

Govt cautious in ensuring success of renewable energy

2011-09-10 16:33

KUALA LUMPUR, Sept 10 (Bernama) -- The government is proceeding cautiously with the implementation of renewable energy (RE) sources to ensure its success and sustainability, Energy, Green Technology and Water Minister Datuk Seri Peter Chin Fah Kui said today.

"We are being cautious as we want to start on the right footing. We want to keep the public in the loop so that they will have confidence in the RE going forward," he said when asked on the 100MW quota for RE sources, which is being seen as way too low.

On Wednesday, the Malaysian-German Chamber of Commerce and Industry (MGCC) called for an upward revision of the quota for RE sources.

Its General Manager, Thomas Brandt, said the quota allowed under the Feed-in Tariff (FiT) scheme, which comes into force on Dec 1, was rather low and should be increased to boost take-up and create economies of scale.

Malaysia, Brandt said, could follow Germany which would have one million independent power producers next year through its open sky policy.

"We can't be like Germany. The experience from some other countries (has not been good), such as Spain, where there is no limit, they are getting into trouble, the government (there) is getting into a deep hole," he said.

He said if there are too many participants the government can't afford to subsidise the quantum, as RE was subsidised at a premium rate.

"Because the RE is done in a subsidised manner, the government can't afford to support the subsidy. So, we are doing it in a very cautious manner," he told reporters on the sidelines of the International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2011 here today.

The renewable resources eligible for the FiT are biogas, biomass, small hydro and solar photovoltaic. The FiT is a commitment from the government to enable renewable energy to reach a target of at least 985MW by 2015 and 2,080MW by 2020.

Under the FiT, RE developers, such as households will be paid premium tariffs for production ranging from RM0.85-RM1.78 per kWh for solar PV to RM0.23-RM0.24 per kWh for mini-hydro.

As for this year's IGEM, he said the response was very good with higher sales recorded compared with last year. However, he declined to reveal the figures.