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Power talk: Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin (right), accompanied by Petronas president and group CEO Tan Sri Wan Zulkifli Wan Ariffin (second from right), being welcomed upon their arrival at the Malaysia Energy Roundtable in Kuala Lumpur.

Long-term energy policy needed

This is to ensure sustainability and attract investments

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KUALA LUMPUR: Malaysia needs a long-term energy policy to ensure the sustainability of supply and attract investments into the country.

These were among the key points shared at yesterday's energy roundtable, a public-private discussion on the future of Malaysia's energy landscape organised by Petroleum Nasional Bhd (Petronas) in collaboration with the World Economic Forum.

Petronas president and group CEO Tan Sri Wan Zulkifli Wan Ariffin said that while oil and gas (O&G) are expected to remain as the major energy mix, the firm has been taking steps to make the push into renewable energy (RE).

He pointed out that it was important for a firm like Petronas to find a balance for investment in the RE space without compromising its financial returns.

"If you look at global demand, O&G makes up about 50% of the energy mix. But we need to take the position of the future by building capabilities and skill sets," Wan Zulkifli said.

Notably, in April, Petronas made its maiden foray into the international RE market when it acquired Amplus Energy Solutions Pte Ltd, a Singapore-based solar energy company managing 500 megawatts of solar-generation capacity in India, the Middle East and South-East Asia.

Petronas also ventured into the electric-vehicle market this year via Petronas Lubricants International with the launch of the "iona" range of e-fluids for passenger cars.

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Yeo Bee Yin

He said Petronas' new ventures in RE would support the government's initiative to reduce the carbon emission intensity of the gross domestic product by 45% by 2030 and achieve low-carbon economy status by 2050.

Wan Zulkifli said it was important for Malaysia to have a long-term energy policy to ensure supply security and attract investments in the energy space.

"Since day one, Petronas has invested about US\$560bil and this essentially came from the motivation that we needed the security of supply of energy for the country," he said.

During the round-table session, Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin spoke about the policy priorities needed to improve environmental sustainability for the energy sector, and highlighted Malaysia's role in the global arena of climate change.

She said the ministry was targeting to present a paper to Parliament today for people to have more options to purchase RE in Malaysia.

"This would be part of our green agenda

and how it can be achieved through the electricity industry and energy trading," she said.

Yeo said that the ministry was in the process of drafting the Energy Efficiency and Conservation Act.

"We hope to see the final draft next week... and hope to table it in Parliament as soon as early 2020.

"We did a study and realised that we must have a regulatory framework," she said.

Malaysia is targeting to grow RE in the generation mix to 20% by 2025 from 2% currently, with the participation of national power utility Tenaga Nasional Bhd and independent power producers in the country.

Yeo said that Malaysia had no immediate plan to impose carbon pricing on industry players, because there are other prior actions that can be taken to reduce carbon emissions, such as improving energy efficiency on the existing processes before such regulation is introduced.

"More than 50% of electricity is consumed by buildings. If we actually focus on these lower-hanging fruits, it is much more efficient.

"Of course, I have a lot of environmental regulations coming in, but my thought is simple – do not make things unreasonably difficult for industry players for the sake of the ideal," she said.

Energy Commission chairman Datuk Ahmad Fauzi Hasan said that an evolving regulatory landscape was necessary to ensure a reliable and affordable energy system, while new technology and business models were a prerequisite in the ever-changing energy sector.