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Refusal by IPPs force SESB to announce blackouts



Jonathan Nicholas

KOTA KINABALU: Sabah Electricity Sdn Bhd (SESB) Chairman Datuk Seri Madius Tangau (**pic**) prefers Independent Power Producers (IPPs) who supply 80 per cent of Sabah's electricity to be the ones notifying of any outages.

"They refuse, so we have to do the announcement. If any of their power stations break down, what can SESB do? Nothing. We only carry the burden of explaining it to the public.

"Once they announce any breakdowns we can relay the message to the public and say we are forced to do load shedding," he said.

He was replying to Warisan's Datuk Junz Wong who queried the direct appointment of 13 new SESB staff during the recent State Assembly sitting to amend the Energy Commission Sabah Enactment 2023.

Madius said the team "of five, not thirteen" are specifically communications offi-

cers as there is a lot of misinformation surrounding the utility company.

"The electricity supply ecosystem is a complex governance not easily understood but easily twisted.

"We have over 3,000 SESB staff and I don't expect them all to understand everything done by upper management.

"When staff don't understand, they will start leaking false information and some will use it in their speeches.

"I would like to enhance SESB's communications capability on all platforms, including social media, and to the extent of a simple SESB video series.

"For example, explaining the Imbalance Cost Pass-Through (ICPT) is very complicated and cannot be fully understood in a single session.

"We need professionals to continuously explain it and my team will crystalise these messages to make it easy for the ordinary people.

"I have not been replying to Junz because there is no point," he said after a meet-the-industry session on the ICPT mechanism implementation for Sabah and Labuan at Pacific Sutera, Tuesday.

He said SESB has no competitors in Sabah just like airports or ports. The company is heavily regulated by the Government, not only in tariff but selling price.

"SESB cannot simply decide and determine the price. The State Cabinet will have to approve.

"This is just a brief on its financial and legal framework. It gets more complicated when we talk about engineering and power generation," he added.

See Page 2, Col. 1

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List of all IPPs

From Page One

SESB is a subsidiary of Tenaga Nasional Berhad which owns 80 per cent of shares although it is regulated by the Energy Commission of Sabah.

Madius said he would be disclosing a list of all the IPPs in Sabah in a Daily Express special this Sunday (Jan 21), saying the number of solar IPPs will be a shocking revelation.

He said IPPs are selling power to the State through power purchase agreements, some, signed a long time ago. SESB made only 4 per cent profit in 2022 and 2023.

However, he said the 20 per cent generation market share is set to go down further as more areas are being connected to the grid.

“SESB should own a minimum 700 megawatt to address base load ensuring stable supply. It should be a gas combined cycle but more ideally coal. The latter idea is opposed by the people.

“Right now reserve margins is less than 12 per cent and we should hit 30 per cent by the end of the year which would more or less mean stability.

“Currently we have interim solutions for the short term like renting generator sets. But Sabah will be the first in Malaysia to have the Battery Energy Storage System (BESS) capable of storing 100 megawatts to be installed at POIC Lahad Datu,” he said.