

Opening Speech by Ms Catherine Ridu, CEO of SEDA
BALLOTING for Solar PV for the Non-individuals (up to 425 kW)
Everly Hotel, Putrajaya on Wednesday, 18th June 2014

Y. B. Datuk Seri DiRaja Mahdzir bin Khalid , Honourable Deputy Minister of Energy, Green Technology and Water,

Y. Bhg. Datuk Daniel Kinsik, Political Secretary to Y.B. Datuk Seri Panglima Dr Maximus Johnity Ongkili, Honourable Minister of Energy, Green Technology and Water and this afternoon representing the Minister,

Y. Brs En. Ahmad Shadzli Abdul Wahab, President of the Malaysian Photovoltaic Industry Association

Y. Brs. Tuan Haji Ahmad bin Abu Kassim, President of the Malaysian Photovoltaic Manufacturers Association

Applicants and solar PV service providers,

Members of the press and

Ladies and Gentlemen.

Greetings for this afternoon dan Salam 1 Malaysia

1. I wish to personally welcome everyone to SEDA's first balloting event for the feed-in approval (FiA) applications for solar photovoltaic (PV) for installed capacity up to 425 kW.
2. We as a Nation has made some very progressive moves over the last 3 years since we rightfully embarked in this green and renewable journey. It most certainly has been a remarkable ride with some teething issues, a few shouts and cries along the way. As the newly appointed CEO of SEDA, I can safely say that this is a necessary journey that we, again as a Nation, must undertake to secure our future generations.
3. Yes, this is SEDA's first balloting event for the feed-in approval (FiA) applications. This round of quota opening exercise has begun earnestly on 2nd May 2014 and will conclude by 16th July 2014. Taking cognizant of lessons learnt from preceding quota opening events and in the spirit of ensuring transparency, integrity and governance, SEDA has necessitate the need for such balloting.

4. This opening of quota exercise is made possible by the increase in the Renewable Energy (RE) Fund contribution from 1% to 1.6% effective 1st January 2014, imposed on TNB, SESB and NUR Distribution's consumers' electricity bills. This increase will see an estimated collection jump from RM300 million to RM633 million per annum.
5. On 2nd December 2013, the Minister of Energy, Green Technology and Water announced the RE quota to be released commencing 2nd May 2014. Subsequent to the announcement, SEDA has, in stages, released a total of 183 MW of RE quota since 2nd May 2014. By 1st July 2014, SEDA will expect to release a further 135 MW for biomass, biogas, and small hydro.
6. For solar PV, a total of 40 MW is released during this period for projects that can achieve commercial operation by end of this year. Of this 40 MW, 10 MW is allocated for the individuals (2 MW for Sabah and WP Labuan, 8 MW for Peninsular Malaysia, Sabah and WP Labuan), 25 MW for the non-individuals, and 5 MW for the community.

7. Under the non-individuals, SEDA has divided the quota into 2 categories; (i) up to 425 kW and (ii) above 425 kW to 1 MW. The applications for above 425 kW to 1 MW category are based on manual submission whilst the up to 425 kW applications are based on electronic submission via the e-FiT online system but allocation of quota is by balloting process.

Ladies and Gentlemen,

8. Before we proceed further, let me share with you the cumulative performance of the feed-in tariff (FiT) since it began on the 1st December-2011. As of end of May 2014, SEDA has approved 3,107 applications with a total RE capacity of 752.17 MW. This capacity will reach commercial operation between 2014 and 2016. Of this capacity, small hydro constitutes 32% (244.09 MW), biomass 30% (222.14 MW), solar PV for the non-individuals 24% (182.78 MW), biogas 10% (73.99 MW), and solar PV for the individuals 4% (29.17 MW).

9. As of end of May 2014, a total of 194.86 MW of RE capacity has achieved commercial operation, 59.1% of this capacity is from solar PV, 26.8% from biomass, 8.1% from small hydro, and 6% from biogas. Although a commendable achievement compared to the early small renewable energy programme (SREP), this RE capacity still constituted less than 1% of the total electricity generation capacity in the country. We certainly have a long way to go in making RE a significant contributor to our Nation's energy mix.

Ladies and Gentlemen,

10. This afternoon, we are here to witness the first ballot process of its kind for solar PV applications for the non-individuals with installed capacity up to 425 kW. On this note, I wish to highlight that SEDA has engaged an external auditor, Deloitte Enterprise Risk Services Sdn Bhd, to audit the entire balloting process. In addition to this, we are most grateful to the Auditor-General Department, the Institute Integrity Malaysia, and the Malaysian Photovoltaic Industry Association in providing independent observers for this balloting process..

11. This afternoon, we will split the ballot into 3 capacity categories; (i) up to 72 kW, (ii) above 72 kW and up to 180 kW and (iii) above 180 kW and up to 425 kW. This further splitting of capacity categories is hoped to achieve a level of fairness for quota allocation on various capacities applied for. SEDA has received in total 351 applications that are eligible for balloting; with a total capacity of 74.1757 MW; out of these applications, 120 applications fall within the first category of up to 72 kW with total capacity of 4.2293 MW, 85 applications fall within the second category of above 72 kW and up to 180 kW with total capacity of 13.6267 MW, and 146 applications fall within the final category of above 180 kW and up to 425 kW with total capacity of 56.3197 MW.

12. The total capacity available for allocation is 10 MW. Based on simple pro-rata principle, the quota allocated for the first category will be 0.5 MW, the second category will be 1.8 MW and the final category will be 7.7 MW. However, SEDA has received feedback from both industry players and members of the public that the quota allocation for smaller capacity should be increased to benefit more small solar PV developers. In response to this feedback, SEDA has proposed that the first category of up to 72 kW be increased 3-fold from 0.5 MW to 1.5 MW, the second category of above 72 kW and up

to 180 kW be adjusted from 1.8 MW to 2.0 MW, and the final category of above 180 kW and up to 425 kW be reduced from 7.7 MW to 6.5 MW. With this, SEDA hopes to demonstrate its sincerity in heeding the suggestions put forward by the industry players and members of the public.

Ladies and Gentlemen,

13. I would like to take this opportunity to remind that the solar PV quota for community will be released on the 16th July 2014. The community category covers public and non-profit private schools, welfare homes, and places of worship. Earlier, SEDA has announced that the online registration for profile for interested applications must be completed by 25th June 2014. In view of this, SEDA has decided to extend the deadline of 25th June 2014 to the end of June 2014. Instead, SEDA hopes that with this extension of deadline, more from the community sector will participate as it is our desire to see the community benefits from the FiT programme.

14. We are humbled to have Y. B. Datuk Seri DiRaja Mahdzir bin Khalid, the Deputy Minister of Energy, Green Technology and Water, Y. Bhg. Datuk Daniel Kinsik, the Political Secretary representing the

Minister of Energy, Green Technology and Water, and Y. Brs. Tuan Haji Ahmad bin Abu Kassim, President of the Malaysian Photovoltaic Manufacturers Association for taking time off their busy schedule to conduct the ballot draw.

15. I am obliged to remind the balloted applicants that the quota is only considered successfully allocated upon verification by SEDA that the applications have complied to the rules and regulations, and the guidelines and determinations imposed by SEDA. On this note, the balloted applicants are required to complete the online submission of the applications in SEDA's office at Putrajaya tomorrow; the Chief Operating Officer, of SEDA, Ir Dr Ali Askar, will provide more details in a while.

16. With this, I would like to thank everyone for their continuous support in our Nation's quest for a sustainable development. I hereby conclude my opening remarks and wish all the solar PV applicants the best of luck in securing quota via this balloting process.

Sekian dan terima kasih.

18th June 2014.