

Headline	Ministry: Four IPP contracts scrapped		
MediaTitle	The Star		
Date	13 Jul 2018	Language	English
Circulation	201,943	Readership	605,829
Section	Nation	Page No	13
ArticleSize	197 cm ²	Journalist	N/A
PR Value	RM 31,649		



Ministry: Four IPP contracts scrapped

They were hastily awarded, says Yeo

PUTRAJAYA: Four of the eight Independent Power Producer (IPP) contracts that were "hastily awarded" under the previous administration have been scrapped, while four others are being reviewed.

Energy, Green Technology, Science and Climate Change Minister Yeo Bee Yin said all eight IPPs under scrutiny were new contracts.

An official announcement was expected to be made next week after obtaining Cabinet approval, she said during an inaugural town hall session with energy stakeholders yesterday.

One of the four cancelled IPP contracts belongs to a listed company, while the other three are not listed.

"All these eight contracts were mostly hastily awarded," Yeo said, criticising how they were given through direct negotiations.

She also gave assurance that the cancellation of the four IPP contracts would have no negative implications as the ministry had studied whether there would be any financial, technical or legal repercussions.

"These four IPPs (contracts) have no implications, so we can cancel them. All four are not needed by us," she said.

Malaysia is estimated to consume 133 billion kilowatt hours (kWh) of electric energy annually and produce 141.9 billion kWh, leaving the country with a strong reserve of 30%.

The reserve, said Yeo, gave the Government time to cancel some IPP contracts and to develop a new industry centred around renewable energy.

"If you look at our country over the past two decades, we are seeing a lot of coal-fired power plants," she said.

Malaysia, Yeo pointed out, was heavily dependent on coal-fired power plants, with its reliance increasing to 42.5% in 2016 from 8.3% in 1996.

"But because we do not produce coal in Malaysia, our country will be in trouble since we are reliant on something that we do not have.

"That is the reason why renewable energy is something the Government wants to move forward on," she said.



See StarBiz
For more stories