

OPENING KEYNOTE ADDRESS
YB. DATO' SRI PETER CHIN FAH KUI
MINISTER OF ENERGY, GREEN TECHNOLOGY AND WATER MALAYSIA
At the
FUTURE ENERGY, SMARTER MOBILITY CONFERENCE
Sunway Resort Hotel and Spa
Friday, 8th July 2011, 8.45 AM

Y. Bhg. Datuk Loo Took Gee,
Secretary-General, Ministry of Energy, Green Technology & Water

Y. Bhg. Dato' Dr. Michael Yeoh,
Director & CEO of ASLI

Y. Berusaha MR. PETER VOSER,
Chief Executive Officer, Royal Dutch Shell

Y. Berusaha MR. ANUAR TAIB,
Chairman, Shell Malaysia

Distinguished guests,

Members of the Media,

Ladies and Gentlemen,

1. Warm greetings and Salam 1 Malaysia. First of all, allow me to thank Shell Malaysia and ASLI for inviting me to deliver this keynote address. I would also like to take this opportunity to extend a warm welcome to Mr Peter Voser, the Chief Executive Officer, of the Royal Dutch Shell to Malaysia. First and foremost, I would like to congratulate Shell Malaysia for once again hosting the 2nd Shell Eco-Marathon Asia. The return of the Shell Eco-Marathon Asia from the 6th July until tomorrow (9th July), in Sepang International Circuit is featuring 109 teams from 13 countries to showcase their inventions which aim at reducing drag, maximizing efficiency, and by utilizing alternative energy. We applaud Shell's commitment in helping to meet the world's energy needs in a secure and sustainable way, and we thank Shell Malaysia for your effort to support the Government in providing education to the Malaysian public. We hope that Shell would do more in Malaysia in the near future.

2. It is heartening for me to see so many participants attending this Conference today, which is being held at a time when ecological and environmental considerations are of ever increasing importance. Our ability to access energy is closely linked to our quality of life. Any disruptions to our energy supply will negatively impact the way we all conduct our daily lives. After seeing the volatility of fuel prices, following the recent unrest in the Middle East, we can see how energy shortages and increasing energy prices negatively affect the livelihoods of everyday people.

3. The rise of energy demand also poses a concern as the energy sector is always being closely linked to climate change due to the heavy reliance on fossil fuel in electricity generation emitting significant amount of green house gasses to the atmosphere. Certainly, climate change is unavoidable, however, we can play a role to slow down the process to ensure a better environment for our future generations. Thus, the utilization of sustainable energy is the way forward.

Ladies and Gentlemen,

4. The foremost issue being spoken of now is carbon emissions and the resulting climate changes that will eventually affect mankind. However, we all realized that climate change isn't an isolated problem and any solution will require an innovative and multipronged approach. Along with reducing carbon emissions, we face several other challenges, such as: how to provide energy to the growing population of our planet; how to provide clean, sustainable energy so as not to exacerbate the negative side effects; how to make green energy affordable; how to ensure energy security and protection from energy price volatility; as well as how to manage and shape the energy demands of our ever growing cities.

5. One of the four pillars of the National Green Technology Policy 2009 includes to seek to attain energy independence and promote efficient utilization which means to decouple our energy demand from economic growth. In the long term, we hope to see the widespread adoption of Green Technology which will reduce overall resource consumption while sustaining national economic growth. Therefore, we are moving forward towards creating a more sustainable energy sector by introducing the new Renewable Energy Policy and Action Plan 2010 which is an enhancement of the Five Fuel Policy. This policy includes the implementation of the Feed-in Tariff (FIT) System to spur the development of renewable energy in the country. I am sure this initiative and measure will assist us in ushering in a new era for a more sustainable energy sector in Malaysia.

6. To spearhead these efforts, I am pleased to inform that we will be establishing the Sustainable Energy Development Authority or SEDA Malaysia soon. This agency will be established under the SEDA Malaysia Act 2010 which was recently approved by the Parliament. SEDA Malaysia will be undertaking the responsibility to implement the FIT mechanism effectively as well as playing the role as the focal point of RE development in Malaysia. Currently, we are doing the preparation for the establishment of SEDA Malaysia to ensure that the FIT Mechanism will be ready to be implemented according to plan. SEDA Malaysia is expected to be established within this month.

Ladies and Gentlemen,

7. The Government anticipates the FIT Mechanism will play an important role in catalyzing the renewable energy industry growth in Malaysia. This is made possible through the establishment of the RE Fund which is one of the most important building block for FIT implementation. The establishment of the RE Fund is also made possible through the contribution of all electricity consumers. We recently announced the electricity tariff review in June 2011 which includes a minimal contribution of 1% from the electricity bill from consumers to the fund.

However, to avoid from burdening the low income group, consumers using electricity 300kWh and less per month are exempted from contributing to the RE Fund.

8. With this minimal contribution, all parties including individuals have a chance to participate in generating electricity from RE while earning reasonable returns as well as contributing towards the conservation of our environment. Under the implementation of the FIT Mechanism, we are targeting that by the year 2015, at least 6% of our electricity capacity mix will come from RE sources. In a broader perspective, the implementation of this mechanism will create significant new business and employment opportunities in the renewable energy sector which will contribute in enhancing the nation's gross national income. It will also pave the way to the creation of a new industry such as the renewable energy manufacturing and services sector.

9. Malaysia is serious on making in roads towards Demand Side Mangement of energy sources. The Government had drafted a long term plan to accelerate the country's achievement in terms of energy efficiency. Key initiatives had been identified for energy intensive sectors. We are confident that these initiatives are able to save a substantial amount of energy and GHG emission.
Ladies and Gentlemen,

10. We also realise that the first step to energy efficiency is to educate the rakyat to be more energy efficient for the benefit of our economy as well as for the environment. Hence, I just launched the Sustainability Achieved Via Energy Efficiency (SAVE) Rebat Programme yesterday to encourage the purchase of energy efficient equipments compared to the less efficient ones. The SAVE Programme is one of the key initiatives by the Government to educate and help the rakyat to be more energy efficient. This programme had under gone rigorous process and scrutiny before being approved by the Government. For the Government, initiatives in energy efficiency are very important because at the end, it would translate into less energy being required as we go on our daily lives and in our economic activities.

11. Renewable Energy and Energy Efficiency however is only a fragment of what is needed to curb the effect of climate change in order for us to achieve a more sustainable future. With more people expected to inhabit the urban areas, past practices and current trends are not sustainable and should be reconsidered. Malaysia's transportation system now faces the challenges of congestion, energy supply, environmental impacts, climate change, which threaten to undermine the economic, social, and environmental future of the nation. Expanding the transportation network's capacity to serve growing population and communities while simultaneously expanding the economy and reducing the environmental footprint is a difficult task, but a task that we must undertake nevertheless.

12. The importance of mobility has to be factored in cities design with ease of access in mind. This is where mobility and sustainability merge to reduce travelling distance and auto use per capita with smart designs of public transportation and routes. These efforts however must be in line with safety requirement while ensuring people and goods get to their destination. The principle used should encompass convenient and safe multi modal travel, speed suitability, accessibility, management of circulation network and efficient use of land. The transport sector and the country as a whole has a lot to gain by implementing smart solutions which will propel this country into a more productive high income nation.

13. Integration is also something that the urban areas need to transform into a smarter, more intelligent city. Public infrastructure should be ICT driven to cater for urban growth, integrated and well connected to increase efficiency. Infrastructure should not be the only focus and where the users should also be considered. Hence, developing human capital must be in parallel to infrastructure growth. Access to public amenities and facilities are an important aspect as well while incorporating our own culture in the design and application of the city.

14. This leads us to question our growing Asian cities, and how these cities impact the environment and policies we implement. A recent report, the Asian Green City Index, does show some promising news within our Asian cities. It highlighted the implementation last year of Asia's first cap-and-trade system to curb greenhouse gas emissions in Tokyo. Also mentioned was the success of Jakarta's implementation of the TransJakarta Busway which is a bus rapid transit service, which runs on dedicated bus lanes that cover 124km of the city, and utilises buses that use biodiesel fuel. It would seem from the study that, while all is definitely not perfect, Singapore, Taipei, Seoul and Hong Kong in particular offered Asian cities many lessons on sustainability, whilst there were also numerous, isolated success stories in various Asian cities. In Malaysia specifically, we are making the shift to a 'green economy' and the utilisation of intelligent buildings and smart cities with the aid of an advisory council consisting of two Nobel laureates as well as the chairman of the UN's Intergovernmental Panel on Climate Change.

Ladies and Gentlemen,

15. It is also important that we don't forget the big picture. As I mentioned earlier, sustainable energy isn't an isolated concept, and we have to move beyond that. In combating climate change and finding renewable sources of energy, we should share our best practices with one another and learn from each other's experiences. Now, it is perhaps more important than ever that we work together to develop renewable resources and find more sustainable paths to development.

16. Everyone will be adversely affected by continued climate change and the further dwindling of resources. Developing renewable sources of energy is no longer just an ideal, it is a necessity. Fortunately, it appears that many countries in Asia are slowly, but surely developing renewable sources of energy. The challenge is to continue our progress in the manner required to meet this serious challenge. We cannot face this challenge alone. We will need to work together and learn from one another.

17. This Conference will be an excellent platform for gaining new ideas, pursuing lively debate, networking amongst industry leaders, and for identifying new opportunities. I do sincerely hope that all of you here today capitalise on the opportunities afforded by the Conference and gain as much knowledge as you can. Before I end my speech, allow me once again to bid all of you a warm welcome to this Conference, and also to extend my deepest appreciation to Shell and ASLI for organising "Future Energy, Smarter Mobility" Asia Conference.

On that note, I hereby declare the Conference officially open.

Thank you.