Headline	Govt reviewing large power plant deals		
MediaTitle	The Malaysian Reserve		
Date	02 Jul 2018	Color	Black/white
Section	Corporate Malaysia	Circulation	12,000
Page No	1,4	Readership	36,000
Language	English	ArticleSize	285 cm²
Journalist	MOHAMAD AZLAN JAAFAR '	AdValue	RM 1,765
Frequency	Daily	PR Value	RM 5,294

Govt reviewing large power plant deals

PPAs also under review, whether the agreed tariff is fair or lopsided, and the beneficiaries

by **MOHAMAD AZLAN JAAFAR**

THE government is reviewing several power plant deals awarded under the previous administration as the new authority in Putrajaya intensifies reviews of lopsided and unfeasible deals.

According to a source, the review covers power plants, hydro and solar projects in several states, how the deals were hatched, the beneficiary of these projects and the country's energy security.

"The government is scrutinising the deals whether we need the power generated based on the country's required power reserve and future use.

"It is also reviewing the power purchase agreements (PPAs) and whether the agreed tariff is fair or lopsided, and the beneficiaries," said the source with knowledge of the review, but could not officially speak to the media.

The source said the review involves power deals in several states awarded by the previous government. Power generation and independent power producer (IPP) deals have been a thorny issue for the country as some of these multibillion ringgit projects were awarded based on direct negotiation.

The Energy Commission (EC) had approved these projects.

Such deals had been widely criticised for the lucrative tariff agreed under the PPAs, in many instances higher than the average price.

The ability of some of the companies awarded the lucrative deals, those without prior experience, had also been questioned by the public.

It is estimated Malaysia consumes 133 billion kilowatt hour (kWh) of electric energy annually and produced 141.9 billion kWh, leaving it with a strong reserve of 30%.

The EC and the government have the authority to approve power projects in the country. Tenaga Nasional Bhd (TNB) signs PPAs with the power producers and pay for the energy generated at a specific tariff for a predetermined period.

The source said power projects which are already at an advanced stage of development would continue as it would be difficult to stop such projects.

The Pakatan Harapan government has been on overdrive since helming Putrajaya, reviewing large-scale infrastructure projects including energy infrastructure.

The government is already reviewing the RM60 billion East Coast Rail Link and put the multibillion ringgit high-speed rail project linking Kuala Lumpur and Singapore on the backburner.

SEE P4 COL

Headline	Govt reviewing large power plant deals		
MediaTitle	The Malaysian Reserve		
Date	02 Jul 2018	Color	Black/white
Section	Corporate Malaysia	Circulation	12,000
Page No	1,4	Readership	36,000
Language	English	ArticleSize	285 cm²
Journalist	MOHAMAD AZLAN JAAFAR '	AdValue	RM 1,765
Frequency	Daily	PR Value	RM 5,294

MoH takes over SSER

FROM P1 Power plant deals

The Ministry of Finance (MoF) has also taken over the management of Suria Strategic Energy Resources Sdn Bhd (SSER), the company which is responsible for two pipeline projects worth RM9.41 billion.

SSER had paid 88% of the contract price for the Multi-Product Pipeline (MPP) and the Trans Sabah Gas Pipeline (TSGP) despite failing to secure any rights from Petronas (Petroliam Nasional Bhd).

The two deals involve the construction of a RM5.35 billion 600km pipeline from Melaka and Port Dickson to Kedah, and the RM4.06 billion pipeline from Kimanis Gas Terminal to Sandakan and Tawau.

SSER has paid out 88% of the RM9.4 billion despite the MPP and TSGP recording only 14.5% and 11.4% progress completion respectively as at end-March this year.