

Headline	EC clarifies solar project awards		
MediaTitle	The Star		
Date	12 Apr 2017	Color	Full Color
Section	StarBiz	Circulation	338,368
Page No	1,2	Readership	1,032,000
Language	English	ArticleSize	479 cm <sup>2</sup>
Journalist	Daniel Khoo	AdValue	RM 24,106
Frequency	Daily	PR Value	RM 72,318



## EC clarifies solar project awards

>2

# EC clarifies solar project awards

Commission says apart from lowest cost, new firms chosen to encourage more players into industry

By DANIEL KHOO  
danielkhoo@thestar.com.my

**PUTRAJAYA:** The Energy Commission (EC), which has come under unwarranted attention for awarding large-scale solar power plant projects to lesser known companies with little expertise in the field, said a bidder prepared to supply electricity at the least cost was the primary criteria.

However, new players with little experience are also given opportunities to expose more companies to the area of building large scale solar energy plants.

The EC chief executive officer Datuk Ahmad Fauzi Hasan said the principle criteria was to select bidders that were able to build solar plants that offered the lowest cost per unit of electricity.

Ahmad also said that the criteria would not be "too rigid" so as to encourage new players to enter the space and help develop their experience in building large-scale solar photovoltaic (PV) plants in the country.

Ahmad Fuzi said the awards were given based on who could do the job offering the lowest prices.

"The levels of what we deem as 'low prices' are based on developments in the industry. For instance, the price of solar (panels) have been plummeting in the last two or three years, so we always adjust accordingly to reflect these developments," Ahmad Fuzi said at the sidelines of the Smart and Eco-friendly Cities

seminar.

"We would want people offering the lowest prices for the development of all these sustainable energy projects.

"We also don't want to be too rigid as sometimes there is a need to accommodate new players. This is to help build a more vibrant and forward looking industry to meet future demands," he added.

Ahmad Fuzi said that the main criteria were constantly benchmarked against international practices and adjusted accordingly.

"We always encourage new players to enter the industry. If they do not have adequate experience, we ask that they form joint ventures with the more established companies for their expertise and experience and financing capability."

He said it would help make the industry more "vibrant" and increase competition among bidders in future.

Previous reports quoting sources as far back as November last year stated that the EC had awarded the mandate to build a 150MW solar power plant on a directly negotiated basis to a consortium comprising three companies.

The 150MW solar power plant – one of the biggest awarded to date – were reported to have been given to three companies. They are ItraMAS Technology Sdn Bhd, Maltech Pro and Cam-Lite Sdn Bhd. The solar power panels would be located in three states, namely Malacca, Kedah and Terengganu.

Prior to the report in November last year, the biggest award for a solar power plant was a 50MW project to Edra Global Energy Bhd in April 2014. The company was then under the control of 1Malaysia Development Bhd (1MDB).

1MDB's power plant division was sold to China General Nuclear Power Corp in November last year.

To a question on whether there could be an oversupply of electricity due to the increasing number of projects awarded, Ahmad Fuzi said there was no such issue as the country had its own energy development master plan.

"This plan is revised regularly every six months or so depending on changes in the demand and supply side. Of course we have our criteria that we use for the planning and development of capacity including the diversification, reserve margins criteria. All these factors are used as a basis to continually adjust our plans," he said.

"The plans are not static but dynamic to meet present and future needs. Sometimes we are on the high side but if we encounter issues on the development of these projects then sometimes we are on the negative side.

"But at the end of the day we have managed to maintain adequate reserve margins. We have a national committee that looks at the progress on these projects and the plans moving forward until 2036 at the moment," he added.

Meanwhile, the EC will conduct



**Ahmad Fauzi:** 'We would want people offering the lowest prices for the development of all these sustainable energy projects.'

another round of competitive bidding process inviting tenders to build large-scale solar power plants in the second half of the year. The results are expected to be announced by the end of the year.

"As a country, we have about 330MW in operation (for solar

today. Projects that have been approved and which are under implementation are more than 1,000MW. These are under the Feed-in Tariff scheme that's under the Sustainable Energy Development Authority," Ahmad Fuzi said.