Sustainable Energy Development Authority Malaysia (SEDA Malaysia)
Galeria PjH, Aras 9, Jalan P4B, Persiaran Perdana, Presint 4, 62100 Putrajaya
T : +603 - 8870 5800 F : +603 - 8870 5900 E : info@seda.gov.my

PRESS RELEASE: IMMEDIATE RELEASE

TO : THE NEWS EDITOR

SURCHARGE ON ELECTRICITY BILLS FOR RENEWABLE ENERGY FUND REVISED FROM 1.0% TO 1.6%

Putrajaya, Tuesday (3 December 2013): The Chairman of Sustainable Energy Development Authority (SEDA) Malaysia Y.Bhg. Datuk Dr Yee Moh Chai today echoed the announcement made on Monday, 2nd December 2013 by the Minister of Energy, Green Technology and Water regarding the revised surcharge on electricity bill for the Renewable Energy (RE) Fund. Effective 1st January 2014, the surcharge will be revised from 1.0% to 1.6% for distribution licensees such as Tenaga Nasional Berhad (TNB). It is to be noted for Sabah Electricity Sdn Bhd (SESB) consumers this is the first time a 1.6 % surcharge on electricity bill will take effect.

The RE Fund is created via Section 23 of the Renewable Energy Act 2011 through the implementation of the Feed-in Tariff (FiT) mechanism enabling electricity generated from renewable sources to be paid a premium tariff. The FiT mechanism was implemented on the 1st December 2011 with the enforcement the RE Act 2011. However not all electricity consumers are obliged to contribute to the RE Fund. While the RE Fund is critical to ensure the sustainable growth of renewable energy, the Government is mindful to protect consumers with 300 kWh and less of electricity usage (equivalent to RM77) who will be exempted from such contribution. In Peninsular Malaysia only 29% and 38% from Sabah, of the total domestic electricity consumers will be affected.

Datuk Yee stated "the implementation of the FiT mechanism since 1 December 2011 has been a resounding success. Under the previous Small Renewable Energy Power (SREP) programme, only 61.2 MW of RE capacity was connected to the grid at the end of 2010. After 24 months of implementation by SEDA Malaysia, the FiT mechanism has a total approved RE capacity of 482 MW which constitutes of 40.2% for solar PV, 27.7% for biomass, 27.2% for small hydro and 4.9% for biogas. After 24 months of implementation the country now has a cumulative total of 119MW of renewable energy capacity connected to the grid which represents an increase of 94% on the initial baseline.

Y.Bhg. Datuk Dr Yee Moh Chai, also mentioned as of end of October 2013 the FiT mechanism has benefited 775 house owners who had installed solar PV systems on their roofs. He added the public's response to install ther roof top solar PV systems has been overwhelming as the FiT has paved the way for the public to engage in generating electricity renewable resources to support the national agenda. The Chairman hopes the public will continue to support the role played by the RE Fund from the surcharge contributed by electricity consumers in the nation's bid to push for aggressive national green and clean energy growth.

The introduction of the 1.6% surcharge on electricity bill in Sabah will mean the FiT mechanism will now be applicable to the state of Sabah. Currently, only RE projects in Sabah that were previously under the SREP programme and had achieved commercial operation by 1st December 2011 were able to take part in the FiT mechanism. However, the FiT is not available for the state of Sarawak which has its own ordinances and legislations governing the state's electricity supply.

According to a study conducted by Vermont Law School, Institute for Energy & the Environment, U.S.A. (2012) on energy security improvement from 1990 to 2010 among 18 countries[1], Malaysia ranked the highest on such improvement index. The key factors that propelled Malaysia to achieve top ranking were the passing of the National RE Policy and Action Plan by the Cabinet on the 2nd April 2010 and the Government's commitment towards implementation of the feed-in tariff in the country.

While SEDA is proud to achieve such notable ranking, continuous efforts must be in place to improve the country's energy security and autonomy in the long run. In tandem with the recent Budget 2014's theme of building a resilient economy, the country is weaning off reliance on fossil fuel towards sustainable energy. "As a country's economy is strongly pegged to price of energy, the ability to achieve a certain level of energy autonomy will help to create a more robust and resilient economy," said Datuk Dr Yee.

END

---

[1] *United States, European Union, China, India, Japan, South Korea, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.*