

'Be open about IPP deals'

> More calls for power purchase agreements to be made public

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PETALING JAYA: Transparency International Malaysia (TI-M) has called on the federal government to make public the agreements between national utility company Tenaga Nasional Berhad (TNB) and independent power producers (IPPs) as consumers are directly affected by the increase in power tariffs.

"Any electricity tariff hike will impact consumers, either directly or indirectly, as they will bear the burden of increased costs of goods and services," said TI-M president Datuk Paul Low in a statement.

"We are disappointed that transparency and accountability has taken a back seat in energy pricing," he said.

The hike in tariffs announced on Monday involves an increase of 7.12% from 31.31sen/kWh to 33.54sen/kWh.

Association of Water and Energy Research Malaysia (AWER) president S. Piarapakaran also called

for the tariff setting process to be transparent.

Piarapakaran said AWER had submitted a proposal to the government on the core elements to implement a transparent tariff process, a fuel cost pass-through mechanism, and differentiate electricity services-related costs and non-electricity services-related cost.

"The (power) generation sector contributes most cost to tariff. AWER proposes the generation sector be fully regulated under the Energy Commission, he said, adding that the bidding process for new power plants must have better competitiveness and transparency.

"The competitive bidding should incorporate profit that is capped, best generation efficiency available and equilibrium between return on investment (ROI) and impact to tariff criteria."

He also called for a renegotiation of the power purchase agreement (PPA), saying that IPPs take less than 10 years to recover their ROI.

Meanwhile, Parti Keadilan Rakyat (PKR) said it will go to court to compel the government to

disclose the PPAs and long-term gas supply agreements.

"If federal government does not disclose these documents by next week, we will file an application in court for the disclosure of these contracts." Selayang MP William Leong told a press conference.

"Public interest prevails over the commercial interests of the parties," he said, adding that the documents need to be furnished for the public to glean information on the reasons behind the hike in power tariffs.

"We want to know why TNB should agree to enter a contract where they are suffering losses by buying electricity they do not need at prices higher than what they can produce. It does not make any commercial sense and neither does it make any public sense," he added.

Meanwhile, PKR secretary-general Saifuddin Nasution and Batu MP Tian Chua called on the government to make public the controversial Scorpene submarine contract before the information is revealed by the courts in France.

The French government is investigating the deal between the Malaysian government and DCNS, the French makers of the Scorpene submarine, for the purchase of two submarines.