH ( As of Dec 2011)

- SUTERA 38 MW
- ARLT 50 MW
- TELUK SALUT 212 MW
- SBPC 112 MW
- RUGADING 205 MW
- MELA WA 44 MW
- KK RENTAL SETS 21.7MW

- ESAJADI SG.PANGAPUYAN 4.8 MW
- ESAJADI SG.KADAMAIAN 2.1 MW

- SEGUNTUR BIOENERGY & KINA BIOPOWER 23 MW
- SPC 34 MW
- LIBARAN 64.4 MW

- WEST & EAST COASTS INTER-CONNECTED IN 2007
- GENERATION MIX CONSIST OF HYDRO 9%, GAS 67%, BIOMASS 3% & OIL 21%
- ELECTRIFICATION COVERAGE OF 81.5%

- LABUK, SANDAKAN 9.4 MW
- BATU SAPI, SANDAKAN 45 MW

- GANTISAN, SANDAKAN 38 MW
- SIM-SIM RENTAL SETS 20 MW

- LAHAD DATU 21.5 MW
- LAHAD DATU POIC RENTAL SETS 20 MW

**• SYSTEM MAXIMUM DEMAND ACHIEVED : 830MW**  
**• NO. OF CUSTOMERS : 464,053**  
**• SAIDI CY: SECTOR 1 (307.66) ; SECTOR 2 (632.28); SECTOR 3 (990.80)**  
**• SABAH SAIDI YTD :494.57**

- PATAU-PATAU 112 MW

- TENOM PANGI 66 MW

- TSH BIOENERGY 14 MW

- SEMPORNA 6 MW

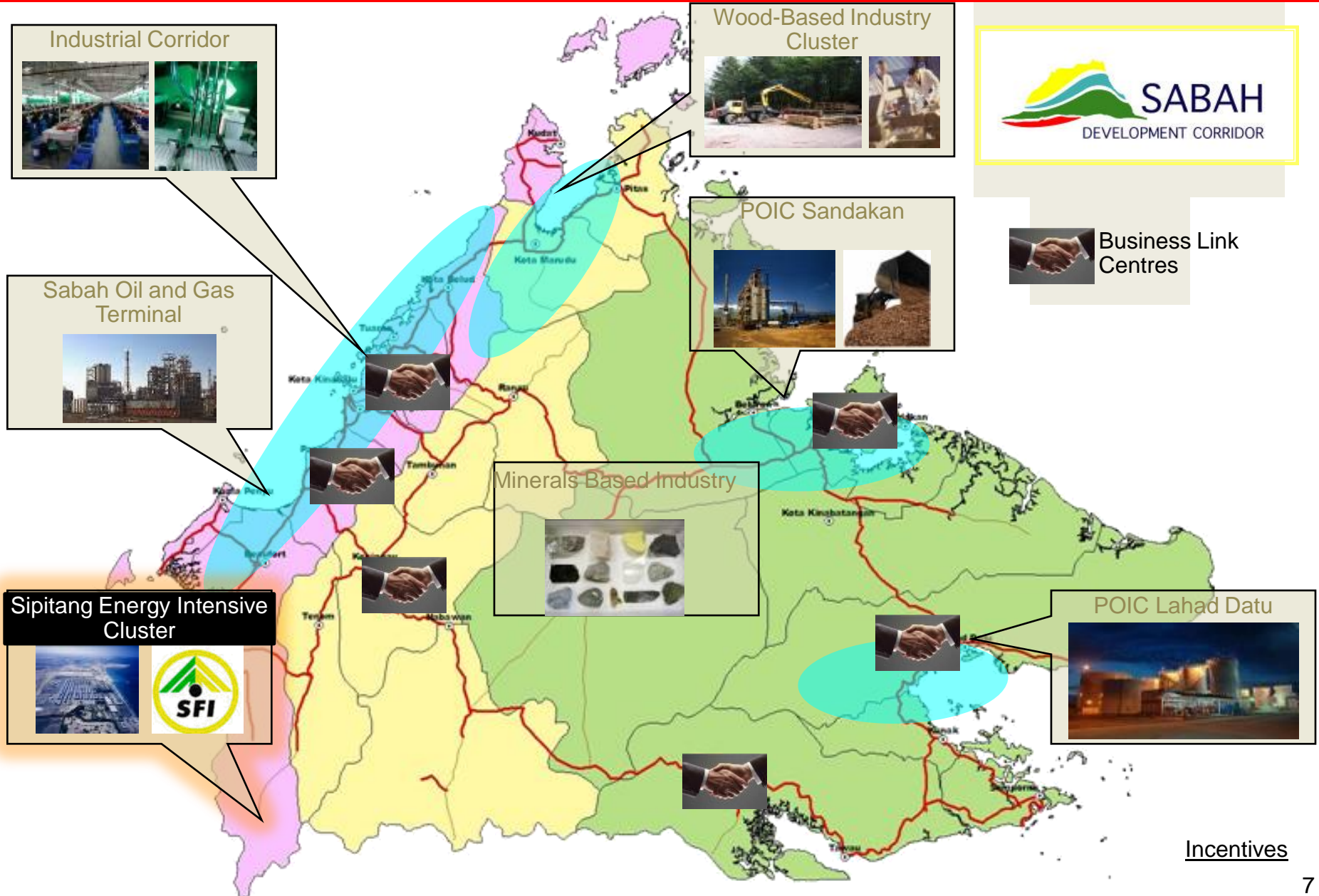
- TAWAU 64 MW
- TAWAU PASIR PUTIH RENTAL SETS 21.2 MW

- SERUDONG 37.5 MW

**LEGEND**

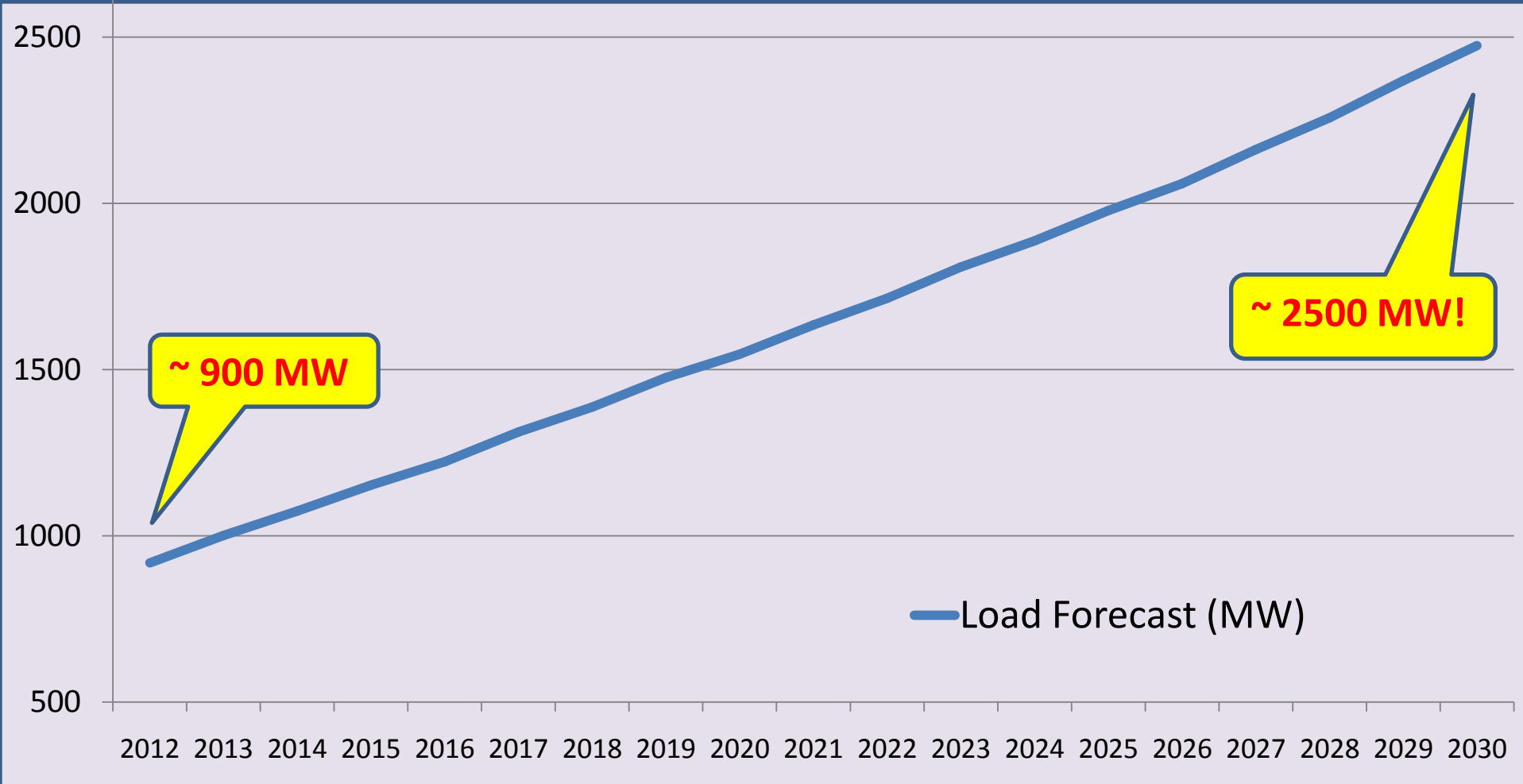
- IPP INSTALLED CAPACITY
- SESB INSTALLED CAPACITY

# MANUFACTURING: Sabah will leverage its natural resources as feedstock to capture value in downstream activities



Incentives

# Load Forecast 2012-2030



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Load Forecast (MW)	918	1,001	1,074	1,152	1,223	1,312	1,387	1,476	1,546	1,634	1,714	1,808	1,887	1,978	2,059	2,162	2,257	2,369	2,474

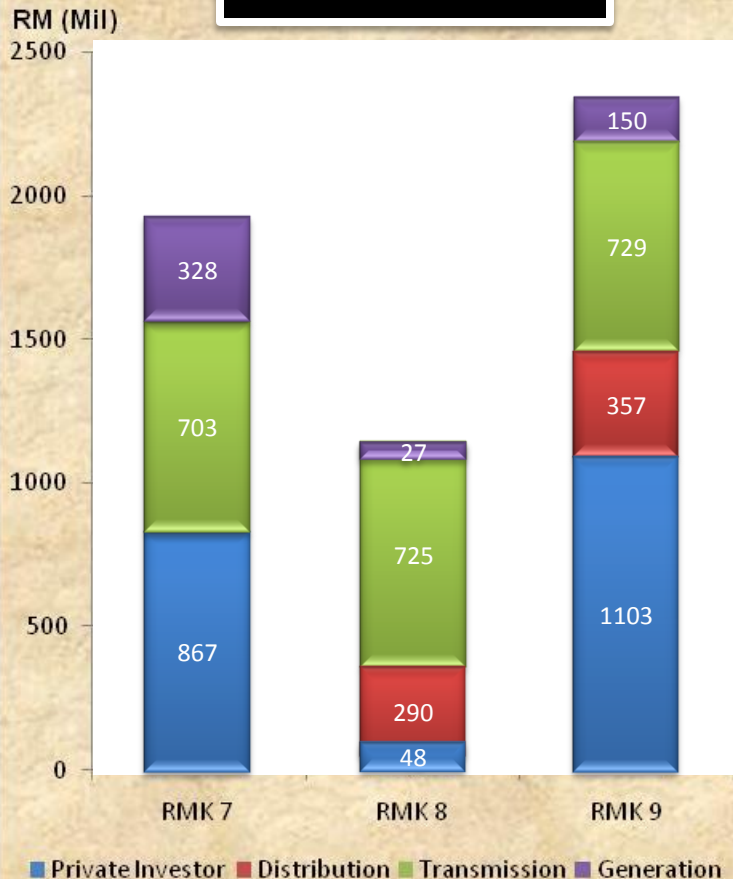


# CAPITAL INVESTMENT & OPERATING SUBSIDY

# Capital Investment (CAPEX)

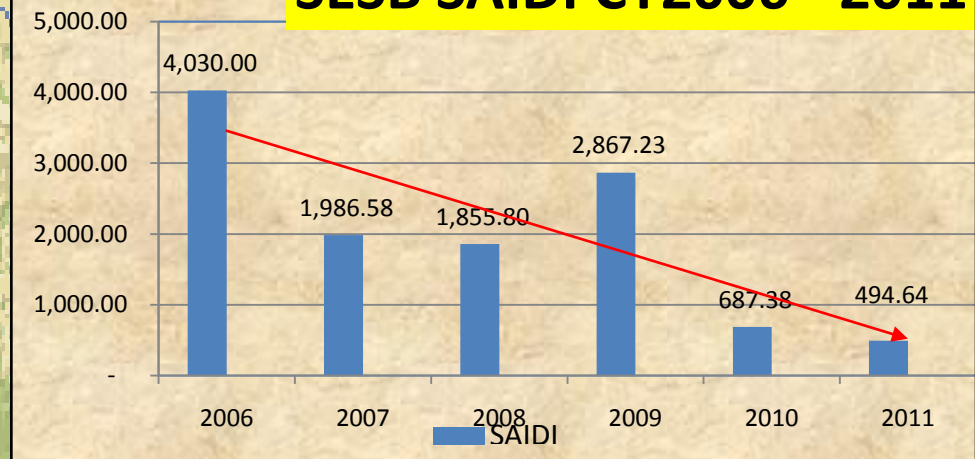
- Over the last 15 years a total of RM 5.3 Billion had been invested by the Government and Private Investor in the development of Generation, Transmission, Distribution Projects And IPP/SREP projects.

## Capex Funding

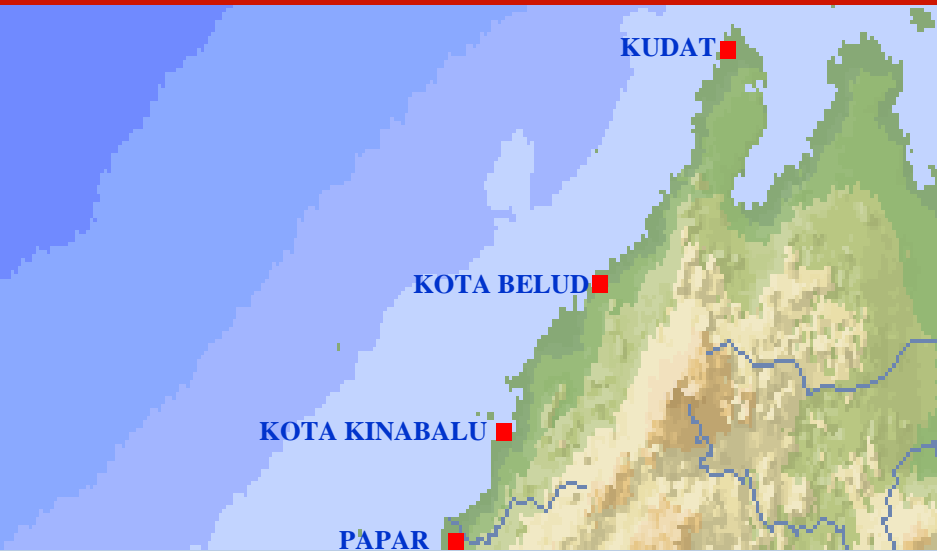


- IN 2010 a special budget allocation of **RM 419.5 Mill** for the '**SAIDI 700**' was approved by the Government. Subsequently **RM200Mill** in 2011 under '**SAIDI 477**' and **RM88Mill** in 2012 for '**SAIDI 367**'.

## SESB SAIDI CY2006 - 2011

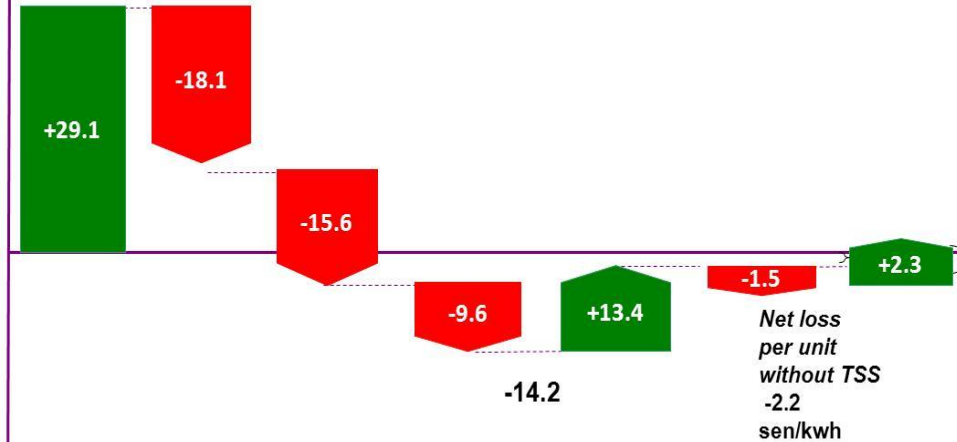


# Cost of Production (OPEX)



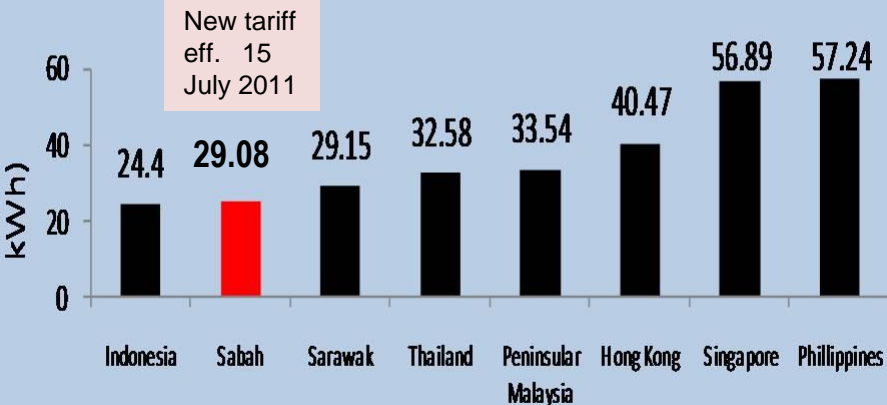
## Expected Cost of Production Vs. Tariff (FY2012)

Per unit cost analysis (FY2012)  
(sen/kWh)

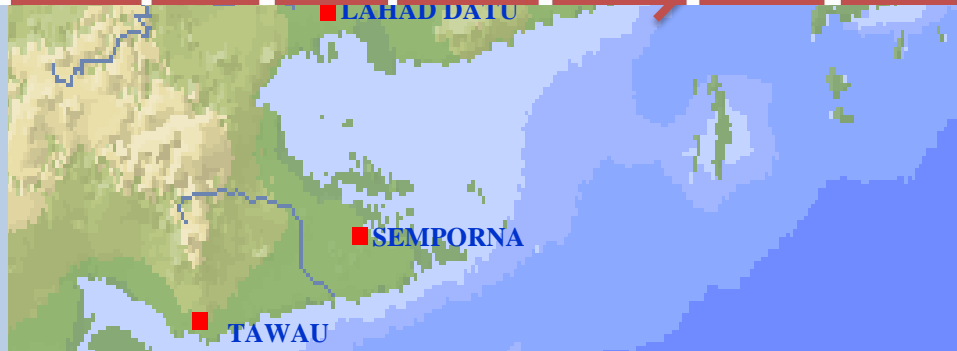


## Tariff Comparison – SESB vs Others

Sabah tariff is among the lowest despite its higher cost structure (higher fuel costs, large area, lower consumer density).



FY2012 Avg Tariff	IPP Payments	SESB Fuel	SESB O&M	Fuel Support Subsidy	Interest Expense	Tariff Support Subsidy
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# Operating Subsidy

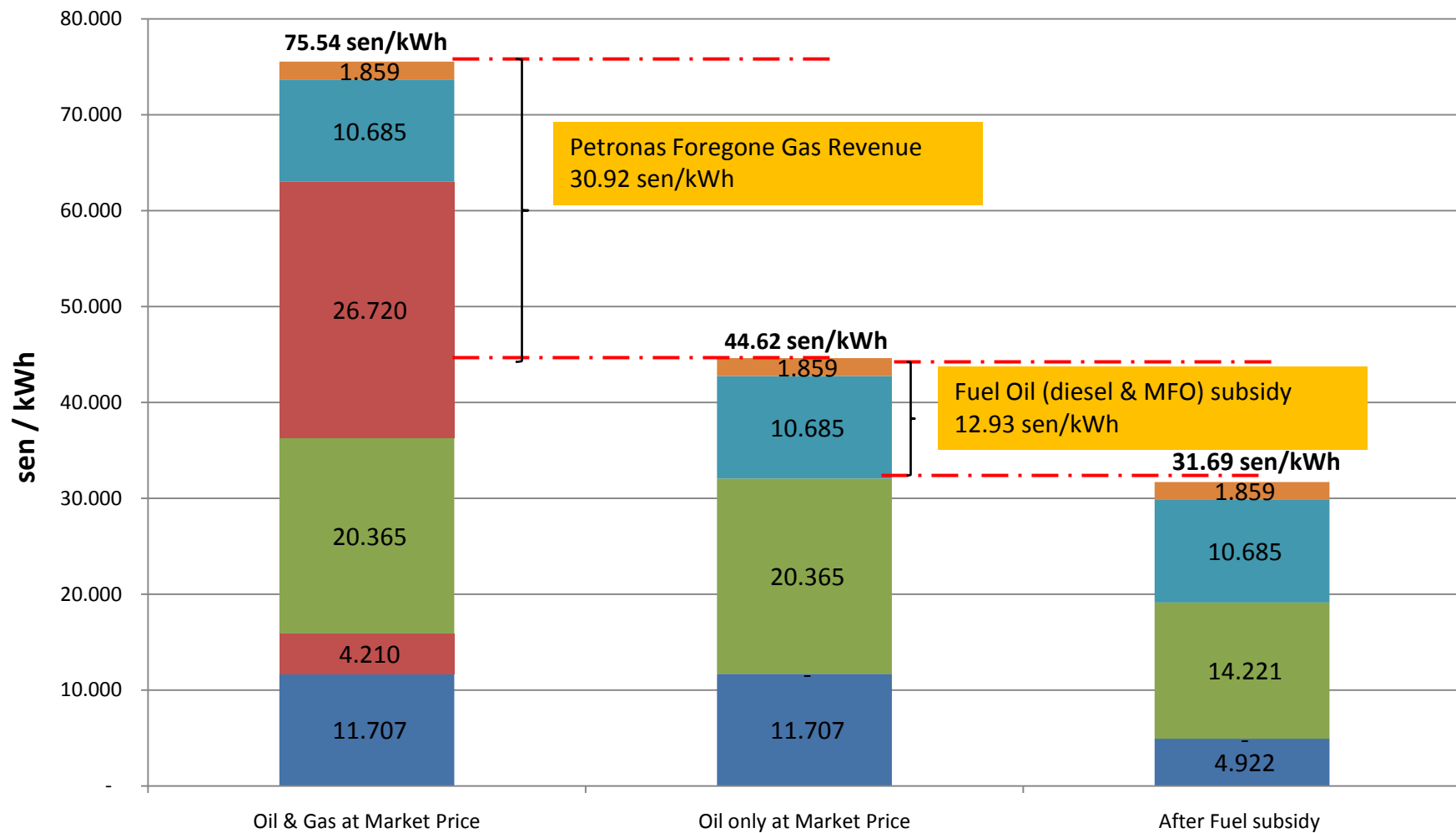
- Since Privatization, SESB had been operating at a loss due to the high IPP and Fuel Payment
- To ease SESB financial burden, the Government had subsidized the fuel oil consumed, whereby SESB will be reimbursed for fuel payment on Medium Fuel Oil (MFO) and Diesel Fuel Oil (DFO) above the prices of RM 0.42/liter and RM 0.495/liter respectively used by both IPP and SESB.
- Under the fuel pass through mechanism for IPP running on MFO, the IPP are required to pay for the used of MFO at market priced, SESB will pay the IPP based on the weighted average cost of fuel (RM/GJ) delivered to the IPP, SESB will then be reimbursed to cost of fuel base on the fuel support subsidy mechanism.

KUDAT

SEMPORNA

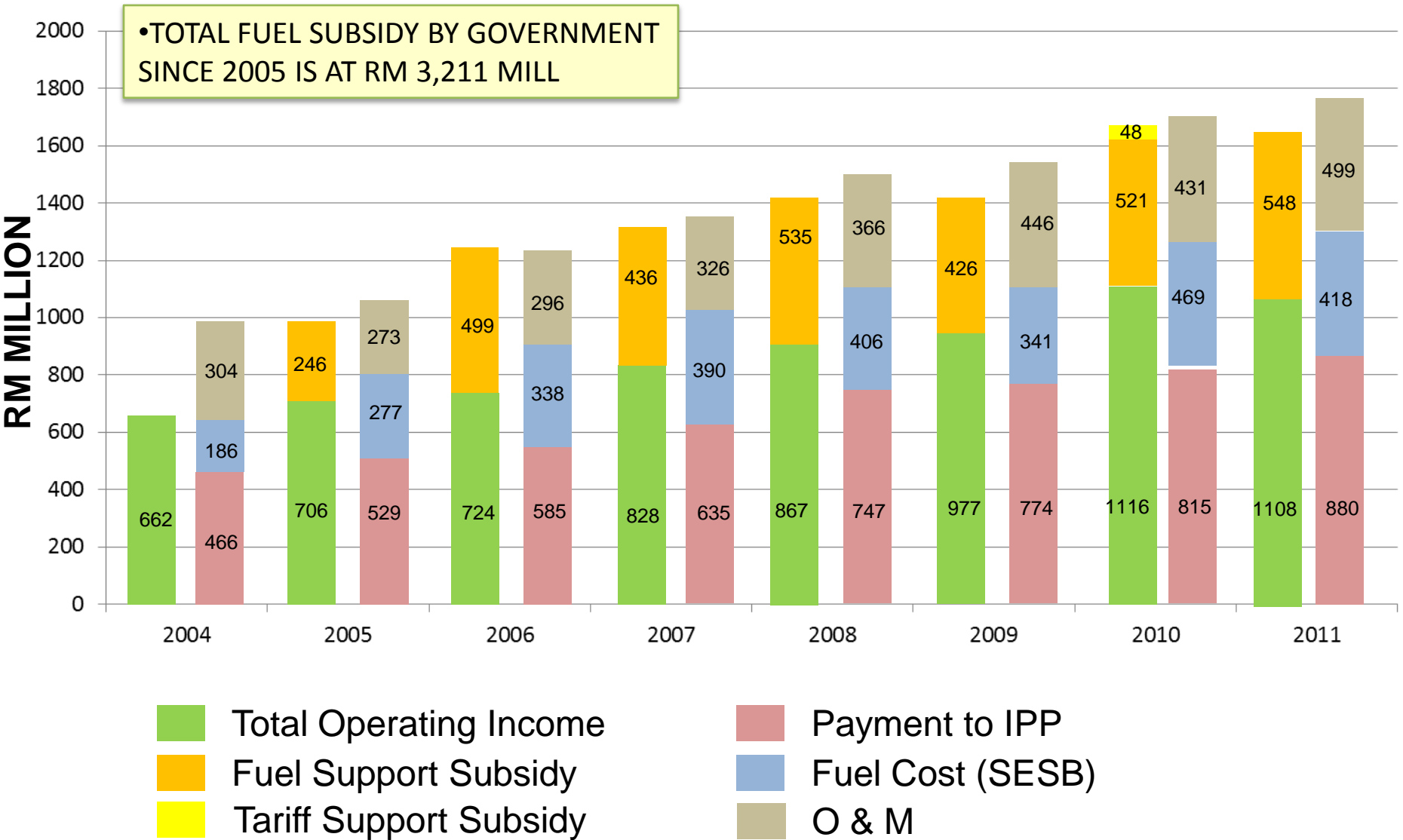
TAWAU

# SESB COST OF SUPPLY BY COST COMPONENT FY2010



- Fuel Cost (SES)
- Petronas Foregone Gas Revenue (SES)
- Payment IPP
- Petronas Foregone Gas Revenue (IPP)
- O&M (non fuel)
- Finance Cost

# Actual Financial Status 2004 - 2011



# FINANCIAL PROJECTIONS WITH TARIFF INCREASE

## NEVERTHELESS GOV SUBSIDY STILL REQUIRED (FUEL SUBSIDY AND TSS)

SUMMARY INCOME STATEMENT									
FINANCIAL YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020
	RM Million								
<b>REVENUE</b>									
Sale of Electricity	1,383	1,492	1,796	1,923	2,053	2,405	2,554	2,706	3,146
Transfer from consumer contribution	46	43	41	39	38	34	30	26	23
Goods and Services	33	33	30	27	29	29	29	30	29
<b>Total Revenue</b>	<b>1,462</b>	<b>1,569</b>	<b>1,866</b>	<b>1,990</b>	<b>2,120</b>	<b>2,469</b>	<b>2,613</b>	<b>2,762</b>	<b>3,197</b>
<b>OPERATING COST</b>									
Fuel Cost (SESB)	743	1,033	863	45	9	14	11	16	22
Payment to IPP	860	885	997	2,019	2,149	2,144	2,356	2,380	2,352
O & M	458	504	547	594	673	669	734	803	836
<b>Total Operating Costs</b>	<b>2,061</b>	<b>2,422</b>	<b>2,406</b>	<b>2,659</b>	<b>2,832</b>	<b>2,827</b>	<b>3,101</b>	<b>3,199</b>	<b>3,210</b>
<b>Operating Profit/(Loss)</b>	<b>(598)</b>	<b>(853)</b>	<b>(540)</b>	<b>(669)</b>	<b>(711)</b>	<b>(359)</b>	<b>(488)</b>	<b>(437)</b>	<b>(13)</b>
Fuel subsidy (diesel & MFO)	641	870	729	33	-	-	-	-	-
Tariff Support Subsidy	111	160	15	860	972	658	820	808	403
Transfer from Govt development grant	43	40	38	35	33	32	30	29	27
Other Operating Income	16	17	17	17	17	17	17	18	18
Interest on Loan	(70)	(91)	(118)	(127)	(161)	(187)	(229)	(263)	(297)
<b>Net Profit/(Loss) before tax</b>	<b>143</b>	<b>143</b>	<b>141</b>	<b>150</b>	<b>150</b>	<b>161</b>	<b>151</b>	<b>155</b>	<b>139</b>
<b>RORB</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>

### Assumption:

1	20% Capex funded by Government Soft loan	
2	Gas at subsidized price (RM/mmBTU)	6.40
3	LNG Price (2015 to 2020) (RM/mmBTU)	47.47
4	Tariff Increase in 2014 12%, 2017 10% and 2020 10%	
5	LNG plant using KPSB tariff	

LNG at market price

# FINANCIAL PROJECTIONS WITH TARIFF INCREASE

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Fuel Cost (SESB)	743	1,033	863	45	9	14	11	16	22
Payment to IPP	860	885	997	1,308	1,441	1,431	1,648	1,668	1,643
O & M	458	504	547	594	673	669	734	803	836
<b>Total Operating Costs</b>	<b>2,061</b>	<b>2,422</b>	<b>2,406</b>	<b>1,947</b>	<b>2,123</b>	<b>2,115</b>	<b>2,393</b>	<b>2,486</b>	<b>2,501</b>
<b>Operating Profit/(Loss)</b>	<b>(598)</b>	<b>(853)</b>	<b>(540)</b>	<b>43</b>	<b>(2)</b>	<b>354</b>	<b>220</b>	<b>276</b>	<b>696</b>
Fuel subsidy (diesel & MFO)	641	870	729	33	-	-	-	-	-
Tariff Support Subsidy	111	160	15	148	262	-	111	94	-
Transfer from Govt development grant	43	40	38	35	33	32	30	29	27
Other Operating Income	16	17	17	17	17	17	17	18	18
Interest on Loan	(70)	(91)	(118)	(126)	(160)	(184)	(224)	(258)	(285)
<b>Net Profit/(Loss) before tax</b>	<b>143</b>	<b>143</b>	<b>141</b>	<b>150</b>	<b>151</b>	<b>219</b>	<b>154</b>	<b>158</b>	<b>456</b>
<b>RORP</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>

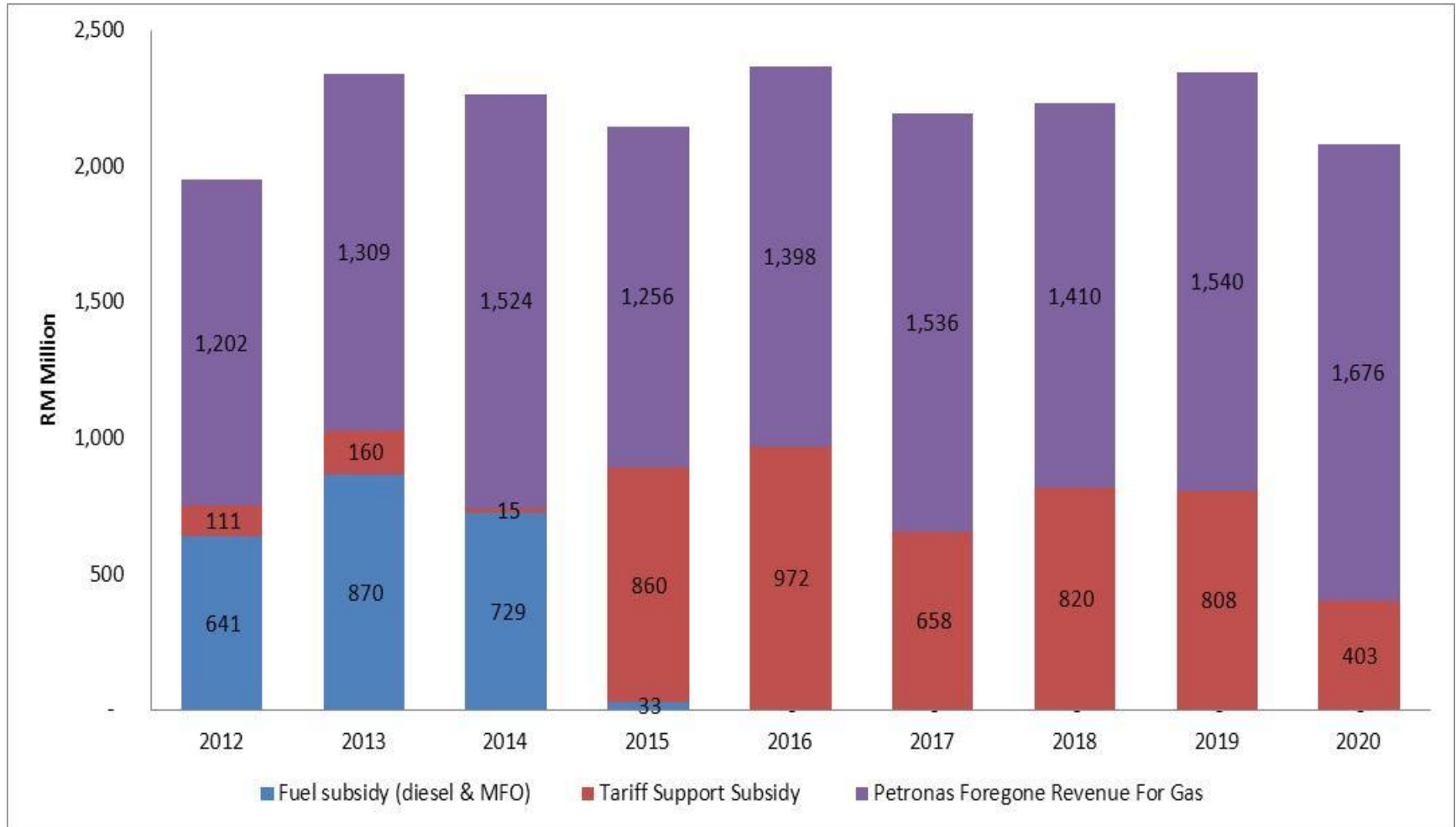
### Assumption:

- 20% Capex funded by Government Soft loan
- Gas at subsidized price (RM/mmBTU) 6.40
- LNG Price (2015 to 2020) (RM/mmBTU) 6.40
- Tariff Increase in 2014 12%, 2017 10% and 2020 10%
- LNG plant using KPSB tariff

LNG subsidized at RM6.40 per mmBTU



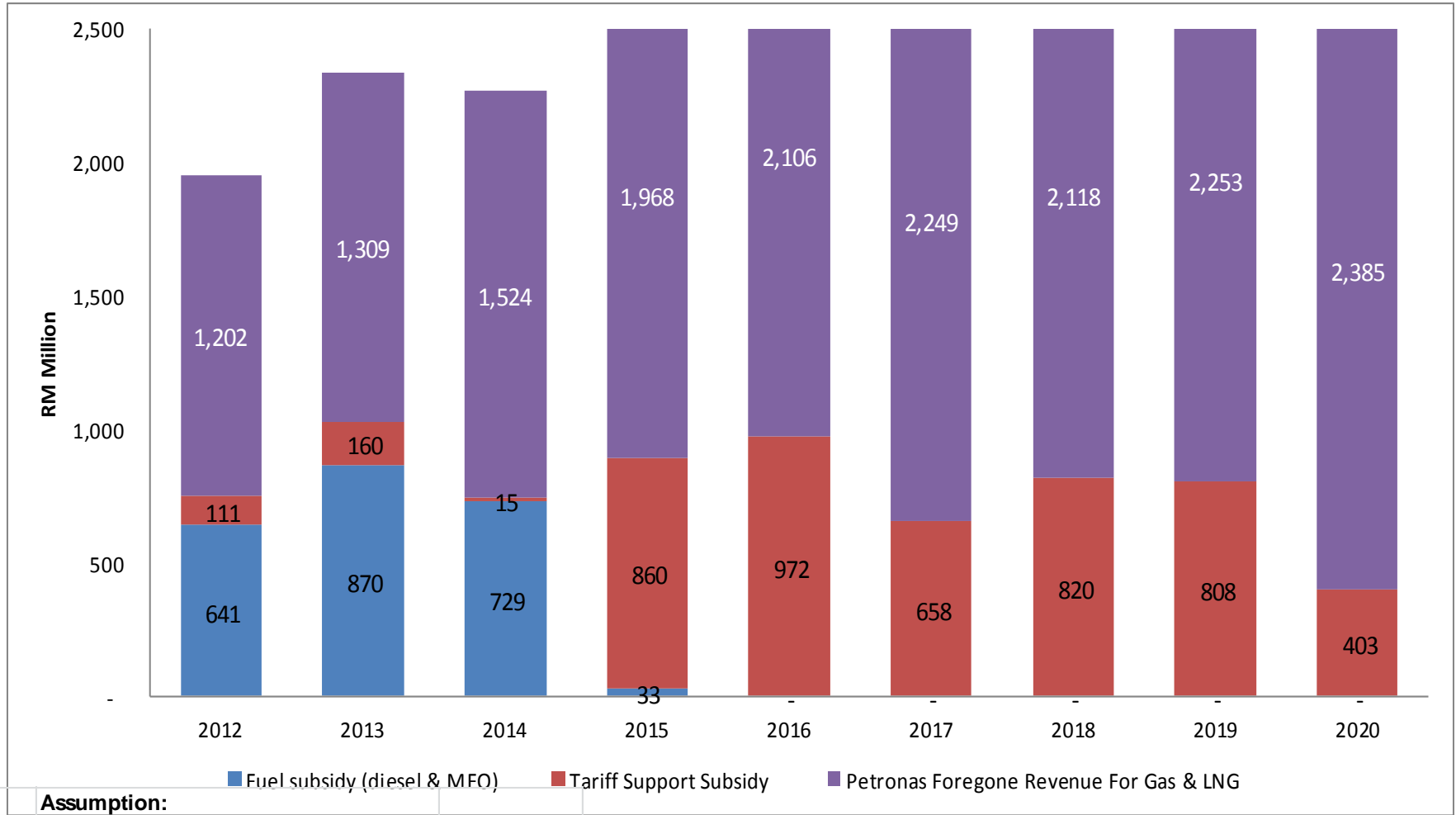
# GOVERNMENT SUBSIDIES & FOREGONE REVENUE FOR GAS – LNG at market price



**Assumption:**

- 1 20% Capex funded by Government Soft loan
- 2 Gas at subsidized price (RM/mmBTU) 6.40
- 3 LNG Price (2015 to 2020) (RM/mmBTU) 47.47
- 4 Tariff Increase in 2014 12%, 2017 10% and 2020 10%
- 5 LNG plant using KPSB tariff

# GOVERNMENT SUBSIDIES & FOREGONE REVENUE FOR GAS – LNG at RM6.40/mmBTU



Assumption:	
1	20% Capex funded by Government Soft loan
2	Gas at subsidized price (RM/mmBTU) 6.40
3	LNG Price (2015 to 2020) (RM/mmBTU) 6.40
4	Tariff Increase in 2014 12%, 2017 10% and 2020 10%
5	LNG plant using KPSB tariff

# Issues and Challenges in Meeting the Electricity Demand

## SESB baiki menara rosak

KOTA KINABALU: Sabah Electricity Sdn Bhd (SESB) akan memulakan kerja-kerja pembaikan pada menara 90 di jalan Tambunan yang merupakan talian penghantaran 275kV.



## Low power tariff impede energy efficiency in Sabah

By CASEY LEE  
casey@newsabahtimes.com.my

KOTA KINABALU: Sabah's low electricity tariff is a barrier to the federal government's efforts to promote energy efficiency in the state. Deputy secretary-general (Energy) of the Ministry of Energy, Green Technology and Water, Look Took Gee, said that the ministry has been aggressively encouraging energy efficiency in line with the Prime Minister's pledge to reduce carbon emissions by 15 percent in 2005 at Copenhagen and to prevent the country from becoming a net importer of power by 2015.



Deputy secretary-general (Energy) Look Took Gee

Look said that the electricity tariff in Sabah has been unchanged for the past 24 years while the tariff in West Malaysia has already been adjusted. "I am not suggesting (a tariff increase) but what I'm trying to say is we have been having so many campaigns to tell the people to embark on energy efficiency and conserve energy but if the tariff is so low, it doesn't really drive the people to save energy," she said.

"In the peninsula, we have already adjusted the tariff and we have told the rakyat, you must do this for the good of your next generation," she told reporters after opening the Green Engineering and Technology (GET) 2010 workshop yesterday.

She added that Sabah needed to address the issue of tariff as it was not sustainable in light of

will understand this predicament of the government. We cannot run away from this reality," she said.

Meanwhile, Look said that the ministry was banning the use of incandescent lights and that

'Penduduk harus...  
...nasan'

## SESB alami kerugian dianggarkan RM4.1j setahun akibat penyambungan haram

OLEH KAMARUDDIN LIUSIN  
(kamaruddin@newsabahtimes.com.my)

KOTA KINABALU: Sabah Electricity Sdn Bhd (SESB) mengalami kerugian dianggarkan RM4.1 juta setahun akibat aktiviti penyambungan haram elektrik secara haram seluruh negeri. Pengarah Urusan SESB, Datuk Ir. Baharin Din berkata, sebulan SESB dianggarkan kerugian RM344,000 yang membabitkan 86 kawasan setinggan di seluruh negeri.



TUNJUKAN...  
Pengurus Besar (Pembahagian) Ir. Ahmad Fuad Kassim menunjukkan alat-alat yang digunakan untuk penyambungan haram bekalan elektrik, turut disaksikan Baharin.

"Ini katanya, dengan anggaran setiap sebuah kawasan setinggan mempunyai antara 200 hingga 300 rumah.

"Bukan sahaja SESB yang menanggung beban, pengguna-pengguna tidak

## Van... challenge for

KOTA KINABALU: Sabah Electricity Sdn Bhd (SESB) said Monday it is a daily challenge faced by it and some local authorities in Sabah, facing power the same category as those along with water supply and cable that.

The General Manager (Distribution) Ahmed Puzi MD Kasim said in a statement that those responsible for the lines of licensed people.

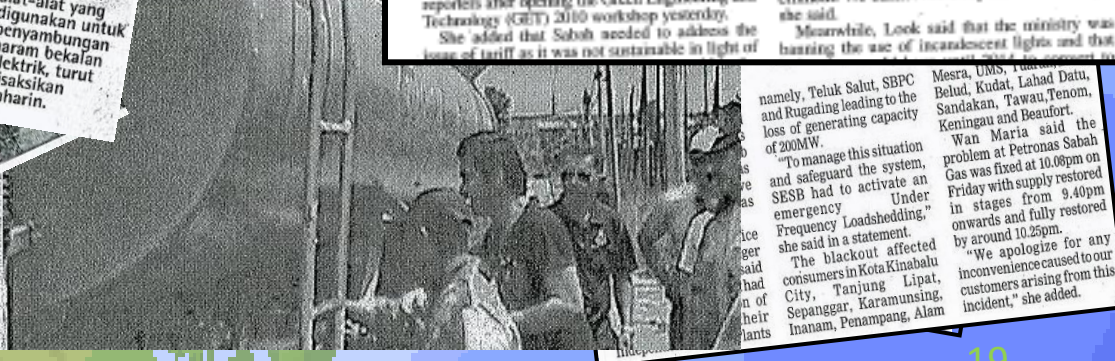
The Sabah SESB and the...

He said the world has to be used to a temporary solution by KK City Hall. As a temporary solution, it will cover the exposed switch box while waiting for the new panel to be installed.

"While repairs in street poles that are located off or best, replacement will be done accordingly," he said.

Ahmad Fuad added that the installation of apparatus at identified hotspots is part of SESB's strategy in addressing street 700 housing by the end of the year.

...said... including an... personnel, were... during a joint... operation by SESB and the Malaysian Anti-Corruption Commission (MACC)



namely, Teluk Salut, SBPC and Rugged leading to the loss of generating capacity of 200MW.

"To manage this situation and safeguard the system, SESB had to activate an emergency Loadshedding. Under Frequency Loadshedding," she said in a statement.

The blackout affected consumers in Kota Kinabalu City, Tanjung Lipat, Sepangar, Karamunsing, Inanam, Penampang, Alam Mesra, UMS, Tuaran, Belud, Kudat, Lahad Datu, Sandakan, Tawau, Tenom, Keningau and Beaufort.

Wan Maria said the problem at Petronas Sabah Gas was fixed at 10.06pm on Friday with supply restored in stages from 9.40pm onwards and fully restored by around 10.25pm.

"We apologize for any inconvenience caused to our customers arising from this incident," she added.

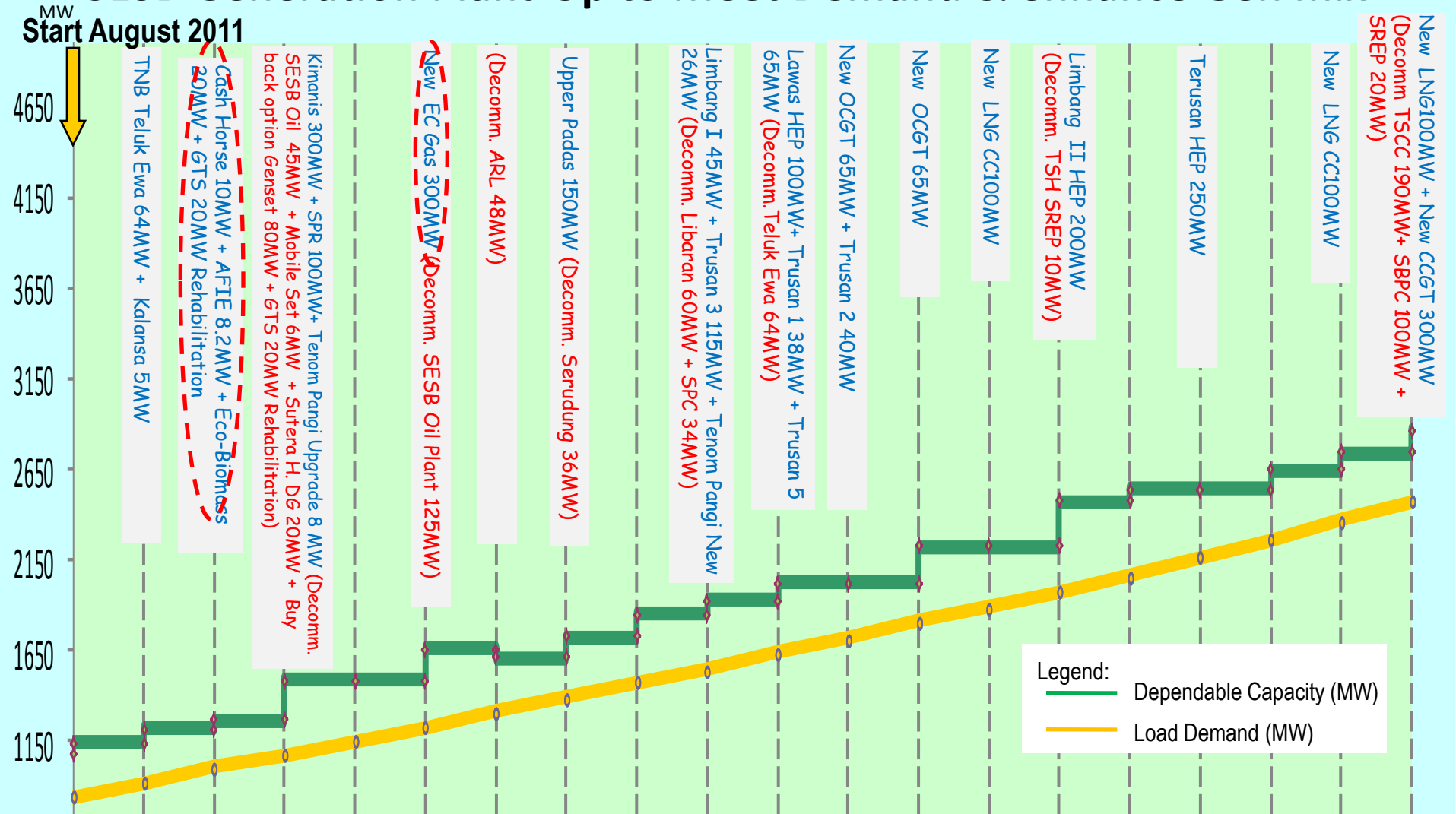
# OTHER OPERATIONAL ISSUES & CHALLENGES

- 2<sup>nd</sup> tiered (CRF) IPP with financial problem & deteriorating performance
- Too much dependency on natural gas (pipeline supplied)
  - DSM & Load Shedding if gas curtailment happened
  - gas estimated to dominate 74% of Sabah Generation Mix in FY2015
- Prohibition in implementing 5 fuel-policy & Limited Future Generation Resources
  - Rejection of Coal Fired Power Plant in Sabah
  - Limited gas allocation to Energy Sector
  - Limited hydro resources
- Escalation of fossil fuel generation cost
  - Retraction of fuel subsidy
  - high IPP tariff
  - high alternative fuel cost i.e LNG
- Funding challenge for hydro projects
  - higher CAPEX however minimal operation cost
  - Stringent International financing requirement
- Reliability issue of RE plants (mini hydro, biomass)

# WAY FORWARD

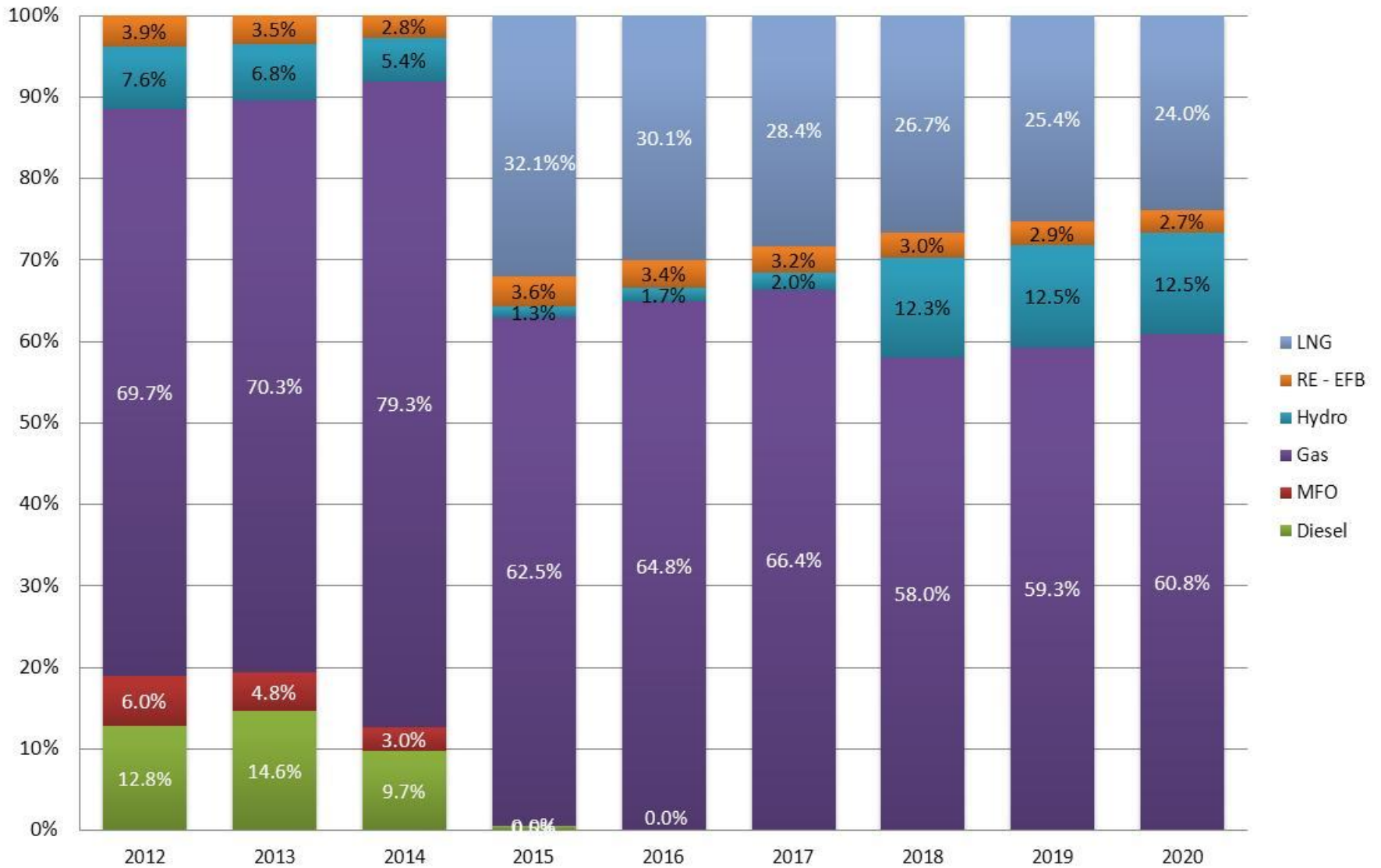
# FUTURE DEVELOPMENT

# SESB Generation Plant-Up to Meet Demand & enhance Gen mix



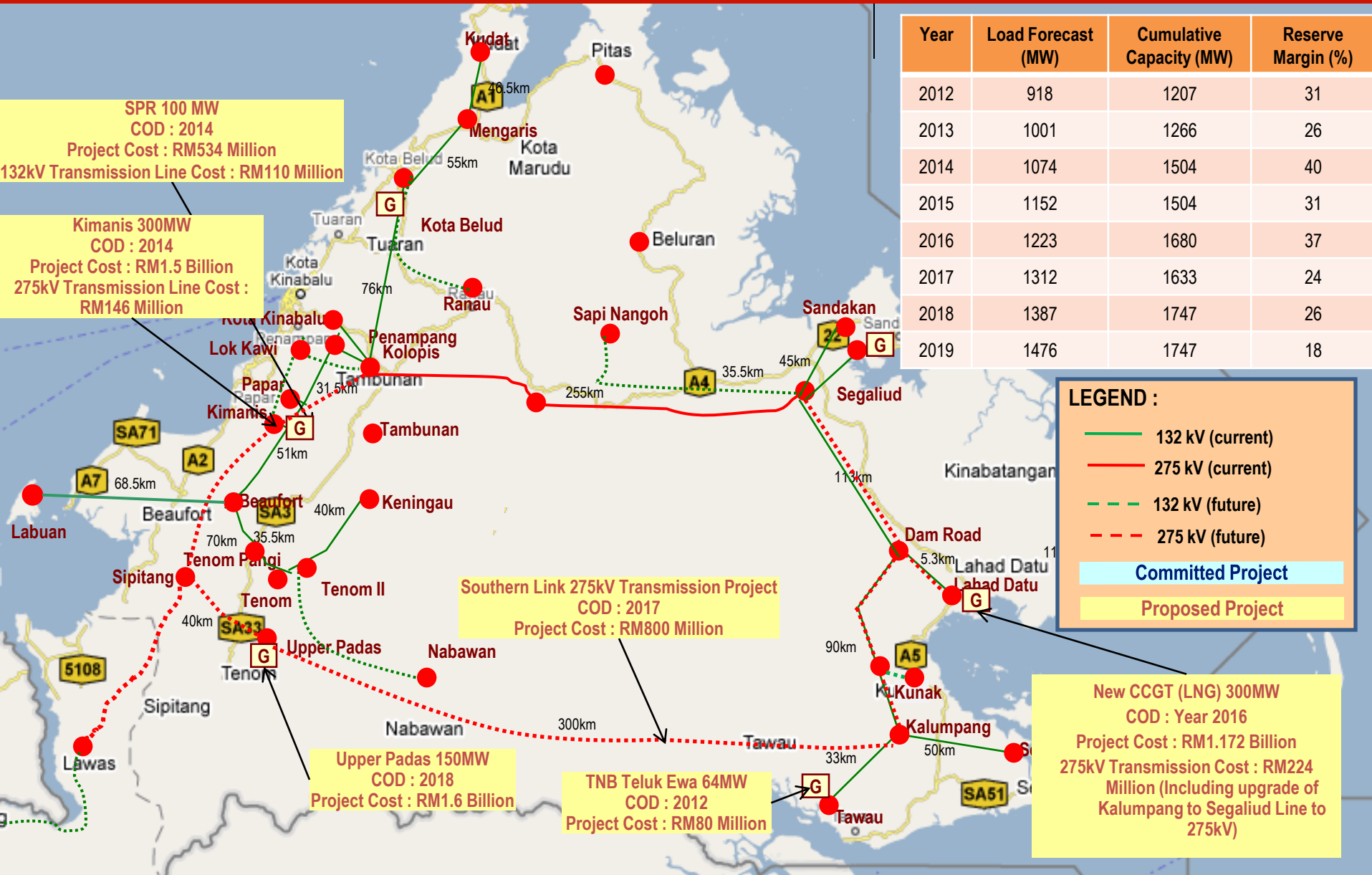
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Load Forecast (MW)	918	1,001	1,074	1,152	1,223	1,312	1,387	1,476	1,546	1,634	1,714	1,808	1,887	1,978	2,059	2,162	2,257	2,369	2,474
Dependable Capacity (MW)	1,207	1,266	1,504	1,504	1,680	1,633	1,747	1,747	1,841	1,980	2,085	2,150	2,250	2,440	2,440	2,690	2,690	2,790	2,880
R. Margin (%)	31%	26%	40%	31%	37%	24%	26%	18%	19%	21%	22%	19%	19%	23%	19%	24%	19%	18%	16%
LOLE (days/year)	0.745	1.504	0.099	0.427	0.055	0.489	0.204	0.891	1.409	0.770	0.748	1.248	1.121	0.168	0.726	0.037	0.237	0.336	0.456

## Generation Mix by Fuel Type

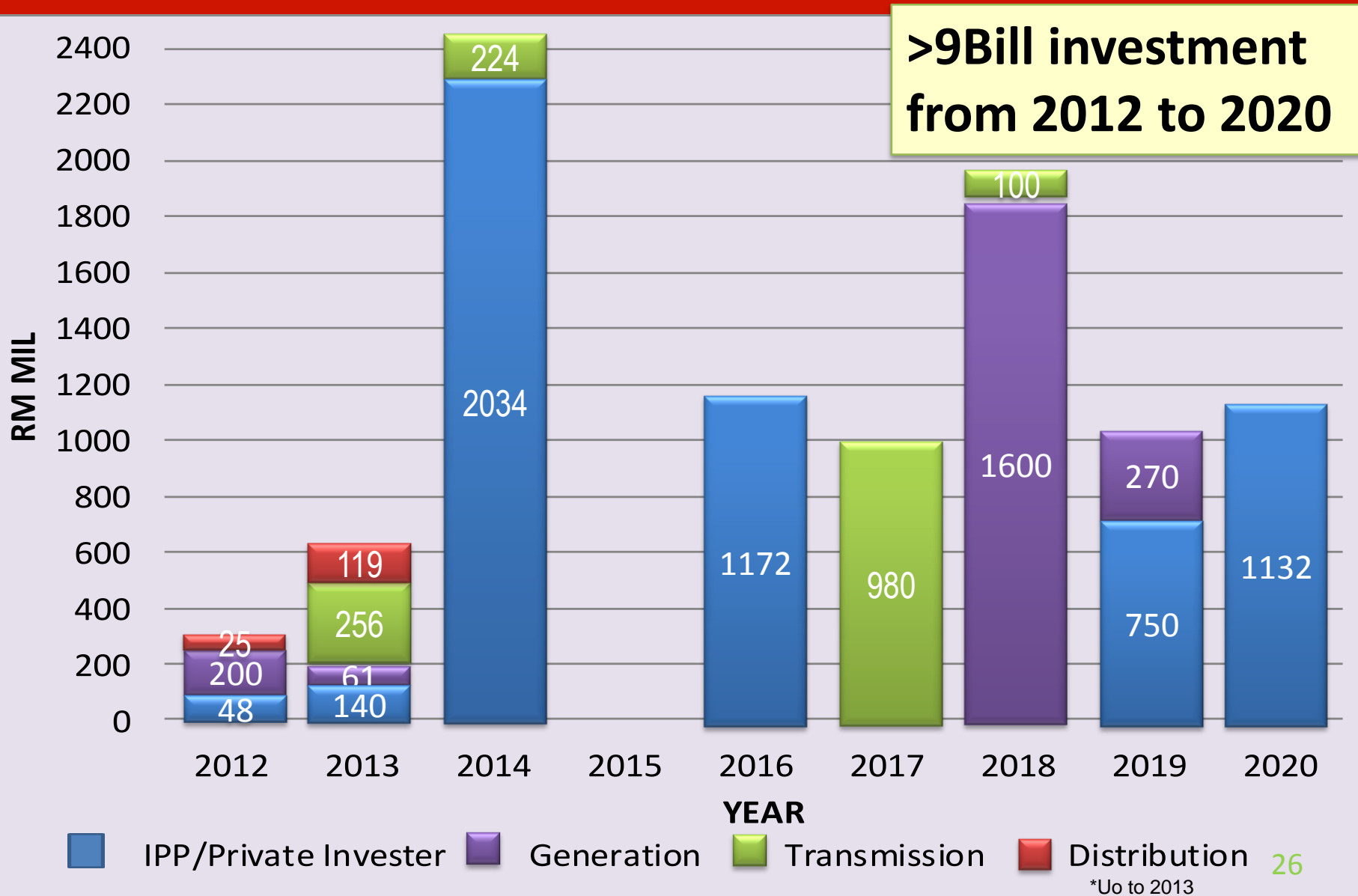




# Generation & Transmission Planning Up to 2019

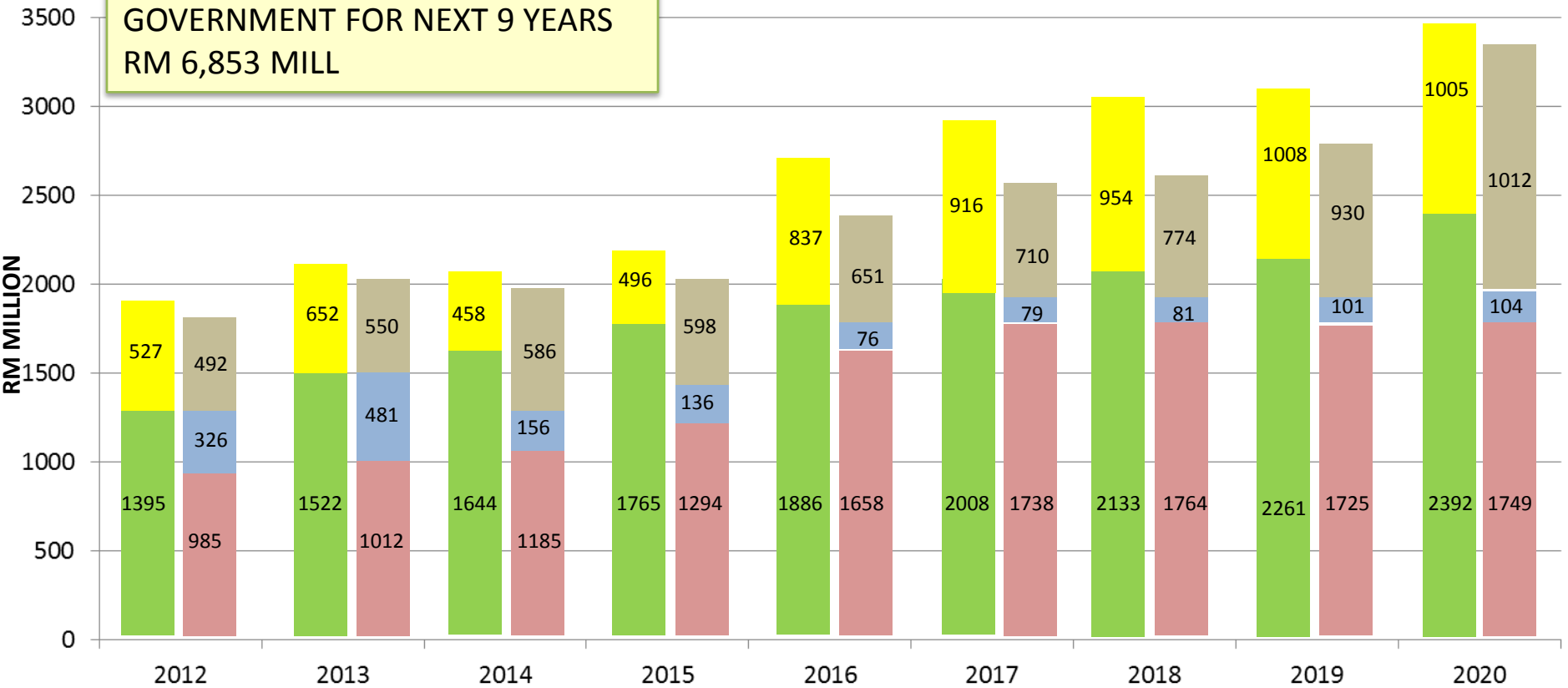


# Generation, Transmission & Distribution Projects



# Projected Financial Status 2012 - 2020

• FUTURE SUBSIDY NEEDED FROM GOVERNMENT FOR NEXT 9 YEARS  
RM 6,853 MILL



■ Total Operating Income  
■ Government Support Subsidy  
 FSS & TSS

■ Payment to IPP  
■ Fuel Cost (SES)  
■ O & M

# RENEWABLE ENERGY DEVELOPMENT

# RENEWABLE ENERGY DEVELOPMENT IN MALAYSIA

## 8<sup>th</sup> Malaysia Plan (2001 - 2005)

- RE as the 5th Fuel
- Implied 5% RE in energy mix

## 9<sup>th</sup> Malaysia Plan (2006 – 2010)

- **Targeted RE capacity to be connected to power utility grid:**
  - 300 MW – Peninsular Malaysia; 50 MW - Sabah
- **Targeted power generation mix:**
  - 56% natural gas, 36% coal, 6% hydro, 0.2% oil
  - 1.8% Renewable Energy
- Carbon intensity reduction target: 40% lower than 2005 levels by 2020

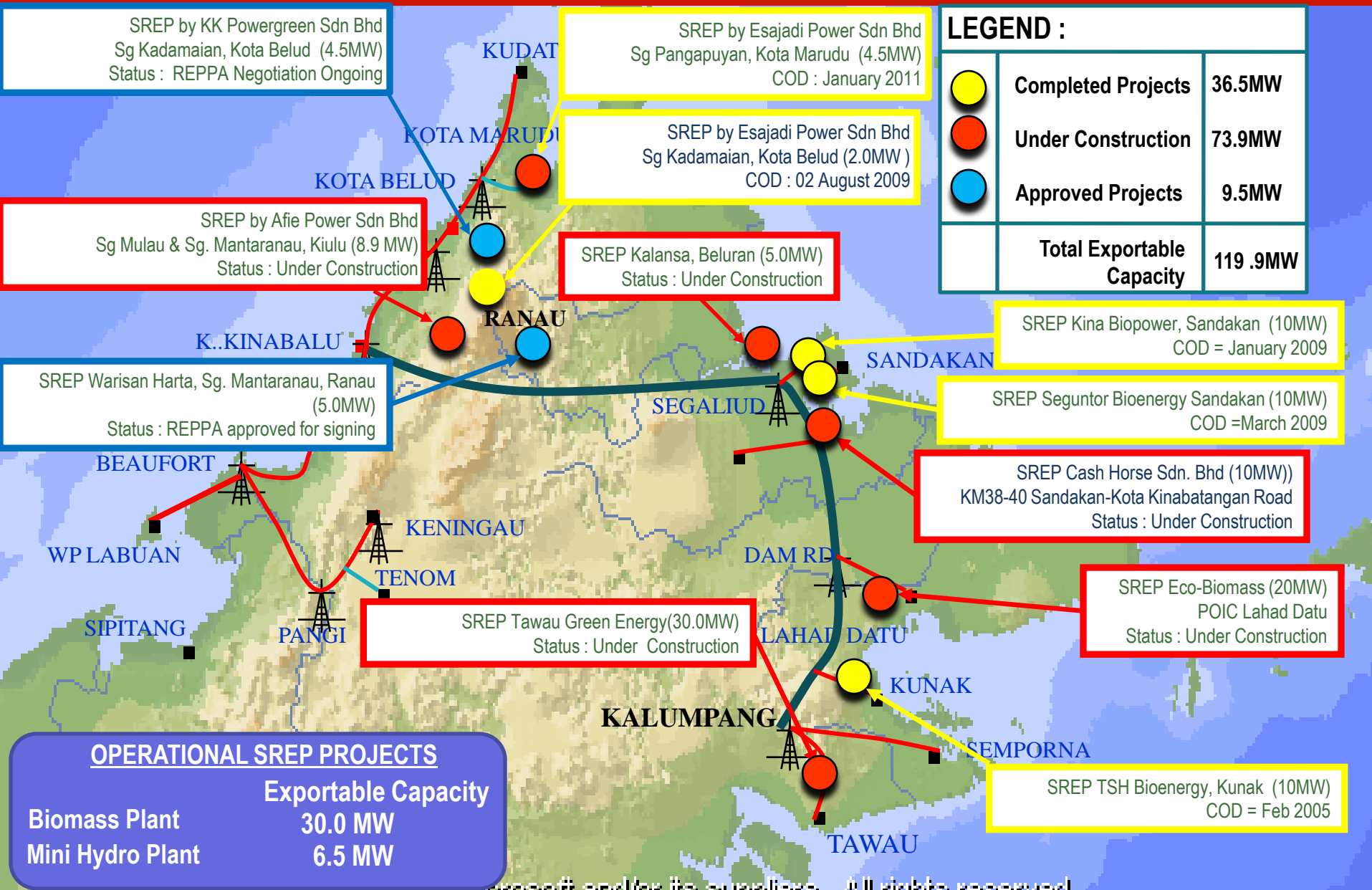
## RE as of 31<sup>st</sup> December 2010

- Connected to the utility grid (as of 2010): **61.2 MW (17.5% from 9<sup>th</sup> MP target) – 32MW in Sabah**
- Off-grid: >430 MW (private palm oil millers and solar hybrid)

## 10<sup>th</sup> Malaysia Plan (2011-2015)

- New RE Policy and Action Plan T
- Target: 985 MW of RE by 2015 (~5.5% of energy mix)

# RENEWABLE ENERGY PROJECT IN SABAH



# FEED-IN TARIFF (FIT) MECHANISM

- A mechanism that allows electricity that is produced from indigenous RE resources to be **sold to power utilities** at a **fixed premium price** and for **specific duration** governed by Renewable Energy Act 2011 commencing 1 December 2011.
- The implementation agency is the Sustainable Energy Development Authority (SEDA)
- The type of RE will cover as such and limited to a maximum of 30MW per site:-
  - Biogas,
  - Biomass,
  - Mini Hydro and
  - Solar PV
  - ***Geothermal?***

# FEED-IN TARIFF (FIT) – ISSUES & CHALLENGES

- **Financial Aspect**

- Sufficiency of RE fund for payment
- Commitment of payment for whole concession from SEDA (ie ~RM300 Mill)
- Other sources of fund (ie state gov contribution)
- Quantum of contribution from customer in Sabah (only RM10Mill per annum)
- Cash flow issue of SESB (ie timely reimbursement from SEDA)

- **Administration & Management**

- Priority of FiT quota to the existing/REPPA signed RE
- New REPPA / Migration of existing REPPA
- Land Acquisition i.e. ROW
- Public Awareness

- **Technical Aspect**

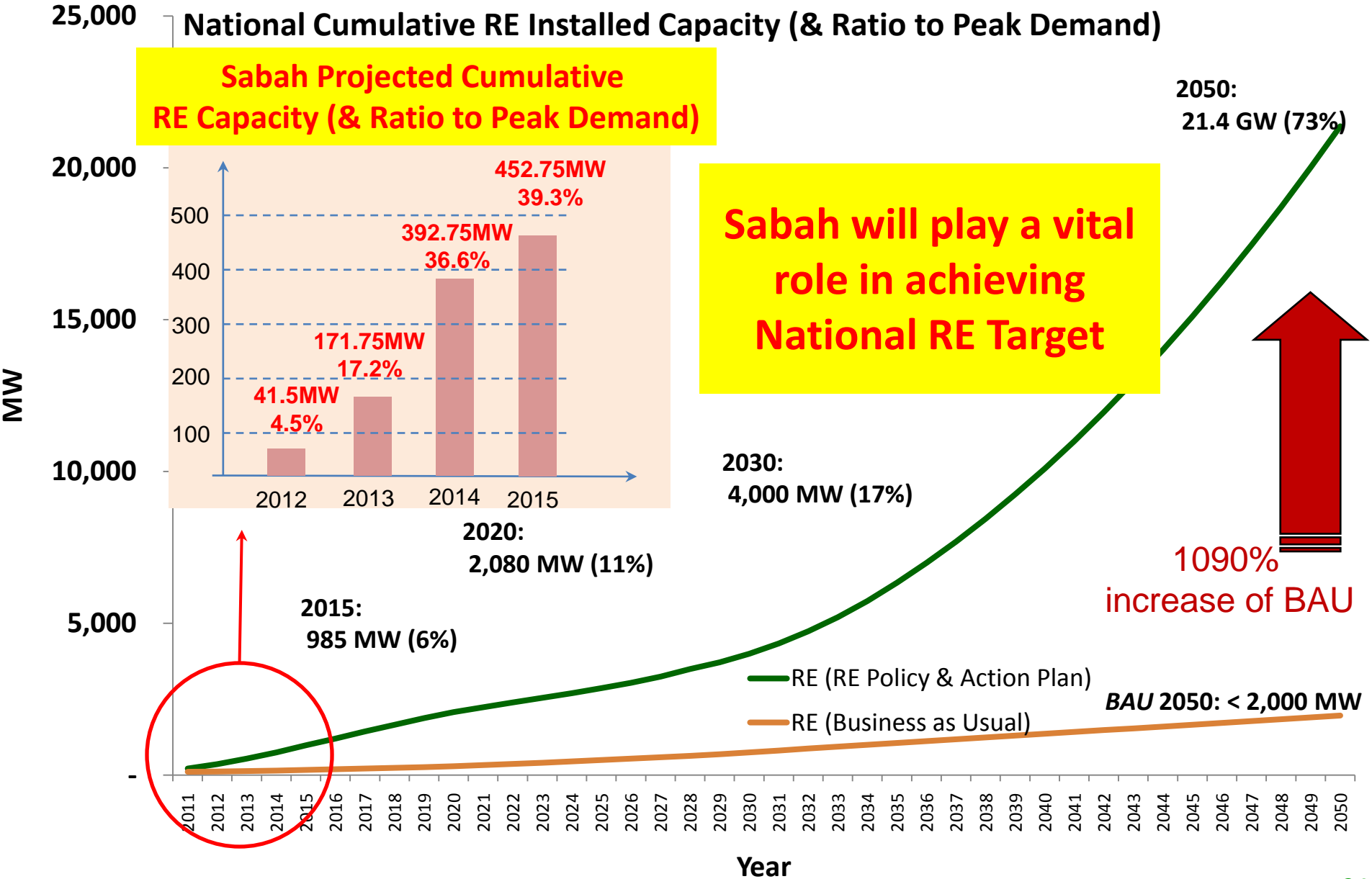
- Power System Study
- Protection Coordination Study
- RE critical contribution in Sabah Generation Capacity
- Metering & Billing
- Reliability of RE plant



# RE DEVELOPMENT POTENTIAL UNDER FIT IN SABAH

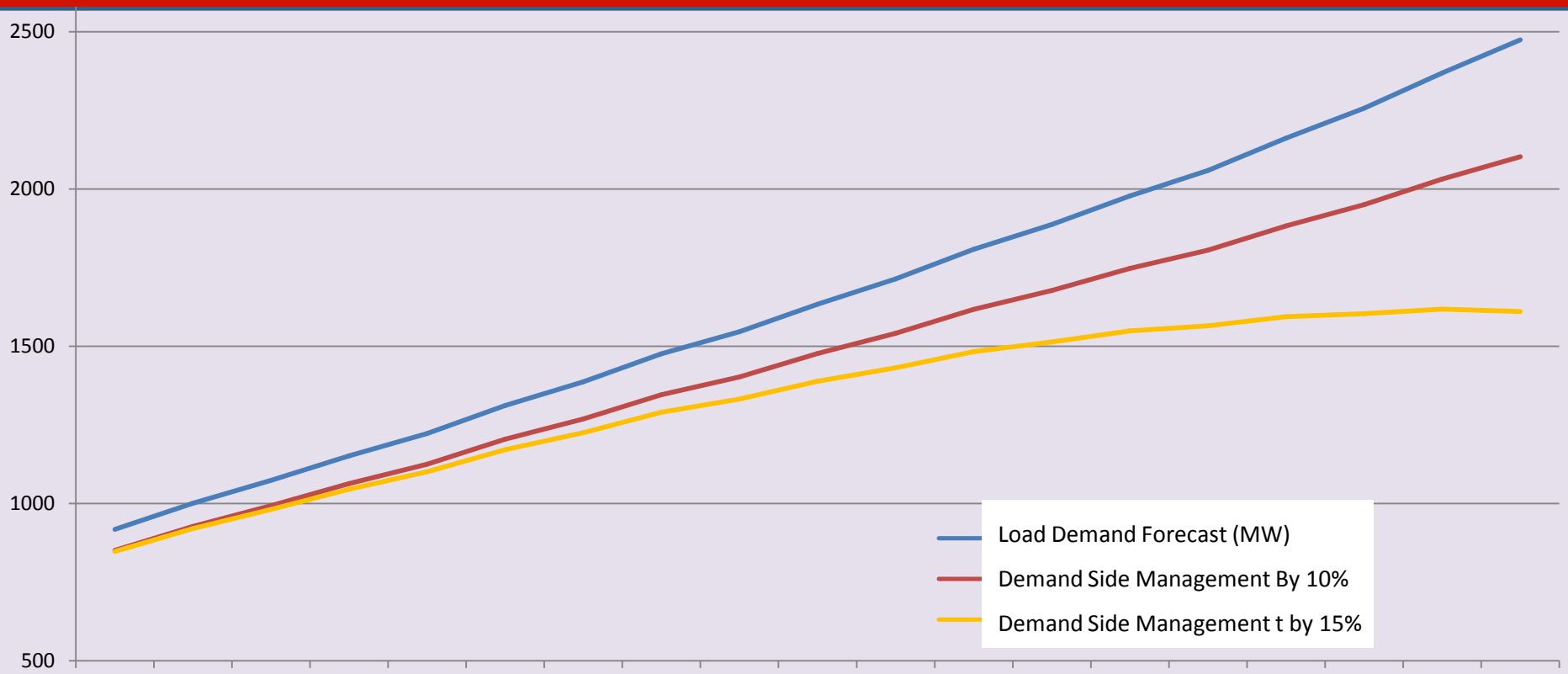
<b>No</b>	<b>Type of RE</b>	<b>No. Of Proposa l</b>	<b>Proposed Capacity (MW)</b>	<b>Potential COD</b>
<b>1</b>	Biomass	13	211.5++	2014
<b>2</b>	Biogas	1	2	2013
<b>3</b>	Solar	12	90.05	2013
<b>4</b>	Municipal Waste	1	TBA	TBA
<b>5</b>	Hydro	3	30++	2015
<b>GRAND TOTAL</b>		20	333.55++	

# RE Policy & Action Plan: Targets



# DEMAND SIDE MANAGEMENT

# Planning Way Forward -Lowering Load Forecast with Scenario DSM/EE

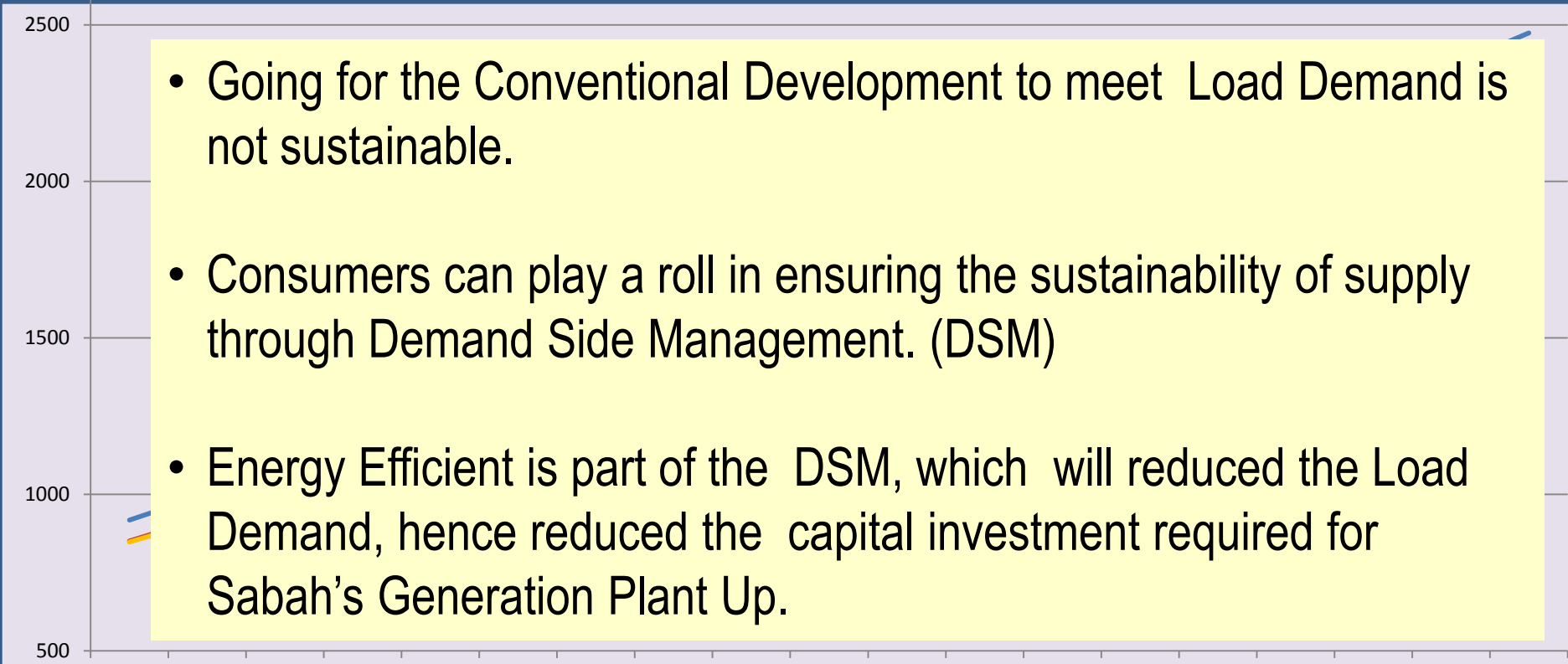


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Load Forecast (MW)	918	1,001	1,074	1,152	1,223	1,312	1,387	1,476	1,546	1,634	1,714	1,808	1,887	1,978	2,059	2,162	2,257	2,369	2,474
Reduce Load Forecast 10% reduce (MW)	851	928	993	1063	1125	1205	1269	1346	1403	1477	1541	1618	1678	1748	1806	1883	1950	2032	2103
Reduce Load Forecast 15% reduce (MW)	848	921	982	1046	1101	1172	1226	1290	1333	1389	1432	1483	1514	1549	1565	1594	1604	1618	1610

36

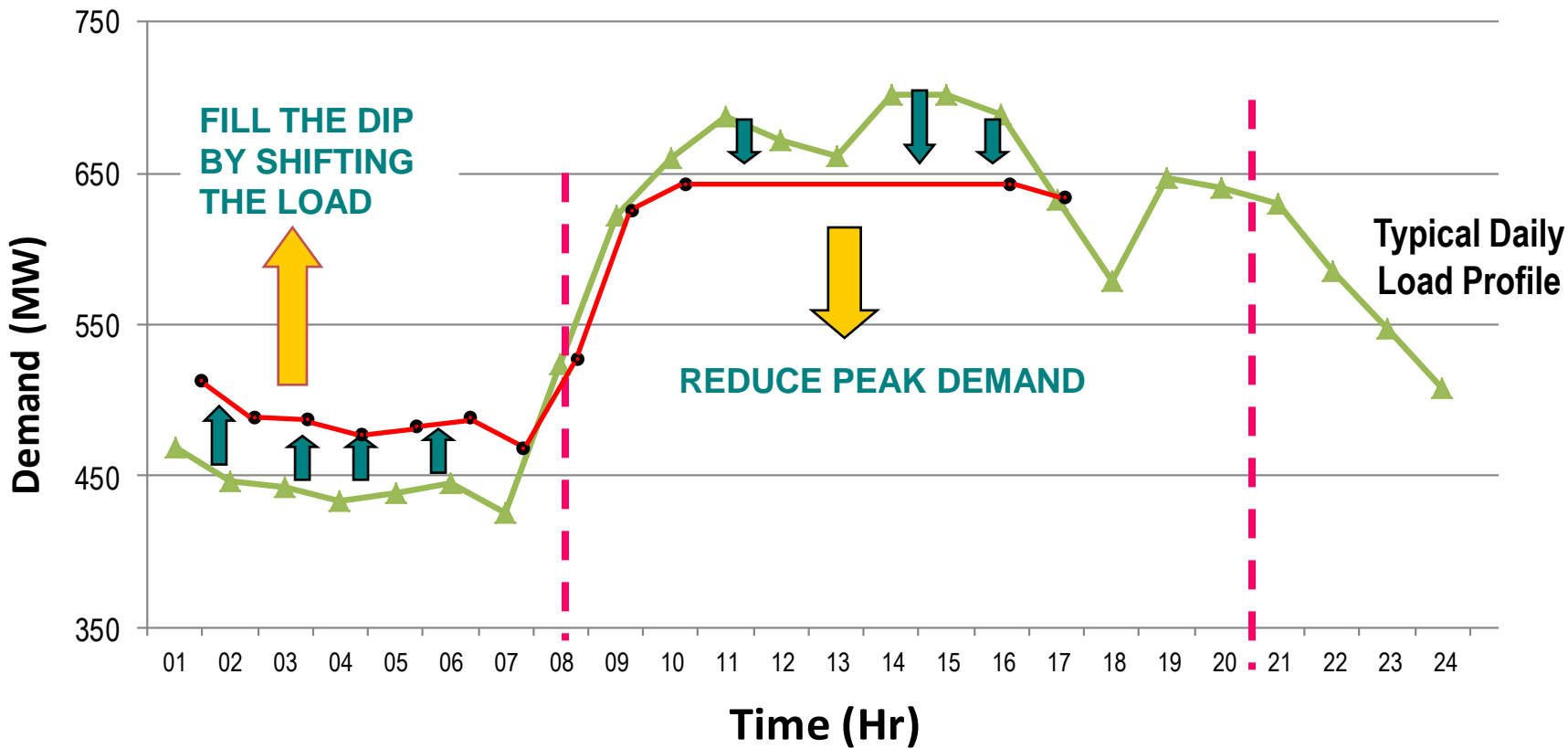
# Planning Way Forward -Lowering Load Forecast with Scenario DSM/EE

- Going for the Conventional Development to meet Load Demand is not sustainable.
- Consumers can play a roll in ensuring the sustainability of supply through Demand Side Management. (DSM)
- Energy Efficient is part of the DSM, which will reduced the Load Demand, hence reduced the capital investment required for Sabah's Generation Plant Up.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Load Forecast (MW)	918	1,001	1,074	1,152	1,223	1,312	1,387	1,476	1,546	1,634	1,714	1,808	1,887	1,978	2,059	2,162	2,257	2,369	2,474
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## System Profile



Promote Demand Side Management with Load Shifting (Peak / Off Peak)

# ENERGY EFFICIENCY PROGRAMMES IN SABAH

# Energy Efficiency Program in Sabah

- Sabah Energy Efficiency Comm. (comprising of industrial players, local authorities and other stakeholders)
- EE program with participation from stakeholders
- Demo project - gov building & private building (via AAIBE fund)
- Future Outlook - National Energy Efficiency Master Plan (NEEMP)

Based on NKEA/EPP 9: Energy Efficiency, promotion of energy efficiency via 5 key initiatives:

- ✓ Leadership by example
- ✓ Promotion of EE appliances
- ✓ Cogeneration
- ✓ Building insulation
- ✓ Transport efficiency



# CONCLUSION

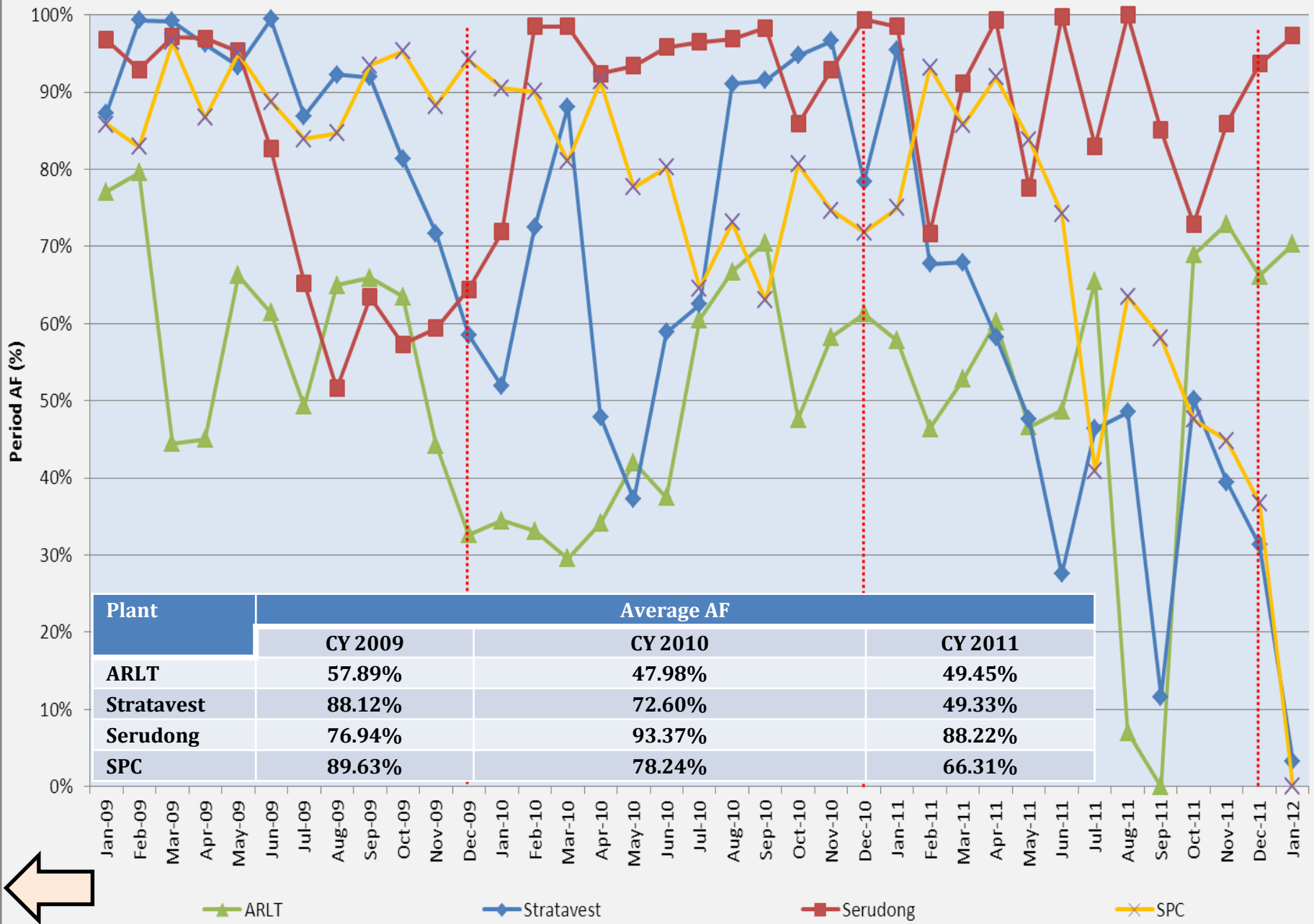
# Conclusion

- For sustainable development and operation, electricity tariff rationalisation + gov fuel subsidy must continue
- Renewable energy development leveraging Sabah abundant resources (FIT and hydro potentials)
- Demand side management via energy efficiency

**THANK YOU**

**PRACTICE ENERGY EFFICIENCY,  
AN ACT OF RESPONSIBLE CONSUMERISM**

# AF (%) PERFORMANCE OF OIL IPP (JAN 2009 - JAN 2012)



▲ ARLT

◆ Stratavest

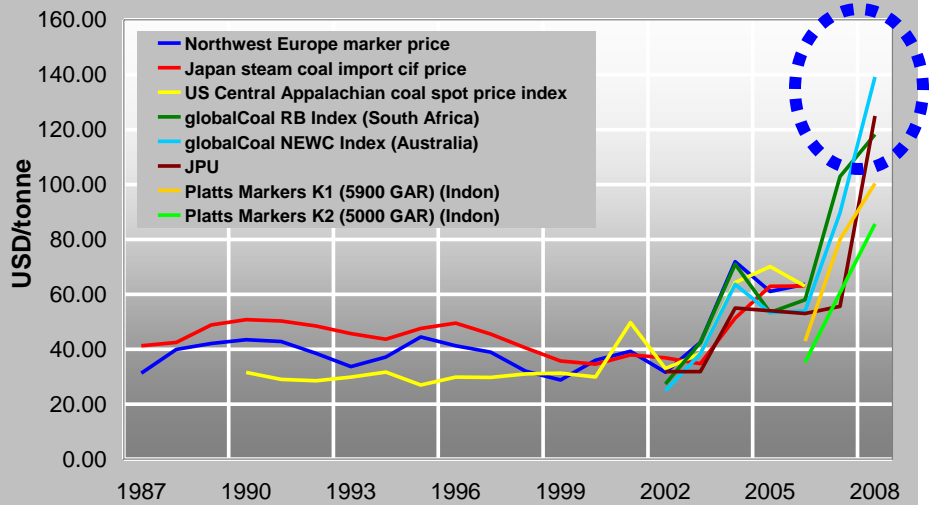
■ Serudong

× SPC

# ISSUES AND CHALLENGES

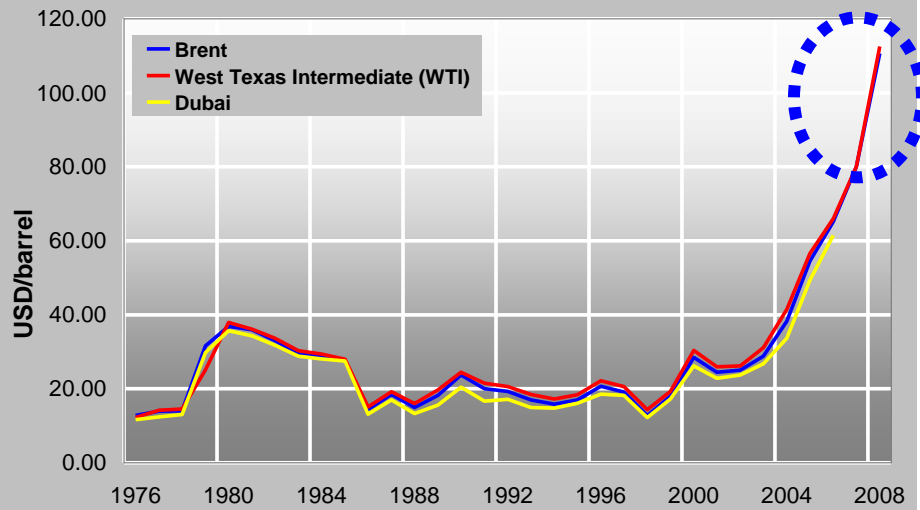
## Fuel price volatility

### Coal Prices in US Dollars/tonne

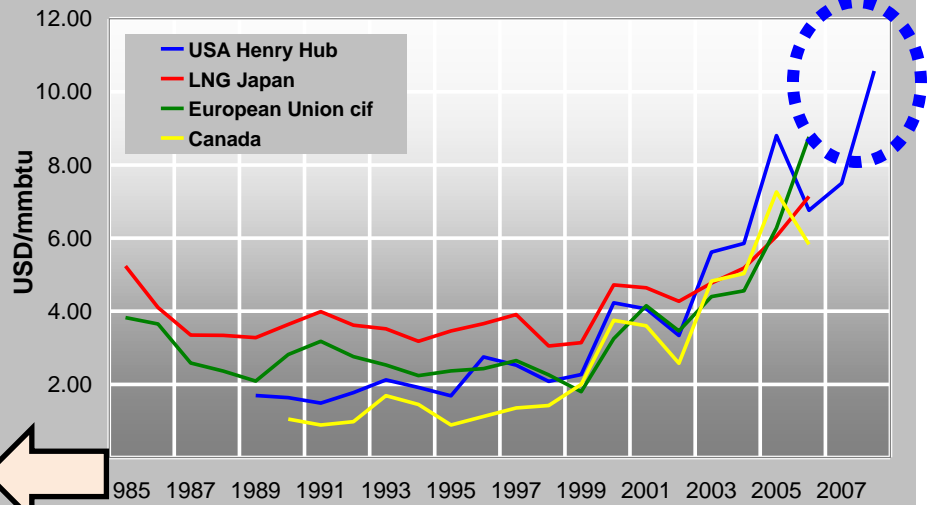


**“Oil prices hit record peaks above 126 dollars”** *AFP, May 2008*

### Key Crude Oil Spot Prices in US Dollars/barrel



### Natural Gas Prices in US Dollars/mmbtu

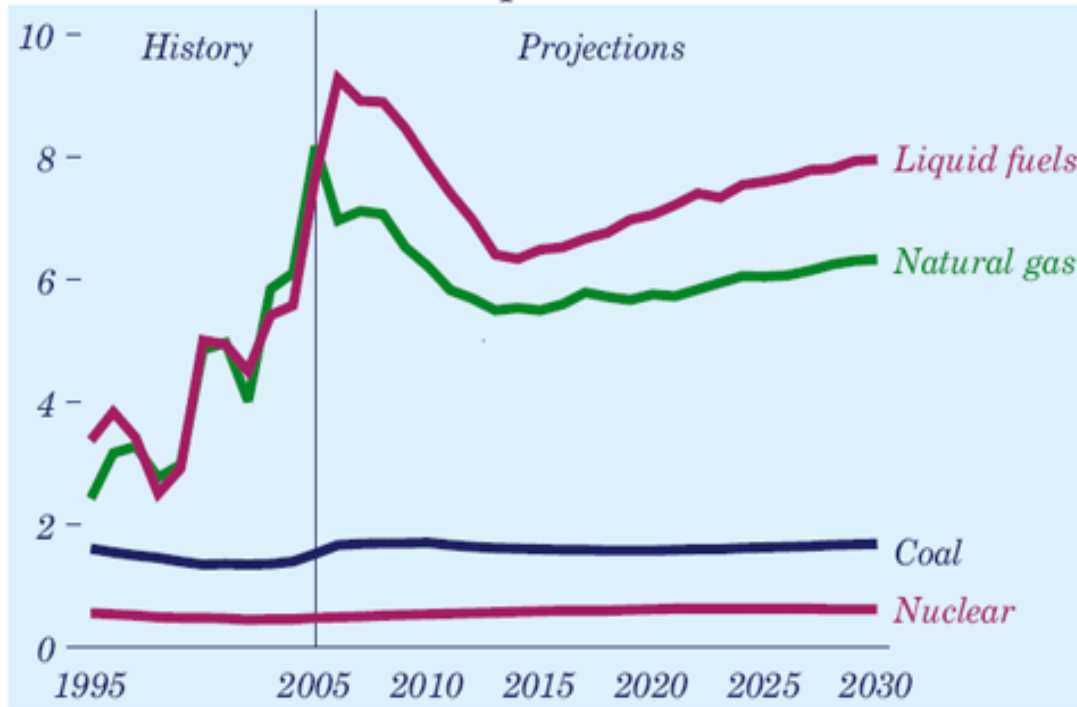


Source: BP Statistical Review of World Energy 2007, International Energy Agency, Platts Report & TNB Fuel

# Trend & Outlook

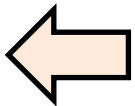
## Fuel Price Historical & Projections in the US

**Figure 65. Fuel prices to electricity generators, 1995-2030 (2005 dollars per million Btu)**

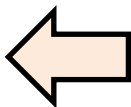
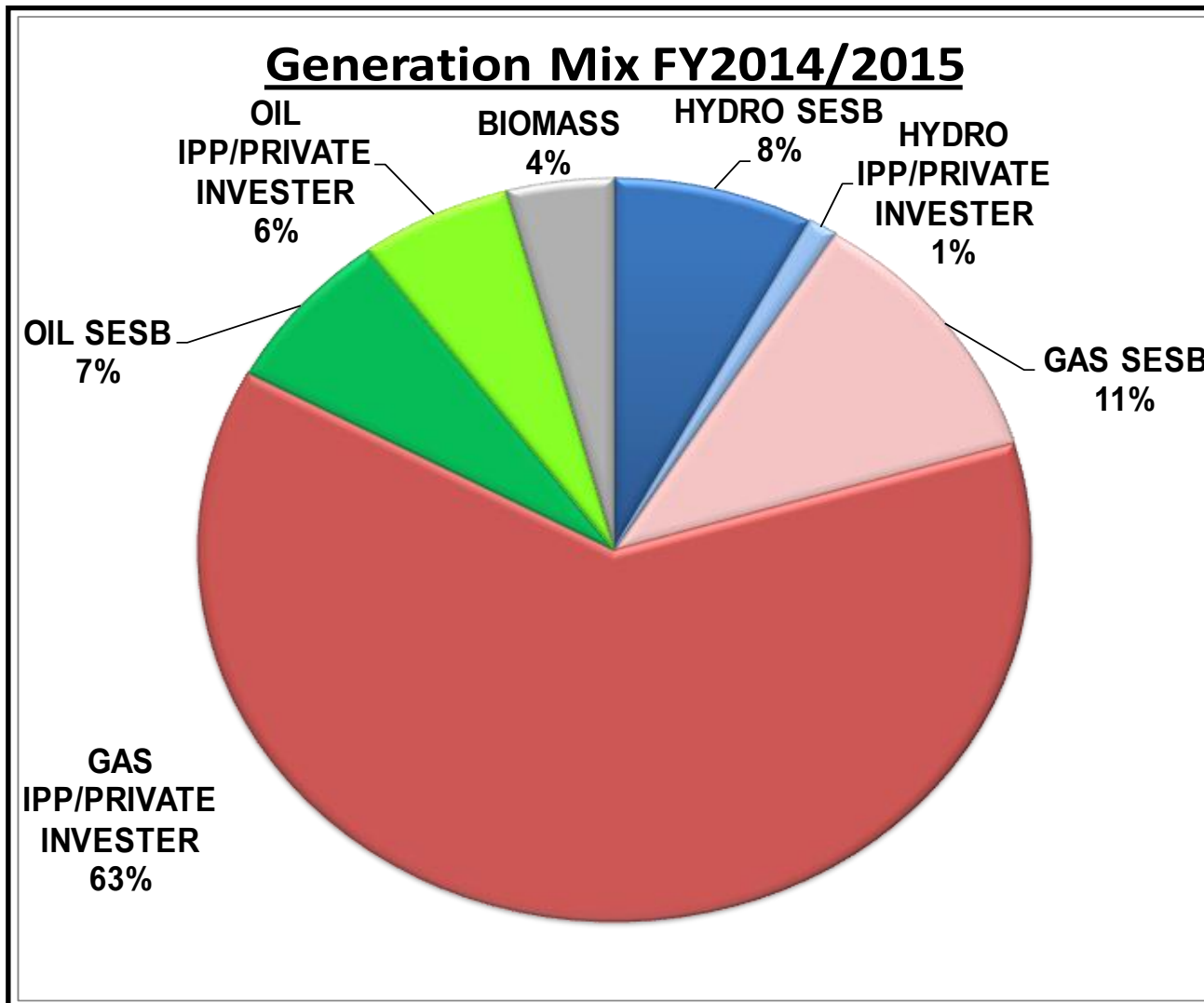


Source: EIA – US Energy Price

- EIA fuel cost projections indicated that coal and nuclear is going to be stable and low in the long run
- Coal in the US is stable mainly due to domestic production and high reserve
- Nuclear fuel is still expected to be low and stable despite import of uranium
- Situation is expected to be the same for Malaysia except for coal price



# DEPENDANCY ON NATURAL GAS (PIPELINE SUPPLIED)



# NATIONAL ENERGY POLICIES AND DEVELOPMENT PLAN

## Energy Policies

# SABAH: NO COAL POWER PLANT

The PM understands that while we need to build up our power supply, it cannot be done at the expense of the people's welfare and environment

By KAMARUDDIN LIUSIN  
kamaruddin@newsbarlines.com.my

**KOTA KINABALU:** The proposed coal-fired power plant in Lahad Datu will not be built. Instead, the state and federal governments have agreed to pursue alternative energy sources such as gas and hydroelectric power (HEP) to meet the power needs in Sabah.

The decision was made at the recent National Economic Advisory Council (NEAC) chaired by the Prime Minister. Chief Minister Datuk Seri Musa Haji Aman in declining this yesterday, after chairing the State Cabinet meeting here said, "We know there have been objections to the proposed coal powered plant and today it is proven that all the objections have not fallen on deaf ears."

Musa who is also Finance Minister said the Barisan Nasional government under the able leadership of Prime Minister Datuk Seri Najib Tun Razak is a government that listens to the people and has the political will not to bring coal to Sabah.

"Our approach towards development will be balanced and sustainable," he stressed.

"And he also extended his gratitude on behalf of the state and people to the Prime Minister for not only being attentive to Sabah's power needs but also for his grave concern for the environment and the people."

"The Prime Minister understands that while we need to build up our power supply in Sabah it cannot be done at the expense of the people's welfare and the environment. And, he also understands that one of Sabah's great assets is its pristine environment. While Sabah needs to increase power supply to meet the increasing demand, we must ensure that we do not put its natural environment at risk."

"As a responsible government, it is paramount that



Musa (right) speaking to reporters yesterday. He also extended his gratitude on behalf of the state and people to the Prime Minister for not only being attentive to Sabah's power needs but also for his grave concern for the environment and the people. He also understands that one of Sabah's great assets is its pristine environment. While Sabah needs to increase power supply to meet the increasing demand, we must ensure that we do not put its natural environment at risk.

protect our environment for the wellbeing of the people. We also protect the environment especially since it is one of the biggest attractions in Sabah," Musa said.

Four Fuel Policy (1981)

Five Fuel Policy (2001)

National Green Technology Policy (2009)

• To pursue balance utilisation of oil, gas, hydro and coal

• RE as the fifth fuel in energy supply mix

• Green Tech. as the driver to accelerate the national economy and promote sustainable

# Cadangan loji tenaga arang batu LD dibatal

## Kerajaan bangun sumber tenaga Lojiran

Oleh JOHN TAMBIAN  
johnambian@yahoo.com

**KOTA KINABALU:** Ketua Menteri, Datuk Seri Panglima Meno Haji Aman berkata kerajaan akan membangunkan sumber tenaga gas sebagai alternatif sumber tenaga elektrik bekalan tenaga di Sabah.

"Kerajaan tidak akan meneruskan pembinaan loji arang batu di negeri ini yang telah menimbulkan banyak bantahan daripada masyarakat setempat," katanya.

"Kerajaan tidak akan meneruskan pembinaan loji arang batu di negeri ini yang telah menimbulkan banyak bantahan daripada masyarakat setempat," katanya.

"Kerajaan tidak akan meneruskan pembinaan loji arang batu di negeri ini yang telah menimbulkan banyak bantahan daripada masyarakat setempat," katanya.

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"Kerajaan tidak akan meneruskan pembinaan loji arang batu di negeri ini yang telah menimbulkan banyak bantahan daripada masyarakat setempat," katanya.

"Hari ini membuktikan bahawa bantahan seperti itu diberi perhatian," beliau memberitahu wartawan selepas memperincikan mesyuarat pasca Kabinet di Wisma Immpire.

Beliau berkata, Lawatan Najib ke Lembangan Melian bulan lepas juga penting dalam keputusan Kerajaan untuk membatalkan cadangan pembinaan loji arang batu itu.

Musa berkata, walaupun terdapat keperluan meningkatkan bekalan tenaga di Sabah untuk diselaraskan dengan tahap pembangunan yang semakin pesat, negeri ini tidak mahu sebarang isem memberi risiko kepada alam sekitar.

"(Dagang itu) sebagai sebuah Kerajaan yang bertanggungjawab, adalah penting bagi kita untuk memberi ketegasan dalam melindungi alam sekitar kita untuk kesejahteraan rakyat."

# Pembatalan projek arang batu gambaran suara rakyat didahulukan

Oleh RUZAINI ZULKIFLI  
noscore2006@yahoo.com

**KOTA KINABALU:** Keputusan untuk membatalkan rancangan membina loji janakuasa arang batu di Sabah mencerminkan semangat gagasan Malaysia.

Menteri di Jabatan Perdana Menteri, Tan Sri Koh Tsu Kohn, berkata keputusan pembatalan oleh Perdana Menteri serta Ketua Menteri Sabah itu dihalal selaras dengan konsep lestari di bawah Model Ekonomi Baru (MEB).

Koh yang juga Presiden Parti Gerakan menyokong penubuh keputusan membatalkan rancangan projek loji arang batu di Sandakan dan

gantingkannya dengan projek mesra alam sekitar.

Tambahan, Gerakan bersama parti komponen lain sentiasa menyokong usaha-usaha Barisan Nasional memelihara alam sekitar.

"Kita percaya rakyat negeri ini serta semua parti komponen akan menyokong keputusan bernas daripada pemimpin-pemimpin mengenai pembatalan loji arang batu tersebut."

"Malah ia sememangnya mencerminkan semangat rakyat dibuktikan di bawah gagasan Malaysia malah ia adalah selaras dengan konsep lestari di bawah model baru ekonomi iaitu teknologi mapan," ujarnya.

Koh berkata demikian dalam sidang media sempena majlis Rumah Terbuka Tahun Baru Cina dan Chap Goh Mei di Hotel Shangri-La di sini kelmarin.

Dalam pada itu, Ketua Menteri, Datuk Seri Panglima Musa Haji Aman, ketika berucap di majlis tersebut berkata penggunaan gas asli bagi penyaliran bekalan elektrik di pantai timur adalah mahal namun berbaloi.

Menurutnya, beliau telah mengarakkan Menteri Pembangunan Industri, Datuk Raymond Tan, untuk menilai semula penggunaan gas asli bagi menjana kuasa elektrik di pantai timur.

"Memang telah ada cadangan sebelum ini bahawa gas di

Kimanis harus digunakan untuk menjana bekalan elektrik ke pantai timur.

"Janaan gas berkenaan adalah mahal berbanding arang batu namun dalam masa sama kita telah membelanjakan jutaan ringgit subsidi untuk memastikan kawasan pantai timur dibekalkan tenaga yang mencukupi."

"Jadi kita telah membangunkan mengenai pengujicubaan kaedah ini dan satu kajian terperinci akan dijalankan. Tetapi sama ada ia adalah Gas Cecair Asli (Liquefied Natural Gas) atau tidak, Perdana Menteri menjangkakan tidak ada loji arang batu di Sabah," ujarnya.

# Jangan tolak terus arang batu

SAYA merujuk kepada "Selamatkan Sabah" (Forum 23.11) yang mengutarakan pendapatnya dari perspektif Barat sebagai mengulas surat David Lee.

Isa berhubung soal-hal satu dengan perbincuan untuk menamatkan agenda David Lee. Bukannya Pilihan Tenaga yang memulakan perdebatan ini?

Sebagai seorang rakyat Sabah yang dibesarkan untuk berfikir dan bertindak secara rendah diri, saya terpaksa mena beberapa pucuk surat mengenai topik ini kebajikan diri satu pameran awam, hampir-hampir seperti sebuah tarikan burung merak untuk menentukan yang mana satu mempunyai nilai lebih baik untuk di pilih.

Bulu roma saya berdiri apabila mengetahui bahawa terdapat orang-orang di kalangan masyarakat kita yang begitu lantang dalam penulisan mereka sehingga mengistiharkan perang pena.

Tolong tanya anda sendiri - adakah anda membantu mempercepatkan pembangunan Negeri ini atau malah perlahan-lahan?

Di penghujung surat anda, anda gapalkan untuk mengesyorkan sebarang penyelesaian terhadap keperluan tenaga Negeri kita. Jika anda tidak menghangat arang batu, tetapi tidak mahu arang batu di mana-mana yang bertampan dengan rakyat kita, jadi apakah penyelesaian yang anda boleh bagi kepada rakyat?

Dalam masa beberapa tahun, keperluan bekalan tenaga untuk Negeri kita akan bertambah. Negeri kita akan bertambah. Negeri kita akan bertambah.

Tetapi dengan segala hormatnya marilah kita menjadi realistik dan tidak terlalu menghangatkan perkara itu berlaku.

Faktanya ialah bilomas masih terdapat dalam peringkat permulaan dan masih banyak masalah atau halangan yang harus diatasi. Dan berdasarkan kadar kemajuan yang kita sedang alami, inya mungkin akan memakan masa 10 tahun lagi sebelum perkara ini dihalusi.

Nedi pengusahaan baru ini ialah sumber tenaga yang lebih dikenali. EPB perlu dipungut terlebih dahulu, dibantah ke loji tenaga dan diproses sebelum dibakar untuk memulakan re untuk dijadikan stim yang kemudian menggerakkan turbin untuk menjana kuasa. Sayangnya ditakutkan bahawa pembakaran menyebabkan CO2 + abu + gas-gas, sama seperti Gas atau Diesel atau Arang Batu.

Tetapi memandangkan proses pemungutan dan pengalihan EPB memerlukan tenaga manusia yang ramai, masih terlalu awal untuk memperkeratkan apa yang dapat dibawa oleh teknologi hebat ini kepada rakyat. Ini mengambil kira fakta bahawa masih belum ada satu sukatan mengenai pengedaran EPB, hartanya, waris pengalihan dan elemen-elemen lain belum ditentukan.

Namun, saya mempunyai keyakinan terhadap bilomas memandangkan sumber tenaga yang lebih dikenali tentang kejayaannya di mana-mana. Ia memang sesuai untuk masyarakat kita dan kadangkala yang terperi, membolehkan sumber tenaga yang tetap yang gopri disediakan oleh syarikat-syarikat utiliti, memandangkan bahan mentah bio boleh diperolehi secara terus dari berbagai sumber.

Tetapi persoalan (maka barannya) masih timbul - mampuh loji bilomas di Sabah membolehkan sumber tenaga yang boleh diangkut (tanpa berhad, 24 jam sehari dan 365 hari setahun)?

Benar-benarakah kita yakin bahawa bilomas boleh dijadikan jangkaan bagi tenaga di Pantai Timur dan mungkin juga di seluruh Sabah suatu hari? Sanggupkah bilomas kelatara sawi seluas beribu-ribu hektar itu mengijikan dan mengantar bekalan EPB yang mencukupi kepada loji-loji tenaga but selama 10 tahun akan datang, mengambilkira keam mamapan operasi mamapan?

Danu juga memandangkan banyak

masa rakyat telah terbahar semamata membaca surat-surat mengenai perkara ini kebakangan ini, kita harus juga meluputkan pilihan lain bagi RE seperti Solardan Photovoltaic (terlalu mahal dan memerlukan penyelenggaraan yang kerap), angin (tidak cukup kuat di Pantai Timur), Hidro (mungkin kebanyakan Pantai Timur akan dibanjiri - memandangkan topografi), dan Geothermal (terlalu sedikit di Tawau untuk bilangan penduduk yang ramai).

Semua rakyat Sabah yang tolen akan mengetahui perkara ini jika mereka pernah ke Pantai Timur.

Tenaga diperlukan bukan sekadar untuk menyalakan api di rumah, tetapi juga untuk mengupayakan satu suasana bersesuaian yang membantu pembangunan melalui produktiviti, pertumbuhan dan keselamatan, samada insany di rumah, kampung, kilang, kedai, pejabat, hospital, sekolah, jalan lamanya dan banyak lagi.

Mengingatkan perkara ini kepada pengamalan peribadi, apabila keluarga raya saya mula berpindah ke Tambunan pada masa di mana kebanyakan kampung masih belum ada bekalan elektrik di awal 80an, maka harus pada masa itulah baru saya sodar betapa penting bekalan elektrik kepada hidup saya dan betapa senang kepada saya dibenutry.

Bayangkan seorang anak-kanak membaca buku di bawah lampu terang dibandingan cahaya lilin. Saya boleh membayangkan kerana saya pernah mengalami ini.

Walau bagaimanapun, soal-saladan berikut masih perlu dijawab: Dengan keperluan untuk bekalan tenaga yang lebih banyak di masa depan, apakah hala tuju kita? Sudahkah kita pergi terlalu jauh dalam memperlantikan Kebobohan teknik rakyat kita sehingga kita meniadakan masa depan cerah majoriti kita?

Obol  
Taman Penampang



# RELIABILITY ISSUE OF RE PLANTS

## Operational SREP Performance (FY2009 - FY2011)

Description	SREP TSH		SREP Kinabio		SREP Seguntor		SREP Kadamaian		SREP Pangapuyan	
Yearly Contractual Energy	64,000,000	Average AF based on Contractual Energy	82,344,000	Average AF based on Contractual Energy	82,344,000	Average AF based on Contractual Energy	14,366,400	Average AF based on Contractual Energy	30,353,400	Average AF based on Contractual Energy
FY2009	64,440,980	101%	19,155,430	23%	20,738,600	25%	0	0%	0	0%
FY2010	65,232,780	102%	45,134,970	55%	47,197,700	57%	8,532,616	59%	0	0%
FY2011	52,652,130	82%	57,015,680	69%	61,457,870	75%	12,349,657	86%	5,344,018	18%

### Notes:-

- (i) Lower value of energy/AF for Seguntor and Kinabio in FY2009 & Pangapuyan in FY2011 due to plant only COD in the middle of the FY
- (ii) TSH achieve more than contractual energy in FY2010 & 2009

