THE NEW ENERGY POLICY

National Energy Security 2012
Sime Darby Convention Centre
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Outline of Presentation

1. Malaysia Energy Resources
2. Energy Policies
3. New Energy Policy, 2010
4. Progress Under 10th Malaysia Plan
5. Way Forward
6. Vision for the Future
Malaysia’s Energy Resources

**Reserve**
- **Gas:**
  - Peninsular: 35.1
  - Sabah: 11.9
  - Sarawak: 42.9
  - Total: 89.9 Trillion cubic feet (89.9 TSCF)

- **Oil:**
  - Peninsular: 2.4
  - Sabah: 2.0
  - Sarawak: 1.5
  - Total: 5.9 Billion barrels

**Production 2010**
- **Gas:**
  - 974.0 kboe/day
  - Reserve Life: 39 years

- **Oil:**
  - 657.2 kboe/day
  - Reserve Life: 25 years

**Reserve Life**
- **Gas:** 39 years
- **Oil:** 25 years

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**Total : 89.9 Trillion cubic feet**
As at 1 January 2011

**Total : 5.9 Billion barrels**
As at 1 January 2011
Malaysia’s Energy Resources

**Coal**

Reserve
1.938 Trillion tonnes

Production 2010
2.38 million tonnes

Coal Reserves

- Peninsular, 1%
- Sabah, 19%
- Sarawak, 80%

Total: 1.938 Trillion tonnes
As at 1 January 2011

Installed Capacity

- **Installed Hydro**
  - Major: 2,091 MW
  - Mini: 22 MW

- **Installed RE**
  - Public: 120.1 MW
  - Private: 644.63 MW
Current Energy Situation, 2010

**Primary Energy Supply**
- Crude Oil: 29%
- Coal & Coke: 19%
- Natural Gas: 47%
- Petroleum Products: 3%
- Hydro: 2%

**Final Energy Demand**
- Agriculture: 3%
- Non-Energy Use: 9%
- Residential & Commercial: 19%
- Industrial: 30%
- Transport: 40%
- Electricity: 21%
- Natural Gas: 15%
- Petroleum Products: 59%

**Total:**
- Primary Energy Supply: 78,320 ktoe
- Final Energy Demand: 41,610 ktoe
Trends Of GDP and Energy, 1990 - 2010

Trends in GDP, Primary Energy Supply and Final Energy Demand

FED - Final Energy Demand (ktoe)
PES – Primary Energy Supply (ktoe)
GDP – Gross Domestic Product (RM million)

Source: National Energy Balance, KeTTHA
Energy demand is projected to increase from 2,000 PJ in 2009 to 4,013 PJ in 2030. Average rate of 3.6% p.a. Malaysia is projected to be a net energy importer by 2019.
The New Energy Policy addresses economic efficiency, security of supply & social and environmental objectives.

5 PILLARS

1. Energy Pricing
   • Resource Allocation
   • Economic Development path
   • EE & RE Uptake

2. Energy Supply
   • Diversify Supply
   • Alternative Sources
   • New Entrants

3. Energy Efficiency
   • Market Competitive
   • Low-carbon Economy

4. Governance
   • Integrated
   • Regulatory consistency
   • Market disciplines

5. Change Management
   • Integrated
   • Sequenced
   • Gradual
   • Social Assistance
Progress Under 10th Malaysia Plan
Adoption of market-based energy pricing

Gas Price Revision

Gas prices set by Government to increase by RM3/mmbtu every 6 month

Achieve Market Price by 2016

Itemised Billing

Itemising subsidy amount in consumer utility bills
Initiatives to Secure and Manage Reliable Energy Supply

Oil & Gas Sector

LNG Regasification Terminals (RGT)

- **2012**: RGT in Malacca (~500 mmscfd)
- **2015**: RGT in Sabah (~100 mmscfd)
- **2016**: RGT in Tanjung Pengerang, Johor (~500 mmscfd)
- **20XX**: RGT ??

Refinery and Petrochemical Development

- **2016**: RAPID in Johor
Energy Supply

Third Party Access for Gas Sector

- SINGLE OPERATOR
- SUBSIDISED PRICE
- INEFFICIENT MARKET
- INSUFFICIENT SUPPLY
- EFFICIENT MARKET
- SUFFICIENT SUPPLY
- MULTIPLE OPERATOR
- MARKET PRICE

3RD PARTY ACCESS
Electricity Sector

Power Generation Plants

- 2013: 300MW Kimanis Gas Power Plant
- 2013: 100MW SPR Gas Power Plant (Kimanis)
- 2015: 1000MW Coal Power Plant (Janamanjung)
- 2016: 1000MW Coal Power Plant (Tg. Bin)
- 2017: 622MW Hydro Plant

Other Initiatives

Feed-in-Tariff for RE Sources
Studies on alternative energy sources
Measures to encourage efficient use of energy

- RM40 million was disbursed for *Sustainability Achieve Via Energy Efficiency* (SAVE) Programme to SEDA
- A total of RM 45 million was allocated to SIRIM for EE Testing Lab
  - RM15.21 million has been disbursed
- KeTTHA is undertaking the task in drawing the EE Masterplan and Act
Improved governance of energy sector to raise productivity & efficiency

New Entities

- **MPRC**
  Various entities established to address separate element of the energy industry
  - Malaysia Electricity Supply Industry (MESI)

- **MNPC**
  - Renewable Energy & Feed-in-Tariff

- **MyPower**
  - Alternative energy sources etc.

- **SEDA**

Stronger Governance

Enhancement/Amendments of Acts

- Gas Supply Act 1993

Labs & Workshops conducted to address mechanism for effective coordination between entities
Way Forward

Efforts to raise productivity & efficiency

Enhancement

• Gradual & phased implementation
• Assess appropriate timeline for market price of all energy sources
• “Market price” that reflect efficient cost of supply, incentive for investment & transparency
• Address the issue
  – “Aging” infrastructure
  – Energy efficient vehicle
  – Social safety net
Vision for the Future

- Efficient use of energy
- Diversified & responsive energy supply
- Efficient resource allocation
- High value economic development