

Headline	Seda: Net metering capped to protect TNB revenue		
MediaTitle	Malay Mail		
Date	24 Aug 2015	Language	English
Circulation	35,000	Readership	105,000
Section	Business	Page No	21
ArticleSize	710 cm ²	Journalist	Stephanie Augustin
PR Value	RM 24,339		



The net metering system allows solar panels or other renewable energy generators to be connected to a public-utility power grid.

By **Stephanie Augustin**
stephanie@mmail.com.my

KUALA LUMPUR — Net metering has been capped at 100 megawatts (MW) yearly starting 2016, to protect Tenaga Nasional Bhd's (TNB) revenue, said local electricity producer Sustainable Energy Development Authority Malaysia (Seda).

Net metering allows both home and industry users to offset power costs from utility providers via self-generated energy such as solar power.

The system allows solar panels or other renewable energy generators to be connected to a public-utility power grid, where customers can track their power usage amid diversified power sources.

Seda chief operating officer Datuk Dr Ali Askar Bin Sher Mohamad said that to start off, Seda will open 100MW yearly on a first-come-first-served basis. If demand is high, balancing will be considered.

"Net metering is for your own consumption so there is no bidding involved. Once 100MW is taken up for the year, then it will be closed and reopened next year for applications."

He was speaking on the 500MW allocation of net metering throughout Malaysia over a five-year period, with the first 100MW to be opened for applications next January. The 100MW quota is not fixed to type of user.

Following the launch next January, interested building owners can fill up a standard form supplied by Seda online, he said, adding that applications will be approved so long as the quota is not filled.

Net metering means electricity will be used first, and any extra will be exported to the grid, which TNB will buy back, deducting the cost of unused power from users' bills.

Besides Malaysia, other Asian countries implementing net metering are Japan, Philippines, Singa-

pore, South Korea, Thailand, India, Pakistan and Sri Lanka.

Asked why Malaysia is capping net metering while other countries have refrained from doing so, Ali Askar said: "The major reason is because it will affect their (TNB) revenue."

"If you store and generate your own (electricity), of course you will be buying less from TNB."

"They are scared their bottom line will be affected if everybody starts generating their own power. And TNB has already invested in infrastructure, substations and lines to your house, suddenly you are paying them less."

Seda is targeting 10% to 20% take-up by homes, with the remainder 80% split evenly between industrial and commercial buildings.

"That is the plan, but just in case residential take-up is low, we can transfer that to commercial users, it is interchangeable."

While the quota means less than 0.01% of TNB's 8.3 million custom-

ers in Peninsular Malaysia, Sabah and Labuan will benefit from net metering, Ali Askar said if there is massive demand for it, Seda will go back to the ministry for additional allocation.

He added that Seda had initially proposed 800MW to 1,000MW a year, but TNB had protested.

Asked how this pandering to TNB would help the government's move towards energy efficiency, he replied: "Malaysia has a very centralised power system, in Peninsular Malaysia, everything depends on one monopoly — TNB."

"TNB has managed to convince the government that there are others coming in to destabilise the power industry, which could also affect the security of the country."

"So that's the government's thinking: 'If TNB is not strong, then industries and factory operations will be affected.' Most people are afraid to rock the boat."

"As far as the Feed-in Tariff is concerned, TNB is okay with that,

because users export the power to TNB and sell it back to them. But for net metering, you will be reducing your purchase of their electricity so that is why they are not for it."

Without a cap, industries can use net metering to bring down a business' energy cost. In balancing TNB interests with that of saving energy, Seda advises new industries or companies looking to increase their load to declare upfront they will be self-generating and will only need a certain amount of power from TNB.

Ali Askar said that countries that enforced net metering sans caps experienced technical and commercial problems resulting in some utilities firms almost going bankrupt.

"To prevent that, Seda is suggesting introducing net metering in a controlled manner because we do not want the utility to collapse with a sudden free-for-all. We want to control it from both technical and commercial aspects," he said.