Seda

A new set of feed-in-tariffs (FiT) will be released soon for applicants who want to supply electricity to the national grid using renewable energy sources.

These second-generation FiTs will be lower than the first to reflect the lower cost of equipment. Hopefully the process will go smoothly and only deserving parties will get their allocations.

The governing body, the Sustainable Energy Developing Authority Malaysia (Seda) has come out to explain in the past that the online application system is a robust one that does not allow for any undue intervention in the selection process, despite allegations to the contrary.

Seda has also been actively seeking to revoke the licences of parties who have received an allocation but have failed to achieve the agreed milestones. This is a sure-proof way of ridding the market of unwaranted recipients of the FiT.

But there are complications. A recent report said that 1Malaysia Development Bhd has been tipped to spearhead a government project to build a 50MW solar power plant in Kedah. Indications are that the deal is via direct negotiations with Tenaga Nasional Bhd.

If this is true, then it flies in the face of what Seda is trying to achieve by coming up with its FiT plans.

Unless, of course, there is some justification to the pricing of the tariff such as if being lower than the industry norm.