



BRIEFING ON NEW QUOTA RELEASE AND DIALOGUE ON DEGRESSION RATES

Sustainable Energy Development Authority Malaysia

28 November 2012



Objective of Session

- SEDA Malaysia recognizes Industry demand for dialogue on new degression rates
- Today's session is to give a chance for stakeholders to feedback on the degression rates
- Seda Malaysia will also share some new Rules on quota application to get feedback from Industry

Note

- 20 MW quota release for < 500 kW PV is postponed to Q1 2013 to allow sufficient time for degression dialogue and approval
- Quota release for < 5 MW PV will be announced in Q1 2013 if sufficient funds become available



Proposed Rule to suspend revoked FIAH from new applications

- Any application for Solar PV non-individual quota shall be refused by the Authority if, within the applicable moratorium period—
- The application is made by any company (the “**Revoked FIAH**”) that had previously been granted with a feed-in approval which was subsequently revoked due to a failure by the Revoked FIAH to comply with any condition of such feed-in approval;
- The application is made by any company having a subsidiary, holding company or shareholder who is a Revoked FIAH;
- The application is made by any non-listed company, having a direct or indirect shareholder who is a Revoked FIAH;
- The application is made by any company having a direct or indirect shareholder who was a direct or indirect shareholder of a Revoked FIAH.



Proposed Rule to suspend revoked FIAH from new applications (Continued)

- A person shall not be regarded as a direct or indirect shareholder of a Revoked FIAH by virtue of such person holding or having held any securities listed on any stock exchange.
- “moratorium period” means a period of [2] years from the effective date of the revocation of the feed-in approval held by the relevant Revoked FIAH; and
- “non listed company” means a company which is not listed on any stock exchange and which is not owned by any company listed on any stock exchange.



Proposed Rule to limit solar PV quota to 5 MW per shareholder and 30 MW per company

- Quota is already limited to 30 MW per company
- To prevent certain parties from setting up multiple companies and hogging the quota, it is now proposed to limit each shareholder to a maximum of 5 MW
- The shareholder's quota will be calculated based on the percentage holding in each FIAH



Proposed Rule to limit solar PV quota application in a day

- To prevent one party from getting a disproportionate share of the released PV quota:
- If a share-holder in any company has successfully submitted ONE FIA application for a day
- Any other company he/she has a share in will not be able to submit an application in the next 24 hours
- The other company will have to wait for the next day to submit a FiA application



Proposed Rule on Option to Rent Rooftops (non-individual)

- Option-to-Rent/Leased – additional information required:
 - Name of Lessor.
 - LHDN Stamping Duty No.
 - LHDN Stamping Date.
 - Option-to-Rent / Leasing Duration.
 - Size of Roof/Land Space (m²).
 - Option Period Validity.
 - Leasing Rate (RM / m² / year).
 - Option will become binding in case of successful FIA application



Proposed Rule on PSS for multiple connections

- Each FIA application should have its own PSS in the name of the applicant
- If an applicant or applicants intend to use 1 PSS for 2 or more connections:
 - Total capacity applied must be $<$ total capacity of the PSS
 - Letter from TNB to confirm that the said PSS can be used for the total number of connections applied



Proposed Rule on Paid Up Capital

- Each FIA applicant should have paid up capital as below at the point of application
 - RM 20,000 for FIA < 72 kWp
 - RM 50,000 for FIA > 72 kWp



Updating of company profiles

- All companies registered in the eFiT will need to update their profiles with the following info:
- Company's ultimate beneficial share-holder(s)
 - Key in each of the ultimate beneficial share-holder(s)'s names, My Kad No/Passport No
 - Shareholding percentages in the company and the date of filing with the Companies Commission of Malaysia
 - To substantiate, they will have to provide an Ownership/Share-holding Structure (in percentages) showing Corporate information of the company disclosing all their ultimate beneficial shareholders
 - As supporting document, certified true copies of their latest Forms 24 and 49 for each company from the FIA applicant till the last level before the individual shareholder



Updating of company profiles (continued)

- Company's latest Memorandum and Articles of Association under the Companies Regulations 1966 which have been filed with the Companies Commission of Malaysia showing power generation from renewable energy as part of their line of business
- Their latest audited accounts under the Companies Regulations 1966 which have been filed with the Companies Commission of Malaysia

Note

- All companies will be given sufficient time to update their profiles before new quota release
- Any company found to falsify info will have their FIA application refused



PROPOSED ADJUSTED DEGRESSION : BASIC RATE

Renewable energy installation having an installed capacity of	Basic rate	Annual Degression	Proposal	
			2013	2014
1. up to and including 4 kilowatts	RM 1.23	8%	8%	8%
2. above 4 kilowatts, and up to and including 24 kilowatts	RM 1.20	8%	8%	8%
3. above 24 kilowatts, and up to and including 72 kilowatts	RM 1.18	8%	12%	12%
4. above 72 kilowatts, and up to and including 1 megawatts	RM 1.14	8%	12%	12%
5. above 1 megawatts kilowatts, and up to and including 10 megawatts	RM 0.95	8%	12%	12%
6. above 10 megawatts kilowatts, and up to and including 30 megawatts	RM 0.85	8%	12%	12%



PROPOSED DEGRESSION: BONUS RATE

Renewable energy installation having any one or more of the following criteria in addition to basic rate	Bonus rate	Annual degression	Proposal	
			2013	2014
1. use as installation in building or building structures	+RM 0.26	8%	8%	8%
2. use as building materials	+RM 0.25	8%	8%	8%
3. use as locally manufactured or assembled solar photovoltaic module	+RM 0.03	8%	0%	0%
4. use of locally manufactured or assembled solar inverters	+RM 0.01	8%	0%	0%



AND NOW FOR THE DIALOGUE - IF YOU STILL WANT IT!

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