



Opening Speech By

Y. Bhg. Tan Sri Dr Fong Chan Onn

Chairman

Sustainable Energy Development Authority (SEDA) Malaysia

**At The SEDA Malaysia Public Briefing on Feed in Tariff Mechanism
and e-FiT System**

Auditorium, SEDA Malaysia, Level 9, 4C11, Putrajaya

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Salam Sejahtera dan Salam 1Malaysia.

Puan Badriyah Abdul Malek, CEO of SEDA Malaysia,

Y. Bhg. Dato' Kok Soo Chon,

Y. Brs. Dr. Pola Singh, Members of the Authority

Y.B. Tony Pua Kiam Wee

Y.B. Nurul Izzah Anwar

Y. Bhg. Datuk-Datuk/Datin-datin,

Distinguished Guests,

Ladies and Gentlemen.

1. On behalf of the SEDA Malaysia, I wish to extend a very warm welcome to all of our distinguished guests and participants to the SEDA Malaysia Public Briefing on how the FiT Mechanism works, the application procedures and processes and the e-FiT online system. I would like to take this opportunity to thank you for the interest and support towards the implementation of the FiT Mechanism by SEDA Malaysia and the development of renewable energy in the country.
2. We at SEDA Malaysia recognized that it is part of our responsibility to educate the public on how the FiT mechanism is being implemented so that we can have a common shared vision to develop renewable energy in the country to ensure a sustainable environment for our future generation. Today's session is actually part of the on-going exercise which SEDA Malaysia conducts regularly to disseminate information and to increase awareness of the public and the stakeholders regarding the FiT mechanism and the application process. This is our effort to ensure the public in general understands how the FiT mechanism works.

3. As you are aware FiT is a tool which had been adapted to spearhead the growth of the Renewable Energy industry in the country. SEDA Malaysia has planned many briefings on FiT this year and we have included this in one of the series especially in preparation of the FiT quota opening in the fourth quarter of this year. SEDA Malaysia will also be holding a briefing to a few states where we will meet all the stakeholders to explain about FiT mechanism including the state governments and its agencies as well as individuals or parties who are interested to take part.

Ladies and Gentleman,

4. As we all know, the FiT implementation in Malaysia was made possible through the establishment of the Renewable Energy Fund mandated under the Renewable Energy Act 2011. Thus, the transparent implementation of the FiT mechanism has always been our utmost priority. SEDA Malaysia is aware we are answerable to all our stakeholders especially the public where the Renewable Energy Fund comes from. As far back as two years ago, when the RE Bill was still in the progress of being drafted, the stakeholders (mostly the investors, service providers and individuals) have expressed their concern about the administration of the FiT

mechanism and the need to have transparent and fair allocation of renewable energy quota which will be approved.

5. SEDA Malaysia after obtaining approval from the Ministry to embark on the e-FiT system which allows interested parties to submit their applications online, had spent a lot of time and effort developing the system not to mention the financial implication. The e-FiT is an integrated system which includes quota balancing, monitoring and reporting modules to ensure the projects approved as well as FiT payments related to the applications. To ensure good governance, transparency and openness of the feed in tariff mechanism, all allocations of quotas to the feed-in approval applications are based on a first-come-first-served basis without any human intervention. The approval of quota must meet the requirements set in the rules and regulations stipulated under the RE Act 2011.
6. The system has been designed in consultation with various Government agencies, local private and international stakeholders to assure us the system is comprehensive and all the rules established by the subsidiary legislations, REPPAs, and guidelines have been embedded in the system. The e-FiT online system is very extensive and complex which enables the interested party to

apply at their convenience. It is tightly integrated with SEDA's official portal such that the digital dashboard is real time and will dynamically reflect the transactions occurring within the system.

7. Although the e-FiT Online System is fully automated, falsification or providing misleading or false information to the online system is an offence. The RE Act 2011 has provisions for penalties which amounts to monetary fines maximum of RM1 million and/or imprisonment of up to 3 years for providing false or misleading information. However, most importantly, SEDA Malaysia is closely monitoring the progress of these projects as well as all approved FiT projects. SEDA Malaysia will not hesitate to revoke FiT approvals for projects which fail to take off within the stipulated milestones which have been declared by the Feed-in Approval Holder and allocate the quota for others who are ready.

Ladies and Gentlemen,

8. Let me just share with you, the current status of the FiT Mechanism implementation. Up to 30th June 2012, we have received 852 Feed-in Approval applications and from these numbers, 458 applications with a total of 383MW in terms of installed capacity have been approved. We know solar PV is the most popular among other sources where about 46% of the total approved capacity comes from solar PV. From this observation I must say the allocation of the solar PV quota could invite some controversies. However with the e-FiT Online System which is independent and free of human intervention I am comforted that none of SEDA Malaysia Members or no other person are able to influence and control the allocation of the renewable energy quotas.

9. SEDA Malaysia is barely eight (8) months into the implementation of the FiT mechanism and being a new agency, we are still in the learning curve and we still have a lot to learn. Thus, we welcome all feedbacks from the public in order for us to improve in all aspects. From these feedbacks, we are currently in the process of enhancing our e-FiT system to ensure the improvements required are in place before the new quota opening in Q4 of 2012. The new e-FiT will be more robust and user friendly to ensure ease of use. We will make public on all the enhancements we have made soon before the

opening of the new quota. We will conduct a series of road shows on how to use the newly enhanced e-FiT system.

Ladies and Gentleman,

10. As I said just now, we are just starting our journey into the development of renewable energy in the country and you can look forward towards more exciting things to come. The Government is spearheading the implementation of the 100,000 solar rooftops programme was recently launched by the Prime Minister. SEDA Malaysia will assist the Ministry of Energy, Green Technology and Water in this task and this year we are starting with 2,000 rooftops. Individual house owners can expect more solar PV quotas to be released which we will announce on our portal soon. We are also looking into various mechanisms to boost renewable energy take up in the country apart from the existing mechanisms.

11. In November, we will be organizing the inaugural International Sustainable Energy Summit 2012 at Marriott Putrajaya. In this summit we have invited international and local experts to share their views and experiences regarding the sustainable energy sector with us. This is part of our communication plan to disseminate

information and educate the stakeholders regarding the development of the sustainable energy industry worldwide. I am pleased to invite all of you to attend the summit.

12. In closing, again, we wish to thank you for attending the public briefing today. Again, we thank all the support from all the players and the public which has contributed towards achieving the national goals to ensure renewable energy will play a significant part in the energy mix.

13. 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.

Sekian, terima kasih.