

Headline	'Consumers to enjoy more affordable rates with liberalised market'		
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**ELECTRICITY SUPPLY**

# 'Consumers to enjoy more affordable rates with liberalised market'

**KUALA LUMPUR:** Contestable market or a liberalisation in the local utility sector is vital as it will provide consumers with more choices and flexibility when buying electricity.

Accenture Singapore Asean Smart Grid Services Lead managing director Lim Chih Shoong said a liberalised market would provide consumers with competitive pricing and innovative offers while enjoying the same electricity supply.

"Market contestability has managed to reduce utility prices by up to 26 per cent in Singapore.

"We expect Malaysia to have different electricity tariff if the country goes into full-retail contestability, making it cheaper for consumers," he told the *New Straits Times* recently.

It was reported that Malaysia was looking to liberalise its utility sector but the government has yet to set any conditions on the supply generation.

Lim believes the liberalisation would promote a more sustainable electricity ecosystem.

"This is because an open electricity market will allow the dominant utility companies and new players to innovate their prod-

ucts and services for consumers," he said.

Lim said utility companies should reinvent themselves to boost performance and create new value for consumers.

"Companies must optimise their operations to reduce costs, while the savings can in turn be invested to develop new enhanced products and services."

Lim said legacy players must pivot wisely to grow and transform core businesses by adopting new solutions in their processes.

Among others, he said companies should transform their core businesses to optimise core processes and unlock trapped value within current operations, driving investment capacity with leading-edge and digitally-enabled solutions.

Lim said companies must grow its core businesses to release the fuel for growth with selective investments in renewables and generation, in grid enhancement and expansion, and greater optimisation of distribution and current client base expansion.

"The new scale requires constant agility and innovation to evolve over the next 10 to 15 years."



Accenture Singapore Asean Smart Grid Services Lead managing director Lim Chih Shoong says market contestability has managed to reduce utility prices by up to 26 per cent in Singapore. PIC BY ZUNNUR AL SHAFIQ

He said over the near term, "new" energy would be relatively small at approximately 15 per cent of expected additional overall value, but it was also the fastest-growing area and key to sustainable revenue growth beyond the traditional business.

Lim said this would allow companies to maintain or secure a bigger market share while diversifying their revenue stream.

On the importance of energy transition (decarbonisation), Lim said governments globally were on the lookout to conserve and make the utility sector more sus-

tainable, while providing clean, efficient and cost-effective solutions for the economy.

He said renewable energy (RE) could also be applied in residential and commercial segments, including real estate, manufacturing as well as heavy-duty energy consumption sectors.

"However, the challenge is RE's ability to produce similar power quality and the infrastructure to support various sectors.

"RE quality is known to be intermittent and, hence, critical services such as military and hospital operations have seen slower

uptake," he said.

Lim said the adoption of RE in developed countries like the Netherlands and France was behaviourally and culturally driven and not solely reliant on branding.

"However, the reaction to RE adoption in Asia was different as more education is needed to steer the society towards the adoption of clean energy alternatives."

Lim said most consumers preferred cheaper electricity with the same power quality and that most were not worried about the sources of the energy.