Audit award, approval processes, urges Awer

PETAUING JAYA: The Association of Water and Energy Research Malaysia (Awer) has urged the Auditor General (AG) to audit all approval processes and award letters for power plants in The Energy, Green Technology and Water Ministry (KeTTHA), Energy Commission (EC) and Sustainable Energy Development Authority (SEDA) from 2012 onwards, after a slew of direct negotiations that were announced by the authorities.

Awer also urged the AG to audit all Planning and Implementation Committee for Electricity Supply and Tariff (JPPELT) - the entity set up for future planning of electricity supply - decisions, meeting minutes, documentation and presentations from 2012 onwards.

It also wants the AG to audit the handling of competitive bidding processes for new power plants and documentation including how nodal points and land requirements, including green field and brownfield, are set.

It has also called the AG to look into the extension process of old power plants and its bidding process, as well as the failure of Sustainable Energy Development Authority (SEDA) and the feed-in tariff (FIT) mechanism to meet renewable energy (RE) mix targets including the set up process and FIT mechanism.

Awer said that KeTTHA had awarded 200MW of utility scale solar (USS) projects via direct negotiation to fast track the implementation of the 1,000MW USS project.

“All these direct negotiations must be stopped and all the 1,000MW USS must be awarded via a fair and transparent competitive bidding process by EC,” Awer president S. Piarapakaran said in a statement yesterday.

Awer also said that KeTTHA must be held accountable for any delay in reaching higher renewable energy (RE) mix in electricity generation.

It also warned KeTTHA of the possible failure in FIT mechanisms as well as the redundant formation of SEDA since 2011.

“Awarding direct negotiations to meet the failure of SEDA and FIT is not the right way. In fact, KeTTHA and its officers (both current and former) who pushed the formation of SEDA and FIT as a solution to rapidly increase RE mix should be held accountable and severely punished,” Piarapakaran said.

Awer had also questioned why the EC had not announced the levelised tariff after it had approved the extension of some of the old power plants.

“Why did the EC fail to publish the levelised tariffs like what it did back in 2012? What is EC trying to hide? How many bidders were involved and what were the bidding prices? Why is there no transparency in this?” Piarapakaran asked.

Awer reiterated that the current extension of old power plants are due to the EC’s failure in preventing delays in new power plant projects in meeting the financial close.

The watch dog group also urged the EC to cancel the award of Track 4A, the 1,000-1,400MW combined cycle gas turbine power plant, to SIP Energy Sdn Bhd and called for transparent competitive bidding immediately.

Piaparakaran said any delay in calling for competitive bidding will exhaust the time available for the competitive bidding process.

“Why is the EC preventing competitive bidding? Failure to carry out competitive bidding will prevent fair and equitable cost from being passed on to electricity tariff,” he said.