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Study on power hike planned

Ongkili: Economic impact to be reviewed before changes made

A STUDY on the economic impact of a hike in electricity tariffs will be made before any changes are implemented, says Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili.

"There will be a detailed review on the implications (of a tariff hike), especially on low-income users before any decision is made," he told Wong Ling Biu (DAP-Sarikei).

Dr Ongkili said that electricity rates in Peninsular Malaysia and Sabah are under the purview of the Electricity Supply Act 1990, while policies on electricity for Sarawak



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are under the authority of the state government.

He said the increase in power tariffs for Sabah and Labuan effective July 15, 2011, was only made after 25 years and the last time the rates were reviewed was in 1986.

He said that following the revision, electricity rates went up by 15% from 25.5 sen per kilowatt hour (kWh) to 29.9 sen.

"This was lower than what is charged in the peninsula at 33.54 sen per kWh while Sarawak's rate is 29.99 sen.

"Despite the hike, Sabah Electricity Sdn Bhd was still unable to bear the actual cost of supplying electricity.

"For every unit of power supplied to users, SESB makes a loss of 1.59 sen," he added.

On plans for Sarawak to export power to the peninsula, the minister

said this was still being studied and that the current 2,400MW capacity is not adequate for local use.

"Plans are underway to increase power capacity in Sarawak; apart from supplying electricity to the peninsula, there were also proposals to export it to Kalimantan and Sumatra.

"There is also a suggestion to export power to Sabah, but to construct grids from the Bakun dam to the Sarawak-Sabah border will be costly. The alternative that is being looked at is to build a medium-sized dam close to the border," he said.