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LIQUEFIED NATURAL GAS

5 IMPORT, SHIPPING LICENCES PROCESSED

Another application under third party access system expected in Q3

KUALA LUMPUR

THE Energy Commission has processed two liquefied natural gas (LNG) import licences and three shipping licences under the third party access (TPA) system, which came into effect on January 16.

Gas Development and Regulation director Roslee Esman said another application for both LNG import and shipping licences was expected to be submitted in the third quarter.

Meanwhile, the TPA for natural gas is a system that makes it possible for third parties to access gas facilities they do not own or operate.

Roslee said the Gas Supply Act (Amendment) 2016 and the introduction of the TPA provided more participation opportunities for industry players.

“The commission encourages more suppliers (LNG import and shipping licensees) to apply for licence, but the market can be considered as being competitive once two or more shipping licensees participate in the market,” he said.

He said the commission had held a number of engagements with industry players and gas users through workshops, forums, talks and seminars, in which it received positive and encouraging response.

“In general, industry players and gas users expect the liberalisation of the gas market would benefit them in terms of sustainable supply of gas, reasonable market price and better services from the supplier.”

Roslee said four more guidelines, which were expected to be issued by the commission this year, included business plan and

standards and tariff determination. This is in addition to the two that were already issued, namely, licence and anti-competition.

He said several requirements were set by the commission for companies to participate in the TPA.

Among others, applicant must be incorporated locally or in any other country approved by the commission, and applicants must fulfil a certain minimum paid-up capital requirement as it may prescribe.

“All directors on the board of directors of the applicant may not hold any directorship on the board of directors of any other applicant or any other holder of a licence issued under the Gas Supply Act 1993,” he said.

Roslee said applicants must also have an issued and paid-up capital of at least RM1 million.

Bernama