



Sustainable Energy Development Authority Malaysia (SEDA Malaysia)

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TO : THE NEWS EDITOR

RESPONSE FROM SEDA MALAYSIA TO FURTHER ALLEGATIONS MADE BY Y.B. NURUL IZZAH AND Y.B TONY PUA ON ALLOCATION OF SOLAR PHOTOVOLTAIC UNDER THE FEED-IN TARIFF PROGRAMME

i. Power System Study

1. The Renewable Energy (Technical & Operational Requirements) Rules 2011 (“**T&O Rules**”) requires a power system study (“**PSS**”) to be carried out in respect of a proposed renewable energy plant having a capacity exceeding 180kW before an application is made for a feed-in approval (“**FIA**”) under the Renewable Energy Act 2011 and its subsidiary legislation. In most cases the distribution licensee such as Tenaga Nasional Berhad is given a maximum of 30 days to complete the PSS.
2. However, SEDA Malaysia would like to clarify the following:
 - (a) A PSS is a technical feasibility study having regard to technical factors such as the proposed location and capacity of the plant. This study is not in itself reliant on the identity of

the applicant for FIA, and may be initiated by the project promoters before a special purpose vehicle (“SPV”) is formed for the purposes of the project and FIA application. So long as the PSS report accompanies an application for FIA, it does not matter if the PSS commenced before the formation of the SPV. All FIAs were only granted by SEDA after the requisite PSS reports were uploaded into the e-FiT online system.

- (b) The 30-day period set out in the First Schedule of the T&O Rules is the maximum period given to the distribution licensee to complete a PSS. It is possible to complete a PSS in a much shorter period.

ii. Financing

- 3. All applicants were issued with FIAs only after they had provided documentary evidence relating to their financial capability to fund the project, including, where relevant, the capability of the shareholder(s)/joint venture partner(s) in the case of joint venture companies.
- 4. However, SEDA Malaysia is unable to disclose the details of such documentary evidence as they are confidential in nature.

iii. Uninformed, unwarranted and unjustified allegations detrimental to the development of the renewable energy industry

5. The continued allegations and attacks by YB Tony Pua were made irresponsibly without any attempt to seek prior clarification from SEDA Malaysia, which would have been immediately forthcoming. SEDA Malaysia welcomes constructive criticisms, but takes the view that these uninformed, unwarranted and unjustified allegations will be detrimental to the development of the renewable energy industry in Malaysia.

6. SEDA Malaysia regrets that its sincere efforts to develop the renewable energy industry and to promote transparency through an online application process which has been unfairly misunderstood by certain individuals unfamiliar with the whole e-FiT Online System. SEDA Malaysia thanks the public for their support and for understanding that a truly transparent and unbiased system such as the e-FiT online system will neither give preference to nor discriminate any applicants, regardless of their family connections.

**YB Tan Sri Dr Fong Chan Onn,
Chairman, SEDA Malaysia
24th JULY 2012**

END
