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Malaysia to slash another 25% of CO2 emission by 2030

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by ALIFAH ZAINUDDIN

MALAYSIA plans to reduce the country's carbon dioxide (CO2) emissions by 25% in the next 13 years, as part of the national effort to address the threat of the carbon discharge on human health and the environment.

Under the Green Technology Master Plan 2017-2030, the government aims to slash CO2 emissions from the present eight metric tonnes (MT) per capita to six MT per capita in 2030.

The 13-year plan also targets 25% renewable energy (RE) in the country's power generation mix, boost energy efficiency from less than 2% to 15%, treated wastewater recycling to 35% from less than 1%, 15% freshwater extraction rates from the present 2%, and 50% green manufacturing SME from just 10% now.

Other definite and behavioural initiatives include cost-balancing management for green application, tariff rates amendments and continuous engagement between various stakeholders.

Power generation and transportation are the main contributors to CO2 emissions. Old technologies utilisation, inefficient power usage and business reluctance to adopt green tech had driven CO2 up,

increasing the greenhouse effect and rise in sea water and flooding.

Ministry of Energy, Green Technology and Water secretary general Datuk Seri Dr Zaini Ujang said it is "a tough balancing act" to meet the country's pledge to reduce its carbon

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Govt allots RM53.7b worth of subsidies

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footprint made at the Paris climate conference (COP21) in 2015. He said for example, the country has pledged to increase RE to the country's installed power capacity and targetting about 30% in 2030 and 50% by 2050.

Zaini said while green technologies are favoured for RE, there are cost concerns and whether the public will bear the additional costs.

"In Malaysia's case, with the present technology, the more green components come into the power grid, the more coal needs to be fired to levelise the tariff at 38 sen," he said at *The Malaysian Reserve's* (TMR) Third Green Growth Roundtable on "Powering Malaysia: Transitioning Towards Clean Energy" in Bangi yesterday.

The forum aimed to dissect Malaysia's efforts to fulfil its COP21 2015 pledge.

The discussion also featured Energy Commission chairman Datuk Abdul Razak Abdul

Majid, TNB Energy Services Sdn Bhd MD Dr Ir Ahmad Jaafar Abd Hamid, Federation of Malaysian Manufacturers energy management committee chairman Puan Sri Maimon Arif Patail and ENSEARCH chairman KN Gobinathan.

RE technologies are associated with solar power, wind, hydroelectricity/micro hydro, biomass and biofuels.

The feed-in tariff for solar-powered energy varies, but could reach around 47 sen per kWh. Zaini said in comparison, coal- and gas-powered energy will cost between 28 sen and 35 sen per kWh.

He said the hydro energy's cost is higher — more than double — compared to coal or gas.

"During rainy days, we have to release the water, and the hydro component in the energy mix can go up to 7% — far above the average 2% level. That is expensive energy.

"In order to levelise the tariff at 38 sen on average, we need to have more coal-generated

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power into the mix. In that case, the percentage of coal to the grid will be more than 50%," Zaini said.

He said while there are worries over coal-fired power plants' environmental effect, the independent power producer (IPP) has continued to upgrade their system to achieve greater efficiency and reduce the usage of the raw material.

"I have visited a few IPP power plants that had been upgraded. Although there are fixed old power purchase deals, these IPPs are businesses. They want to save expenses and generate more profit," he told TMR in a separate interview.

Malaysia's power sector generates about 17,000MW of electricity from various sources — coal- and gas-fired power plants, hydroelectric, RE and others.

Abdul Razak said the government will continue to favour a mix power generation sources and an adequate buffer to ensure the country's power security.

"We will not depend, nor put a high percentage on one energy source," Abdul Razak said, adding that the country aims to reach 2,000MW of electricity from solar energy in three to five years' time. But the challenge, he said, is the higher cost and whether the public is able to accept such rates.

"What do we want? Do we want to go all green and pay 55 sen against an average of 38 sen using a mix of all fuel options? Are we all prepared to pay 55 sen?"

"That is a difficult question to answer. The reality is, can the industry support a tariff of 55 sen?" Abdul Razak said, commenting on the need to regulate the energy mix to

ensure the overall tariff can be kept at an affordable level.

Meanwhile, Zaini said the government has provided RM53.7 billion worth of subsidies (rebates, foregone revenue for Petroliam Nasional Bhd and imbalance cost pass-through) for the power sector in Peninsular Malaysia from 2012 until June this year.

However, the amount has been easing from RM15.7 billion in 2012 to RM3.48 billion last year. The authorities want to remove "unnatural influence" on real energy price and reduce its financial burden.

"This (high subsidy) is not healthy for the nation. People think that the tariff is cheap. Similarly with water, depending on state, some subsidise water up to 80% and the impression is that water is cheap.

"Whenever we want to rationalise the tariff — reduce it to 50% from 80%, for example — people think we are increasing the tariff when we are not. We want to go back to the real economy of scale to be competitive," Zaini said.