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SESB banks on green, clean energy

David Thien

KOTA KINABALU: Long even before the Federal Ministry of Energy, Green Technology and Water exists to emphasise on green renewable sustainable energy, the Sabah Electricity Sdn Bhd (SESB) since the days of the Sabah Electricity Board (SEB) has been involved in clean, green, renewable energy by their investments in hydroelectricity generation.

“The Tenom Pangi hydroelectricity project is the biggest example of our green energy generation without using fossil fuels for many years,” said Ir. Abdul Nasser Abdul Wahid, SESB’s Senior Manager for Asset Development told Daily Express.

“We have identified more sites with hydroelectricity potential to be developed in future. We have to keep this details confidential as we do not want to be deluged with unsolicited proposals how to realise them,” he said.

Under the Sabah Development Master Plan 1984, the hydroelectricity potential identified is some 1,900 MW. Up to end 2012, the hydropower installed capacity owned by SESB is 81 MW. For example, Upper Padas under engineering study holds a potential hydropower of 180 MW compared to Tenom Pangi hydropower capacity of 66 MW.

SESB and the Federal Ministry of Energy, Green Technology and Water will convene a Sustainable Energy Convention and exhibition this Thursday and Friday Nov 14 and 15 at the 1Borneo Hypermall. The public are invited to see the educational exhibition.

Ir. Abdul Nasser is confident that SESB is capable of developing these hydroelectricity sites as Sabah’s green renewable energy supply which will be able to contribute to meeting the rising electricity demand of the state in the future with other existing or new power stations reducing the duration of outages from generation capacity deficiency.

Hydro-electricity generation under SESB would contribute to its financial stability from 2020 as SESB needs not expend expenses for fossil fuel or to pay for the fossil fuel generated electricity purchased from Independent Power Producers (IPPs).

There are six existing Independent Power Producers in Sabah – ARL, Powertron, Serudong Power Sdn Bhd, Sandakan Power Corporation Energy Services Sdn Bhd, Stratavest Sdn Bhd and Sepangar Bay Power Corporation.

Some contracts with IPPs will expired in 2018. It will likely save SESB from uncompetitive tariffs imposed and replaced with other

greener hydroelectricity, geothermal, biomass and biogas power. In future, wind turbines and solar panels farm may play a contributing role.

“That’s why I said, after 2020, our financial position should see an improvement with the hope that we will be financially self-sustaining,” Ir. Abdul Nasser said, and SESB would no longer be in the red as a business entity.

In the east coast of Sabah, SESB is engaged with businesses having biomass and biogas in feed-in-tariff (FIT) arrangements before

even before the Federal Ministry of Energy, Green Technology and Water came up with the FIT scheme.

Installed FIT capacity benefiting the state is 36.5 MW from Biomass Kina bioenergy 10 MW, Biomass Seguntor bioenergy 10 MW, Biomass bioenergy 10 MW, Hydro Esajadi Kadamaian 2 MW and Hydro Esajadi Pangapuyan 4.5 MW.

SESB is a subsidiary of TNB. The TNB group’s revenue for FY13 rose 3.6 per cent to RM37.1bil from RM35.8bil in 2012, driven by higher electricity sales in both Peninsular Malaysia and Sabah.

On criticism on capital contribution by developers to SESB’s profitability, it was clarified that SESB does not make a profit from capital contribution which is based on the estimated cost of getting the power supply to the customers, which includes the cost of material, labour, transportation, and any work that has to be contracted out.

The expected returns of this investment over a period of three years is calculated based on the estimated costs of material, labour, transportation, and any work that has to be contracted out. SESB indicates that due to the present tariff structure and the high cost of electricity generation, there were no nett returns for SESB.

Meanwhile, reports from the recent 22nd World Energy Congress held in Daegu, South Korea, indicate that while it remains easier to build a coal plant than a hydro facility due to social and environmental concerns, hydropower is enjoying a renaissance.

With only one third of achievable hydro potential developed to date and at least 75 per cent of the unexploited hydropower potential found in Africa, Asia and Latin America, experts said it is clear that growth potential within the sector remains significant.

Richard Taylor, executive director of the International Hydropower Association, said

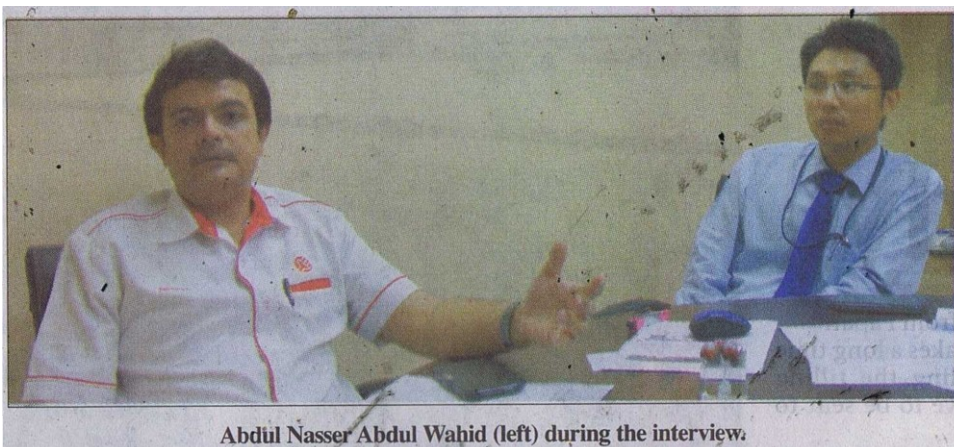
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negotiations with environmental activists, banks and other players since 2000, which led to the 2011 Hydropower Sustainability Assessment Protocol, have been rewarded with “record deployment” since 2007. “Hydropower has been in renaissance,” he said.

Noting that hydro’s infrastructure keeps producing power long after it is paid for, Oskar Sigvaldason, founder and president of SCMS Global, said, “the lowest cost charges are in those jurisdictions which happen to be hydro-dominated.” His message regarding hydro is clear, saying: “Wherever it is, it should be built.”

Founded in 1923, the World Energy Council is the only truly global and inclusive forum for thought-leadership and tangible engagement committed to our sustainable energy future.

The World Energy Congress is the triennial flagship event of the World Energy Council. It has gained recognition since the first event in 1924 as the premier global forum for leaders and thinkers to debate solutions to energy issues. The next congress would be held in Istanbul, Turkey in 2016.



Abdul Nasser Abdul Wahid (left) during the interview.