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SESB take-back put off, gas pipeline project revived

Chok Sim Yee

KOTA KINABALU: Democratic Action Party (DAP) Sabah secretary Chan Foong Hin has urged the Gabungan Rakyat Sabah (GRS) State Government to reconsider its decision to put off the taking back of Sabah Electricity Sdn Bhd (SESB) from the Federal Government.

Chan, who is Kota Kinabalu Member of Parliament (MP), expressed his disappointment at GRS for taking off the table the returning of SESB from the Federal Government to the Sabah Government.

"It would seem that Datuk Seri Panglima Hajiji Noor, the current GRS Chief Minister of Sabah, had quietly terminated the discussion initiated under the Parti Warisan Sabah (Warisan)-Pakatan Harapan (PH) federal and state governments prior to 2020.

"The Chief Minister of the day, Hajiji, for reasons best known to himself, had on March 4, 2021 informed the Federal Government that the Sabah State Government would only be ready to take over SESB and power to regulate electricity generation in Sabah within five to seven years from now," he said in a press conference on Wednesday.

He said this was according to an answer given to him on September 29 this year in Parliament's Special Chambers by Deputy Minister of Energy and Natural Resources Datuk Ali Biju to his question regarding the latest status of the handover of SESB and the power to regulate electricity generation in Sabah to the Sabah State Government.

Chan said SESB had been operating at a loss with its current model - the same of which is absolutely unsustainable with the electricity tariff rate imposed on electricity consumers in Sabah at an average rate of 34.52 sen/kWh which is much lower than the latest actual electricity supply cost of 42.34 sen/kWh without fuel subsidies.

He said Ali further claimed that for the past 16 years since 2005, the total subsidy channelled to SESB had reached RM7.6 billion.

Even with subsidy, the cost of electricity supply is currently only reduced to 36.85 sen/kWh, which is still a loss-making business.

"I have spoken to Yeo Bee Yin, former Minister of Energy, Science, Technology, Environment and Climate



Chan (left) and DAP's Likas assemblyman Tan Lee Fatt at the press conference.

It would seem that Datuk Seri Panglima Hajiji Noor, the current GRS Chief Minister of Sabah, had quietly terminated the discussion initiated under the Parti Warisan Sabah (Warisan)-Pakatan Harapan (PH) federal and state governments prior to 2020.

Chan Foong Hin

Change under the PH Federal Government regarding the matter and I have been informed that the PH-Plus Federal Government and Warisan-Plus Sabah Government were very close to closing the deal back in February 2020.

"The former Warisan-Plus Sabah Chief Minister Datuk Seri Panglima Shafee Apdal was indeed a hard negotiator with the Federal Government whereby he had wanted a subsidy of RM10 billion with the takeover of SESB whilst the Federal Government under PH were ready to agree to the sum of RM8 billion, compared to the RM7.6 billion channelled to SESB over 16 years."

In this regard, Chan said the PH-Warisan government had been bold enough to initiate the discussion.

"It was not just a SESB takeover and additional subsidy, but the regulatory power to also be returned to the Sabah Government, including forming an energy commission for Sabah.

"So at the end of the day, not only the Sabah Government own SESB, but power to regulate electricity generation in Sabah would also belong to the Sabah Government."

He pointed out that the contrast between the PH-Warisan government and GRS government is obvious - one is

thinking way ahead and take brave steps to assert the rights of Sabahans vis-à-vis federal, while the other is satisfied to just maintain the status quo of having electricity supply rights in Sabah controlled by outsiders, namely Tenaga Nasional Berhad (TNB).

"GRS's decision to terminate talks on the return of SESB is being a short-sighted move, just to take the easy way out and shirk responsibility.

It is time GRS to rethink the decision made," he urged.

Chan said Yeo believed in returning autonomy of power sector to the Sabah Government.

"Even though returning the power to control would not guarantee sudden improvement in Sabah electricity supply, but at the least, let the fate of Sabah people be decided by themselves instead of people in Putrajaya who have so far failed the people of Sabah."

On the other hand, he said another bombshell revealed in Parliament, albeit after the sitting had ended, via a written answer dated October 15 to him was that the Federal Government under Datuk Seri Ismail Sabri Yaakob has made the decision to revive the Trans-Sabah Gas Pipeline (TSGP) project.

He said the TSGP was a project worth RM4 billion to connect gas supply from Kimanis Gas Terminal to the east coast.

The TSGP was meant to go hand in hand with gas-powered plants to generate electricity, to balance the energy imbalance across Sabah.

He said over RM3.5 billion had been paid, equivalent to 88 per cent of the total project value, to the project developer despite the project being only 11.4 per cent completed.

He said the PH federal government had to cancel the project at the end of 2018 and tried its level best to recover the sum paid.

"This decision to revive the cancelled project was probably made because the current Federal Government found it hard to recover the sum paid to the project developer based in China, and continuing the project would be the easiest way out, and be able to maintain cordial ties with China, too."

Chan said the biggest issue is that payment was made first but work to be done later.

"So, my question would be, how would the Federal Government and Sabah Government monitor the work to be carried out as the payment was done not according to progress?"

He stressed that the government ought to handle the TSGP issue with utmost transparency as it involves a very, very huge sum and the rakyat will be the one to foot the bill.

"Finally, did the Federal Government consult the Sabah Government before reviving the TSGP project?"

"With the TSGP, the cost to generate electricity would drop by quite a bit, theoretically, and therefore there is no reason for GRS to put off the taking back of SESB and power to regulate electricity generation in Sabah," he said.