



**Opening Speech By
Y. Bhg. Tan Sri Fong Chan Onn
Chairman
Sustainable Energy Development Authority Malaysia
At
e-FiT Gamma Test Launching
SEDA Malaysia, Level 9, Lot 4C11, No. 29, Persiaran Perdana,
Presint 4, Putrajaya
Friday, 4 November 2011**

Puan Badriyah Abdul Malek
CEO of SEDA Malaysia,

Members of the Authority

Datuk-Datuk,

Distinguished Guests,

Ladies and Gentlemen.

Salam Sejahtera dan Salam 1Malaysia

1. First and foremost, on behalf of the SEDA Malaysia, I wish to extend a very warm welcome to all of our distinguished guests and participants to the launching of e-Feed in Tariff or e-FiT and the tutorial sessions specially organized by SEDA Malaysia. This session is conducted for renewable energy stakeholders to familiarize themselves

with the e-FiT online system. This is part of our effort to prepare the industry players for the impending date of implementation of the Feed-in Tariff mechanism to ensure its smooth implementation.

Ladies and Gentlemen.

2. Malaysia is embarking on a new era of renewable energy development. Previously we had let the market forces determine the path and we have made quite a dismal progress in this industry. We have achieved only 18 percent (63 megawatt) of our 350 megawatt target we have set in the Ninth Malaysia Plan. With the Government's approval of the National Renewable Energy Policy and Action Plan, the implementation of the Feed in Tariff mechanism will be made possible through the enforcement of the Renewable Energy Act 2011 which was passed by the Parliament earlier this year.

3. The feed in tariff mechanism enables electricity generated from renewable sources sold to the utility companies be paid premium prices. The Government has decided Feed in Tariff mechanism will be administered by the Sustainable Energy Development Authority Malaysia or SEDA Malaysia a statutory body formed under the Sustainable Energy Development Authority Act 2011 which was also passed together with the RE Act 2011 earlier this year. SEDA Malaysia was formally established on 1st September this year subsequent to the enforcement of the SEDA Act 2011.

4. The enactment of the two Acts is one of the five Strategic Thrusts outlined in the National Renewable Energy Policy and Action Plan. Now that the First Strategic Thrust is completed SEDA Malaysia is ready to

undertake the responsibility of implementing the other thrusts which has been identified. The strategic thrusts form the foundation upon which the blueprint for renewable energy development built in ensuring the industry will be sustainable.

Ladies and Gentlemen

4. In order for one to be entitled to sell renewable energy at the Feed-in Tariff rate as stipulated in the schedule of the RE Act 2011, a Feed-in Approval (FiA) will have to be applied and granted by SEDA Malaysia. I was informed that, when the RE Bill was still in the progress of being drafted as far back as two years ago, the stakeholders mostly the investors, service providers and individuals have expressed their concern for SEDA Malaysia to be transparent and fair in administering the RE quota that will put up for bidding. This issue is accentuated by the fact the RE Fund is limited because its only sourced from the one percent contribution from TNB's electricity consumers who consumed more than 300 kWh per month of electricity.

5. Thus, the Government in ensuring good governance and maintaining integrity has decided for the Malaysian FiT implementation applications will be processed via an intelligent IT system which is named the e-FiT online. The decision to develop e-FiT online system was also made after factoring in lessons learnt from countries which have implemented the feed-in tariff. There are now over 50 countries and 25 states/provinces adopting the feed-in tariff policy including Germany, Italy, Spain, France, Thailand, Japan and Australia. One of the lessons drawn from the experiences of these countries is that a well designed feed-in tariff will ensure a healthy growth in the use of

renewable energy for power generation resulting in a steady growth of FiT application submissions. Inefficient application process will certainly result in delay of the process.

6. These factors have collectively urged SEDA Malaysia to develop an e-FiT online system which will allow interested investors to submit their applications online and the system will approve the application within a short period of time once all the requirements by the system are met. I am proud to say that the Malaysian e-FiT online system is the first of its kind in the world. It is a comprehensive system which has been designed so that all the rules determined by the subsidiary legislations, Renewable Energy Power Purchase Agreements or REPPAs, and guidelines have been embedded in the system. It is also integrated with users, the regulator as well as the utility ensuring reliable, consistent and up to date records.

7. However, I would like to bring to your attention that the RE Act 2011 is flexible enough to accommodate for manual submissions of FiT application to allow those without access to computers or internet to take part in the FiT. Manual applications will be uploaded by SEDA Malaysia to the system to enable it to be processed through the e-FiT.

Ladies and Gentlemen,

8. The e-FiT online system was not developed over night. Work on the e-FiT online system begun way back in April 2010 starting with discussions together with various Government agencies, local private and international stakeholders. The e-FiT online system empowers the public to apply at their conveniences and the e-FiT online system is

tightly integrated with SEDA Malaysia's official portal such that the digital dashboard will dynamically reflect the transactions occurring within the system.

9. Before the e-FiT online system goes live on the 1st December 2011, SEDA Malaysia is providing a window of opportunity for the public to engage in the in testing the e-FiT online system or the Gamma Testing which will be available from 5th until the 7th November 2011. This is part of our effort to test the robustness of the system to ensure smooth implementation of FiT come 1st December. Once the Gamma Testing is over, we welcome your feedback on the e-FiT online system. Admittedly from the 8th November until the 30th November 2011, time is limited and SEDA Malaysia may only be able to fix any reported system's bugs. However, your feedback will be invaluable for enhancement in subsequent releases of the e-FiT online system.

Ladies and Gentlemen,

10. I was informed that there will be a small montage after this for the launching of the e-FiT Gamma Testing. I would like to draw your attention to the new e-FiT logo and will become the official logo from today onwards. The e-FiT logo portrays the sustainable development of the energy sector through the usage of green energy technologies. In closing, I wish to thank you for attending the tutorial session this morning. Your presence here is a testimony of your continued support to SEDA Malaysia and the Government of Malaysia in furthering our partnership in the development of renewable energy in the country. We look forward to continue this spirit of collaboration for a more sustainable environment.

11. I also would like to take this opportunity thank the various stakeholders such as the Attorney General's Chamber, Ministry of Finance, Central & States Economic Planning Units, MAMPU, Bahagian Pengurusan Maklumat of KeTTHA, Energy Commission, PEMANDU, Distribution licensees such as TNB, SESB, and members of the public for their roles in the FiT framework. I know everyone has been very committed and contributed diligently from the initial development to the final implementation of this FiT mechanism. With that, ladies and gentlemen, I declare the launching of the Gamma Testing of the e-FiT online system.

Thank you.

Sustainable Energy Development Malaysia
November 2011