

Energy Committee Needed to Solve Sabah Power Issues

A holistic study is needed to study the impact of the 15% or 3.75 sen/kWh increase in Sabah's electricity tariff, which had been revised to 29.25 sen/kWh. The increase is not justifiable as it does not commensurate with the quality of power supplied to the industry.

The Federation of Malaysian Manufacturers (FMM) Sabah is most concerned over the recent announcement by the Minister of Energy, Green Technology and Water, YB Datuk Sri Peter Chin Fah Kui on the 15% increase in electricity tariffs in Sabah and Labuan effective July 15, 2011. The justification for the increase was to prevent the Sabah Electricity Sdn Bhd (SESB), a TNB subsidiary from incurring further losses and to be in line with fuel price increase.

Over the years, industries in Sabah have suffered far greater power outages and disruption coupled with insufficient supply compared to the Peninsular. Industries in Sabah have yet to receive compensation for some of these occurrences. There have yet to be significant improvements in the quality of supply of power; but, the industry is already being taxed with higher electricity tariffs. SESB is obligated to provide its customers with quality and uninterrupted electricity supply.

FMM Sabah is strongly of the view that the State Government should set up a high powered Energy Committee comprising representatives from the relevant government agencies and the industry, including the FMM. The Committee should address the longstanding problems faced by the industry with poor quality and inadequate power supply in the State.

There should also be a thorough cost impact study on industrial consumers arising from the impact of the tariff increase in addition to losses suffered from the poor quality and inadequate supply of power.

As the most affected group, industrial consumers should be consulted for their views and to receive the necessary clarifications so that there is mutual understanding of energy related issues as well as greater transparency in the State's energy and supply policies.

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