

RENEWABLE ENERGY BILL 2010

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i n t i t u l e d

An Act to provide for the establishment and implementation of a special tariff system to catalyse the generation of renewable energy and to provide for related matters.

[]

ENACTED by the Parliament of Malaysia as follows:

PART I

PRELIMINARY

Short title and commencement

1. (1) This Act may be cited as the Renewable Energy Act 2010.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*, and the Minister may appoint different dates—

- (a) for the coming into operation of this Act in different parts of Malaysia;
- (b) for the coming into operation of different provisions or Parts of this Act; or
- (c) for the coming into operation of different provisions of this Act in different parts of Malaysia.

Interpretation

2. In this Act, unless the context otherwise requires—

“prescribed” means prescribed by the Minister by way of regulations made under section 60 or prescribed by the Authority by way of rules made under section 61, as the case may be;

“electricity” has the meaning assigned to it in section 2 of the Electricity Supply Act 1990 [*Act 447*];

“appointed auditor” means any auditor appointed by the Authority under section 28;

“degression rate” means the rate of the annual progressive reduction of the feed-in tariff as specified in the fifth column of the Schedule;

“feed-in approval” means an approval granted under section 7;

“public safety” has the meaning assigned to it in section 2 of the Electricity Supply Act 1990;

“private safety” has the meaning assigned to it in section 2 of the Electricity Supply Act 1990;

“grid parity” means, in relation to a particular renewable energy installation, the time at which the feed-in tariff rate applicable to that renewable energy installation is equal to or cheaper than the displaced cost;

“displaced cost” means the average cost of generating and supplying one kilowatt hour of electricity from resources other than the renewable resources through the supply line up to the point of interconnection with the renewable energy installation;

“Fund” means the Renewable Energy Fund established under section 23;

“distribute” means to operate, maintain and distribute electricity through the electricity distribution network;

“Minister” means the Minister charged with the responsibility for matters relating to the supply of electricity;

“Minister of Finance” means the Minister charged with the responsibility for finance;

“authorized officer” means any public officer, officer of the Authority or officer of the Commission authorized in writing by the Minister under section 36;

“feed-in approval holder” means a person who holds a feed-in approval;

“distribution licensee” means the holder of a licence to distribute issued by the Commission under section 9 of the Electricity Supply Act 1990;

“eligible producer” means a person who is eligible to apply to participate in the feed-in tariff system under section 4;

“renewable energy installation” means an installation which generates renewable energy and includes any technical facility of that installation which converts mechanical, chemical, thermal or electromagnetic energy directly into electricity;

“renewable energy power purchase agreement” means the renewable energy power purchase agreement between a distribution licensee and a feed-in approval holder under section 12;

“Authority” means the Sustainable Energy Development Authority of Malaysia established under the Sustainable Energy Development Authority Act 2010 [*Act*];

“electricity distribution network” means a system or part of a system at nominal voltage of less than one hundred and thirty two kilovolts of electric lines or cables, of substations and of associated equipment and buildings for transporting electricity to any person regardless of whether a generating plant is connected to such system;

“feed-in tariff system” means the system established under section 3;

“renewable resources” means the recurring and non-depleting indigenous resources or technology as set out in the first column of the Schedule;

“Commission” means the Energy Commission established under the Energy Commission Act 2001 [*Act 610*];

“supply line” has the meaning assigned to it in section 2 of the Electricity Supply Act 1990;

“feed-in tariff” means the special tariff payable to feed-in approval holders in consideration for renewable energy generated and sold to a distribution licensee as specified in the third column of the Schedule;

“feed-in tariff commencement date” means, in relation to a feed-in approval holder, the date on which the renewable energy installation first generates renewable energy for commercial sale pursuant to the renewable energy power purchase agreement which has become effective in accordance with section 12;

“effective period” means, in relation to a feed-in approval holder, the period commencing from the feed-in tariff commencement date as specified in the fourth column of the Schedule;

“renewable energy” means electricity generated or produced from renewable resources.

PART II

FEED-IN TARIFF SYSTEM

Establishment of feed-in tariff system

3. (1) There is hereby established a feed-in tariff system to provide for—

- (a) the connection to supply line connection points for the distribution of renewable energy generated by renewable energy installations which are owned by feed-in approval holders;
- (b) the priority of purchase and distribution by distribution licensees for renewable energy generated and sold by feed-in approval holders; and
- (c) the feed-in tariff to be paid by distribution licensees to feed-in approval holders for such renewable energy.

(2) The feed-in tariff system shall be administered and implemented by the Authority in accordance with the provisions of this Act.

(3) In carrying out its functions and obligations under this Act, the Authority shall give due consideration to—

- (a) the objective of this Act;
- (b) the renewable energy policies of the Government;
- (c) the amount of moneys available in the Fund from time to time;
- (d) the need for sustainability and diversity in renewable resources; and
- (e) the need for fair competition and transparency in the implementation of the feed-in tariff system.

Eligibility for participation in feed-in-tariff system

4. A person shall be eligible to apply for a feed-in approval allowing the person to participate in the feed-in tariff system if—

- (a) the person proposes to generate renewable energy from a renewable energy installation having an installed capacity of not more than thirty megawatts or such higher installed capacity as may be approved by the Minister; and
- (b) the person meets such other criteria as may be prescribed by the Authority from time to time.

Application for feed-in approval

5. (1) An eligible producer may apply to the Authority for a feed-in approval under section 7 by submitting a written application to the Authority in such manner and accompanied by such fees as may be prescribed by the Authority.

(2) An application under this section may be withdrawn at any time before it is granted or refused.

(3) The Authority may allow an application under subsection (1) to be furnished by an electronic medium or by way of an electronic transmission.

(4) For the purposes of subsection (3), the conditions and specifications under which an application is to be furnished shall be as determined by the Authority.

Additional information or documents

6. (1) The Authority may, at any time after the receipt of an application for a feed-in approval under section 5, request the eligible producer to give to the Authority, within the period specified in the request, additional information or documents relating to the application.

(2) If any additional information or document required under subsection (1) is not provided by the eligible producer within the period specified in the request or any extended time granted by the Authority, the application shall be deemed to have been withdrawn and shall not be further proceeded with, but without affecting the right of the eligible producer to make a fresh application.

Grant or refusal of feed-in approval

7. (1) The Authority may, after considering an application for a feed-in approval under section 5 and the additional information or documents provided under section 6, approve or refuse the application.

(2) The Authority shall communicate its decision under subsection (1) to the eligible producer and the relevant distribution licensee by written notice as soon as practicable.

(3) The written notice by the Authority under subsection (2) shall specify—

- (a) in the case where the application is approved, the fact of such approval and the conditions imposed under section 8; and
- (b) in the case where the application is refused, the fact of such refusal and the reason for the refusal.

(4) The grant of a feed-in approval under this section shall be personal to the feed-in approval holder and the feed-in approval shall not be assigned or transferred to any other person except with the prior written approval of the Authority.

Conditions of feed-in approval

8. (1) If the Authority decides to grant a feed-in approval under section 7, the Authority—

(a) shall impose all the standard conditions of a feed-in approval as may be prescribed; and

(b) may impose such special conditions as it thinks fit.

(2) A feed-in approval holder shall comply with—

(a) the prescribed standard conditions of the feed-in approval; and

(b) any special conditions of the feed-in approval,

imposed by the Authority under subsection (1).

(3) A feed-in approval holder who fails to comply with any condition of a feed-in approval under subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Power to impose additional conditions and to vary or revoke conditions

9. (1) The Authority may, at any time—

(a) impose any additional conditions on a feed-in approval; or

(b) vary or revoke any conditions imposed on a feed-in approval.

(2) Before the Authority makes a decision under subsection (1), the Authority shall give the feed-in approval holder—

(a) a written notice of the Authority's intention together with a draft copy of the imposition, variation or revocation of conditions; and

- (b) an opportunity to make written submissions within a period specified in the written notice which shall not be less than thirty days.

(3) After the expiry of the period specified in the notice, the Authority shall, after considering any written submission made by the feed-in approval holder, decide whether to impose the additional conditions, to vary or revoke any existing conditions or to take no further action.

(4) The Authority shall give the feed-in approval holder a written notice of the Authority's decision under subsection (3) as soon as practicable and the decision shall take effect on a date to be specified in the written notice.

Revocation of feed-in approval

10. (1) The Authority may revoke a feed-in approval if—

- (a) the feed-in approval holder has failed to comply with any provisions of this Act, the Electricity Supply Act 1990 or any of their subsidiary legislation;
- (b) the feed-in approval holder has failed to comply with any of the conditions of the feed-in approval;
- (c) the feed-in approval holder had improperly or illegally obtained the feed-in approval;
- (d) the feed-in approval holder has been convicted of an offence under this Act, the Electricity Supply Act 1990 or any of their subsidiary legislation;
- (e) a receiver, receiver and manager, provisional liquidator or like official has been appointed over the whole or substantial part of the feed-in approval holder's assets and such appointment is not revoked or annulled within a period of sixty days from the date of such appointment;
or
- (f) there has been a change of circumstances such that the feed-in approval holder would no longer be entitled to be granted a feed-in approval under this Act.

(2) Before the Authority makes a decision under subsection (1), the Authority shall give the feed-in approval holder—

- (a) a written notice of the Authority's intention to revoke the feed-in approval; and
- (b) an opportunity to make written submissions within a period specified in the written notice which shall not be less than thirty days.

(3) After the expiry of the period specified in the written notice, the Authority shall, after considering any written submission made by the feed-in approval holder, decide whether or not to revoke the feed-in approval.

(4) The Authority shall give the feed-in approval holder written notice of the Authority's decision under subsection (3) as soon as practicable.

(5) The feed-in approval holder shall not be entitled to any form of compensation from the Government, the Minister, the Authority or the Commission if the feed-in approval is revoked in accordance with subsection (3).

(6) The revocation of a feed-in approval under subsection (3) shall take effect—

- (a) on a date specified by the Authority in the written notice given under subsection (4); or
- (b) if no date is specified in the written notice given under subsection (4), on the expiry of thirty days from the date on which the notice is served on the feed-in approval holder.

(7) If the revocation of a feed-in approval has taken effect, the feed-in approval holder shall immediately cease to be entitled to participate in the feed-in tariff system and to receive feed-in tariff payments.

Appeal

11. (1) Any person who is aggrieved by the decision of the Authority in refusing an application for a feed-in approval under section 7, in imposing any additional conditions or in varying

or revoking any conditions imposed on a feed-in approval under section 9 or in revoking a feed-in approval under section 10 may, within thirty days of the decision being notified to him, appeal to the Minister in the prescribed manner.

(2) The Minister may, after considering the appeal under subsection (1), confirm, reverse or vary the decision of the Authority.

(3) The decision of the Minister under subsection (2) shall be final and binding.

PART III

CONNECTION, PURCHASE AND DISTRIBUTION OF RENEWABLE ENERGY

Renewable energy power purchase agreement

12. (1) Upon receipt of the written notice by the Authority under subsection 7(2) that an application from a feed-in approval holder has been approved, the distribution licensee shall, within such period as may be prescribed by the Authority, enter into a renewable energy power purchase agreement with the feed-in approval holder.

(2) Notwithstanding subsection (1), the distribution licensee shall not be obliged to enter into the renewable energy power purchase agreement with the feed-in approval holder if—

(a) the feed-in approval holder refuses to enter into the agreement; or

(b) the Authority is of the opinion that—

(i) there has been a change of circumstances such that the feed-in approval holder would no longer be entitled to be granted a feed-in approval under this Act; or

(ii) it is just and reasonable for the distribution licensee not to enter into the agreement.

(3) The renewable energy power purchase agreement shall take the form as may be prescribed by the Authority and any deviation from such form shall require the prior written approval of the Authority.

(4) The Authority may prescribe different forms of renewable energy power purchase agreements having regard to the renewable resource to be used and the capacity of the proposed renewable energy installation.

(5) The feed-in approval holder shall, within such period as may be prescribed by the Authority, submit a certified copy of the executed renewable energy power purchase agreement to the Authority for registration.

(6) The Authority shall register any renewable energy power purchase agreement submitted to it under subsection (5) if the Authority is satisfied that such renewable energy power purchase agreement is consistent with the provisions of this Act and its subsidiary legislation.

(7) The renewable energy power purchase agreement shall only be effective and enforceable upon its registration with the Authority in accordance with this section.

(8) The Authority shall maintain a register of all renewable energy power purchase agreements registered under this section.

(9) A distribution licensee who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

Connection to supply line

13. (1) Where the renewable energy power purchase agreement has been concluded under section 12, a feed-in approval holder may apply to a distribution licensee for connection of his or its renewable energy installation to a supply line connection point in such manner as may be prescribed by the Authority.

(2) Upon receiving the application under subsection (1), the distribution licensee shall connect the renewable energy installation to a supply line connection point within such period as may be prescribed by the Authority.

(3) The location of the applicable supply line connection point shall be determined by the distribution licensee, without prejudice to section 15.

(4) A distribution licensee who contravenes subsection (2) commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

Priority of purchase and distribution

14. (1) Where a renewable energy installation has been connected to a supply line connection point under subsection 13(2), a distribution licensee shall, as priority over the electricity generated from resources other than renewable resources, purchase and distribute through the supply line the entire available quantity of renewable energy generated by a renewable energy installation owned by a feed-in approval holder unless exempted under subsection (2).

(2) The Authority may exempt a distribution licensee from compliance with subsection (1) for such periods and under such circumstances as the Authority thinks fit having regard to public safety and private safety.

(3) A person who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

Technical and operational requirements

15. The Authority may, with the concurrence of the Commission, prescribe rules governing technical and operational requirements to be complied with by distribution licensees and feed-in approval holders in the implementation of this Part, including—

- (a) the respective duties and responsibilities of distribution licensees and feed-in approval holders in respect of such requirements;
- (b) the time periods within which such requirements are to be complied with;
- (c) the apportionment of costs incurred in relation to such requirements; and
- (d) the procedures and manner in which plans, specifications and other documents are to be submitted.

PART IV

FEED-IN TARIFF

Payment and duration of feed-in tariff

16. (1) Subject to paragraph 21(3)(a), a feed-in approval holder shall, during the effective period, be paid the feed-in tariff by the distribution licensee with whom the feed-in approval holder has entered into a renewable energy power purchase agreement for renewable energy generated by his or its renewable energy installation based on the applicable feed-in tariff rate as adjusted under section 18.

(2) The Authority may prescribe rules setting out the criteria to be met by a renewable energy installation for the purposes of ascertaining the eligibility of a feed-in approval holder to receive a particular feed-in tariff rate.

Degression of feed-in tariff

17. (1) Subject to subsection (3), the feed-in tariff rate shall be reduced progressively each year based on the applicable degression rate commencing on 1 January every year after the date of coming into operation of this Act.

(2) The annual degression rates shall be subject to review in accordance with section 18.

(3) No further reduction shall be made to a feed-in tariff rate applicable to a feed-in approval holder after the feed-in tariff commencement date in respect of that feed-in approval holder.

Review and adjustment of degression rates

18. (1) The Authority shall review the degression rates in respect of any category of renewable energy installation at least once every three years after the date this Act comes into operation for the purposes of improving the overall performance of the feed-in tariff system to better achieve the objective of this Act.

(2) In carrying out the review under subsection (1), the Authority shall have regard to—

- (a) the matters set out in subsection 3(3);
- (b) the ability of the feed-in approval holders to recover their initial investment on their renewable energy installations and receive satisfactory returns within a reasonable time;
- (c) the prevailing costs of equipping, constructing, operating and maintaining renewable energy installations utilising each particular renewable resource;
- (d) the efficiency of renewable energy installations utilising each particular renewable resource based on prevailing technology; and
- (e) any other factor deemed relevant by the Authority.

(3) Upon completion of the review under subsection (1), the Authority shall submit a report of the review to the Minister with or without recommendations for adjustments to the degression rates.

(4) The Minister may, after considering the recommendations for adjustment to the degression rates made by the Authority under subsection (3), approve or refuse such recommendations.

(5) If the Minister approves the recommendation made by the Authority under subsection (4), he shall as soon as practicable, revise the degression rates.

(6) The revised degression rates shall not apply to feed-in approval holders existing before the revised degression rates come into effect.

Recovery of moneys from Renewable Energy Fund

19. A distribution licensee shall be entitled to recover from the Fund, a sum equivalent to the difference between—

- (a) the amount of feed-in tariffs paid by the distribution licensee to feed-in approval holders in accordance with section 16; and

- (b) the cost which the distribution licensee would have otherwise had to incur to generate the same amount of electricity generated by such feed-in approval holders based on prevailing displaced cost,

in accordance with such procedures and methods of calculation as may be prescribed by the Authority.

Administrative fees

20. Administrative fees, to be charged on the Fund, may be paid—

- (a) to a distribution licensee, for administering the payment of the feed-in tariffs to feed-in approval holders under section 16; and
- (b) to the Authority, for implementing and administering the feed-in tariff system under this Act,

based on the rates as may be determined by the Minister by order published in the *Gazette*.

Grid parity

21. (1) The Authority shall determine whether a particular renewable energy installation has achieved grid parity.

(2) Upon the determination by the Authority that a particular renewable energy installation has achieved grid parity, the Authority shall notify the relevant feed-in approval holder and distribution licensee of such achievement.

(3) Notwithstanding anything under this Act, upon notification of the determination of grid parity under subsection (2)—

- (a) a feed-in approval holder who owns such renewable energy installation shall not be entitled to be paid the feed-in tariff and shall instead be paid by the distribution licensee a tariff that is based on the prevailing displaced cost for the remaining duration of the effective period; and

- (b) a distribution licensee shall not be entitled to recover from the Fund the sum referred to in section 19 and be paid administrative fees under paragraph 20(a) in respect of any renewable energy installation.

Dishonest use of resources to generate electricity

22. (1) Any person who in any manner dishonestly generates electricity from a renewable energy installation by using resources other than the renewable resource specified in the feed-in approval applicable to that renewable energy installation in order to receive the payment or higher payment of feed-in tariffs from the distribution licensee commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit or to imprisonment for a term not exceeding five years or to both.

(2) A written statement by an officer of the Authority or any person authorized by the Authority specifying—

- (a) the amount of loss to the Fund resulting from the payment or higher payment of feed-in tariff under subsection (1); and
- (b) the person liable for such amount of loss,

shall be *prima facie* evidence of the amount of loss to the Fund and the person liable for such amount of loss.

(3) The Authority shall require the person referred to in subsection (1) to pay to the Authority the amount of loss to the Fund resulting from the payment or higher payment of feed-in tariffs to that person under subsection (1).

(4) The amount stated in the written statement under subsection (2) which is not paid shall be treated as a civil debt due to the Authority by such person and shall be recoverable by civil action in court.

PART V

RENEWABLE ENERGY FUND

The Renewable Energy Fund

23. (1) A fund to be known as the “Renewable Energy Fund” is established and shall be administered and controlled by the Authority.

(2) The Fund shall consist of—

- (a) such sums as may be provided by the Parliament for the purposes of the Fund from time to time;
- (b) such sums paid to the Authority under subsections 22(4), 24(1) and 24(5);
- (c) all moneys derived as income from investments made from the Fund, including interest; and
- (d) all other moneys lawfully received by the Authority on behalf of the Fund.

Allocation from electricity tariffs

24. (1) Subject to subsection (6), a distribution licensee shall, if required by the Minister by order published in the *Gazette*, allocate and pay into the Fund, in such manner and at such rates as may be set out in the order, a portion of the tariffs levied by the distribution licensee under subsection 26(1) of the Electricity Supply Act 1990.

(2) A distribution licensee who contravenes subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

(3) A written statement by an officer of the Authority or any person authorized by the Authority specifying—

- (a) the unpaid portion of the tariffs under subsection (1) due to the Fund; and
- (b) the distribution licensee liable for the unpaid portion of the tariffs,

shall be *prima facie* evidence of the unpaid portion of the tariffs due to the Fund and the distribution licensee liable for the unpaid portion of the tariffs.

(4) The Authority shall require the distribution licensee to pay the unpaid portion of the tariffs due to the Fund under subsection (1) to the Authority.

(5) The amount stated in the written statement under subsection (3) which is not paid shall be treated as a civil debt due to the Authority by such person and shall be recoverable by civil action in court.

(6) Upon the recommendation of the Authority, the Minister may by order published in the *Gazette* revoke the requirement made under subsection (1) if he is satisfied that there are sufficient moneys in the Fund to meet the purposes of this Act.

Expenditure to be charged on Renewable Energy Fund

25. The Fund shall be expended for the purposes of—

- (a) sections 19 and 20; and
- (b) generally paying any expenses for carrying into effect the provisions of this Act.

Investment

26. (1) The moneys from the Fund shall, in so far as they are not required or immediately required to be expended by the Authority under this Act, be invested in such manner as the Minister may approve with the concurrence of the Minister of Finance.

(2) The Authority shall open and maintain an account or accounts to hold moneys in the Fund with such bank or banks in Malaysia as it thinks fit, after consulting the Minister and the Minister of Finance, and every such account shall be operated in such manner as may be authorized by the Authority.

Accounts

27. (1) The Authority shall cause proper accounts of the Fund and proper reports of its activities in respect of the Fund to be kept and shall, as soon as practicable after the end of the financial year, cause to be prepared for that financial year—

(a) a statement of accounts which shall include a balance sheet and an account of the contributions and expenditure; and

(b) a statement of its activities in respect of the Fund.

(2) The Authority shall, as soon as possible, send a copy of the statement of accounts certified by the auditors and a copy of the auditors' report to the Minister who shall cause them to be laid before both Houses of Parliament.

PART VI

INFORMATION GATHERING POWERS

Performance audit

28. (1) The Authority may, at any time, carry out or appoint an auditor to carry out an audit on the operations of—

(a) any distribution licensee to evaluate its compliance with this Act and its subsidiary legislation; and

(b) any feed-in approval holder to evaluate his or its compliance with this Act, its subsidiary legislation and the conditions of the feed-in approval.

(2) The Authority shall give not less than twenty four hours' prior written notice of an audit under subsection (1) to the relevant distribution licensee or feed-in approval holder.

Provision of information

29. (1) Notwithstanding any other written law, if the Authority has reasonable grounds to believe that any person—

(a) has any information or any document that is relevant to the performance of the Authority's functions and powers under this Act or its subsidiary legislation; or

- (b) is capable of giving any evidence which the Authority has reasonable grounds to believe is relevant to the performance of the Authority's functions and powers under this Act or its subsidiary legislation,

the Authority may, by written notice, order that person—

- (A) to give any such information to an authorized officer in the manner and form and within the period as specified in the notice or such extended period as the Authority may grant;
- (B) to produce any such documents, whether in physical form or in electronic media, to an authorized officer in the manner and within the period as specified in the notice or such extended period as the Authority may grant;
- (C) to make copies of any such documents and to produce those copies to an authorized officer in the manner and within the period as specified in the notice or such extended period as the Authority may grant;
- (D) if the person is an individual, to appear, at a private hearing, before an authorized officer at a time and place specified in the notice to give any evidence, either orally or in writing, and produce any documents, whether in physical form or in electronic media, in the manner and within the period as specified in the notice or such extended period as the Authority may grant;
- (E) if the person is a body corporate or a public body, to cause a competent officer of the body to appear, at a private hearing, before an authorized officer at a time and place specified in the notice to give any evidence, either orally or in writing, and produce any documents, whether in physical form or in electronic media, in the manner and within the period as specified in the notice or such extended period as the Authority may grant;
or
- (F) if the person is a partnership, to cause an individual who is a partner in the partnership or an employee of the partnership to appear, at a private hearing, before an authorized officer at a time and place specified in the notice to give any evidence, either orally or in writing,

and produce any documents, whether in physical form or in electronic media, in the manner and within the period as specified in the notice or such extended period as the Authority may grant.

(2) Any person required to provide information or documents under subsection (1) shall ensure that the information or documents provided are true, accurate and complete and such person should provide a representation to that effect, including a representation that he is not aware of any other information or document which would make the information or document provided untrue or misleading.

Proof of compliance

30. A person shall, if at any time called upon in writing by the Authority to do so, provide to the Authority or its authorized officer all documents and information as the person may have relating to his compliance with any of the provisions of this Act or its subsidiary legislation, as the Authority may generally, or in relation to any particular case, require.

The Authority may retain documents

31. (1) The Authority may take and retain for as long as is necessary possession of a document provided by any person under this Part.

(2) The person who provides the document is entitled to be supplied, as soon as practicable, with a copy certified by the Authority to be a true copy of the document.

(3) Notwithstanding any other written law, the certified copy of the document shall be received by all courts and tribunals as evidence as if it were the original document.

(4) Until a certified copy of the document is supplied, the Authority shall, at such times and places as the Authority deems appropriate, permit the person who provides the document or a person authorized by the person to inspect and make copies of or take extracts from the original document.

(5) If the Authority is satisfied that the retaining of the documents is no longer necessary, the Authority may return the documents to the person who provides the documents under subsection (1) as soon as practicable.

Access to records

32. (1) A person shall, if at any time requested by the Authority by notice in writing, allow the Authority, its authorized officer or appointed auditor access to his or its records for the purposes of carrying out any of the Authority's functions or powers under this Act or its subsidiary legislation.

(2) A person who fails to comply with the written notice under subsection (1) commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred thousand ringgit.

Record of information

33. (1) The Authority shall maintain a record of all information or documents received pursuant to the orders given under subsection 29(1).

(2) A record maintained under subsection (1) may be made available to the public.

Publication of information

34. (1) The Authority may publish any information received by it in the course of exercising its functions and powers under this Part.

(2) The Authority shall consider the commercial interest of the parties to whom the information relates before publishing such information.

(3) The Authority shall not publish any information or any part of any information disclosed to it if the publication—

(a) is likely to prejudice the fair trial of a person; or

- (b) would involve the unreasonable disclosure of personal information about any individual, including a deceased person,

but the Authority may publish an extract relating to such information provided that the particulars in the extract shall not be arranged in any way which would compromise or prejudice the person providing such information.

Offence for non-compliance

35. A person who fails to comply with an order of the Authority in accordance with this Part commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

PART VII

ENFORCEMENT

Authorized officer

36. (1) The Minister may, in writing, authorize any public officer, officer of the Authority or officer of the Commission to exercise the powers of enforcement under this Act or its subsidiary legislation.

(2) Any person authorized under subsection (1) shall be deemed to be a public servant within the meaning of the Penal Code [Act 574].

Authority card

37. (1) The Authority shall issue to each authorized officer an authority card which shall be signed by the Chief Executive Officer of the Authority.

(2) Whenever the authorized officer exercises any of the powers of enforcement under this Act, he shall produce on demand to the person against whom the power is being exercised the authority card issued to him under subsection (1).

Power of investigation

38. (1) An authorized officer may investigate the activities of a feed-in approval holder, distribution licensee or other person in relation to the commission of an offence under this Act or its subsidiary legislation.

(2) In any case relating to the commission of an offence under this Act or its subsidiary legislation, any authorized officer carrying out an investigation may exercise all or any of the powers in relation to police investigation, except the power to arrest without warrant, given by the Criminal Procedure Code [*Act 593*].

Search and seizure with warrant

39. (1) If it appears to a Magistrate, upon written information on oath from the authorized officer and after such inquiry as he considers necessary, that there is reasonable cause to believe that an offence under this Act or its subsidiary legislation is being or has been committed on any premises, so that any evidence or thing which is necessary to the conduct of an investigation into an offence may be found in any premises, the Magistrate may issue a warrant authorizing any authorized officer named in the warrant to enter the premises at any reasonable time by day or by night, with or without assistance and if need be by force and there to search for and seize any such evidence or thing, provided that nothing shall authorize any court other than the High Court to grant a warrant to search for a postal article, telegram or other document in the custody of the postal or telegraph authorities.

(2) Without affecting the generality of subsection (1), the warrant issued by the Magistrate may authorize the search and seizure of—

- (a) copies of any books, account or other documents, including computerized data, which contain or are reasonably suspected to contain information as to any offence so suspected to have been committed; or
- (b) any other document, equipment, instrument or matter that is reasonably believed to furnish evidence of the commission of the offence.

(3) An authorized officer conducting a search under subsection (1) may, for the purpose of investigating into the offence, search any person who is in or on the premises.

(4) An authorized officer making a search of a person under subsection (3) or section 40 may seize, or take possession of, and place in safe custody all things other than the necessary clothing, found upon the person, and any other things, for which there is reason to believe that were the instruments or other evidence of the offence, and they may be detained until the discharge or acquittal of the person.

(5) No person shall be searched except by another person of the same gender, and such search shall be conducted with strict regard to decency.

(6) If, by the reason of its nature, size or amount, it is not practicable to remove any book, accounts, documents, computerized data, signboard, card, letter, pamphlet, leaflet, notice, equipment, instrument or matter seized under this section, the seizing officer shall by any means seal such book, accounts, documents, computerized data, signboard, card, letter, pamphlet, leaflet, notice, equipment, instrument or matter in the premises or container in which it is found.

(7) A person who, without lawful authority, breaks, tampers with or damages the seal referred to in subsection (6) or removes any book, accounts, documents, computerized data, signboard, card, letter, pamphlet, leaflet, notice, equipment, instrument or matter under seal or attempts to do so commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

Search and seizure without warrant

40. If an authorized officer is satisfied upon information received that he has reasonable cause to believe that by reason of delay in obtaining a search warrant under section 39 the investigation would be adversely affected or evidence of the commission of an offence is likely to be tampered with, removed, damaged or destroyed, the authorized officer may enter the premises and

exercise in, upon and in respect of the premises all the powers referred to in section 39 in as full and ample a manner as if he were authorized to do so by a warrant issued under that section.

Access to computerized data

41. (1) An authorized officer conducting a search under section 39 or 40 shall be given access to computerized data whether stored in a computer or otherwise.

(2) For the purposes of this section, “access”—

(a) includes being provided with the necessary password, encryption code, decryption code, software or hardware and any other means required to enable comprehension of computerized data; and

(b) has the meaning assigned to it by subsections 2(2) and (5) of the Computer Crimes Act 1997 [Act 563].

Warrant admissible notwithstanding defects

42. A search warrant issued under this Act shall be valid and enforceable notwithstanding any defect, mistake or omission therein or in the application for such warrant and any equipment, instrument, material, book, record, account, document or thing seized under such warrant shall be admissible in evidence in any proceedings under this Act or its subsidiary legislation.

List of things seized

43. (1) Except as provided in subsection (2), where any equipment, instrument, material, book, record, account, document or thing is seized under this Part, the seizing officer shall as soon as practicable prepare a list of the things seized and of the places in which they are respectively found and deliver a copy of the list signed by him to the occupier of the premises which has been searched, or to his agent or servant, at the premises.

(2) Where the premises are unoccupied, the seizing officer shall whenever possible post a list of the things seized conspicuously on the premises.

Release of things seized

44. (1) If any equipment, instrument, material, book, record, account, document or thing has been seized under this Act, the authorized officer who effected the seizure, may at any time after that release the equipment, instrument, material, book, record, account, document or thing to the person as he determines to be lawfully entitled to the equipment, instrument, material, book, record, account, document or thing if he is satisfied that the equipment, instrument, material, book, record, account, document or thing is not otherwise required for the purpose of any proceedings under this Act or its subsidiary legislation, or for the purpose of any prosecution under any other written law, and in such event neither the officer effecting the seizure, nor the Federal Government, the Authority or any person acting on behalf of the Government or the Authority shall be liable to any proceedings by any person if the seizure and the release of the equipment, instrument, material, book, record, account, document or thing had been effected in good faith.

(2) A record in writing shall be made by the authorized officer effecting the release of any equipment, instrument, material, book, record, account, document or thing under subsection (1) specifying in detail the circumstances of and the reason for the release and he shall send a copy of the record to the Public Prosecutor and to the Inspector-General of Police within seven days of the release.

Power to require attendance of person acquainted with case

45. (1) An authorized officer making an investigation under this Act or its subsidiary legislation may by order in writing require the attendance before himself of any person who appears to the authorized officer to be acquainted with the facts and circumstances of the case, and such person shall attend as so required.

(2) If any person refuses to attend as so required the authorized officer may report such refusal to a Magistrate who shall issue a summons to secure the attendance of such person as may be required by the order made under subsection (1).

Examination of person acquainted with case

46. (1) An authorized officer making an investigation under this Act or its subsidiary legislation may examine orally any person supposed to be acquainted with the facts and circumstances of the case.

(2) The person examined under subsection (1) shall be legally bound to answer all questions relating to such case put to him by the authorized officer, but such person may refuse to answer any question the answer to which would have a tendency to expose him to a criminal charge or penalty or forfeiture.

(3) A person making a statement under this section shall be legally bound to state the truth, whether or not such statement is made wholly or partly in answer to the questions.

(4) An authorized officer examining a person under subsection (1) shall first inform the person of the provisions of subsections (2) and (3).

(5) A statement made by any person under this section shall, wherever possible, be reduced into writing and signed by the person making it or affixed with his thumbprint, as the case may be—

(a) after it has been read to him in the language in which he made it; and

(b) after he has been given an opportunity to make any correction he may wish.

Admissibility of statements in evidence

47. (1) If any person is charged with an offence under this Act or its subsidiary legislation, any statement, whether the statement amounts to a confession or not or whether it is oral or in writing, made at any time, whether before or after the person is arrested and whether in the course of an investigation under this Act or not and whether or not wholly or partly in answer to questions, by that person to or in the hearing of an authorized officer or other person, shall be admissible in evidence at his trial and, if the person charged tenders himself as witness, any such statement may be used in cross-examination and for the purpose of impeaching his credit.

(2) No statement under subsection (1) shall be admissible or used—

(a) if the making of the statement appears to the court to have been caused by an inducement, threat or promise having reference to the charge against such person proceeding from a person in authority and sufficient in the opinion of the court to give the person charged grounds which would appear to him reasonable for supposing that by making it he would gain any advantage or avoid any evil of a temporal nature in reference to the proceedings against him; or

(b) in the case of a statement made by the person after his arrest, unless the court is satisfied that he was cautioned in the following words or words to the like effect:

“It is my duty to warn you that you are not obliged to say anything or to answer any question, but anything you say, whether in answer to a question or not, may be given in evidence.”.

(3) A statement made by a person before there is time to caution him shall not be rendered inadmissible in evidence merely by reason of his not having been cautioned if he is cautioned as soon as possible after that.

(4) Notwithstanding anything to the contrary contained in any written law, a person accused of an offence to which subsection (1) applies shall not be bound to answer any questions relating to the case after any caution as referred to in paragraph (2)(b) has been administered to him.

Authorized officer to complete investigation and hand over to police

48. Upon the completion of his investigation into an offence under this Act or its subsidiary legislation, an authorized officer shall immediately give all information relating to the commission of the offence to an officer in charge of a police station and a police officer may arrest a person who may have committed an offence under this Act or its subsidiary legislation.

Cost of holding equipment, etc., seized

49. Where any equipment, instrument, material, book, record, account, document or thing seized under this Act or its subsidiary legislation is held in the custody of the Government or the Authority pending completion of any proceedings in respect of an offence under this Act or its subsidiary legislation, the cost of holding such thing in custody shall, in the event of any person being found to have committed an offence, be a debt due to the Government by such person and shall be recoverable accordingly.

No cost or damages arising from seizure to be recoverable

50. No person shall, in any proceedings before any court in respect of any equipment, instrument, material, book, record, account, document or thing seized in the exercise or the purported exercise of any power conferred under this Act, be entitled to the costs of such proceedings or to any damages or other relief unless such seizure was made without reasonable cause.

Obstruction

51. A person who—

- (a) refuses any authorized officer access to any premises which the authorized officer is entitled to have under this Act or in the execution of any duty imposed or power conferred by this Act;
- (b) assaults, obstructs, hinders or delays any authorized officer in effecting any entry which the authorized office is entitled to effect under this Act or in the execution of any duty imposed or power conferred by this Act; or
- (c) refuses to give any authorized officer any information relating to an offence or suspected offence under this Act or its subsidiary legislation or any other information which may reasonably be required of him and which he has in his knowledge or power to give,

commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred thousand ringgit or to imprisonment for a term not exceeding two years or to both.

Additional powers

52. An authorized officer shall, for the purposes of the execution of this Act or its subsidiary legislation, have power to do all or any of the following:

- (a) to require the production of records, accounts, computerized data and documents kept by a feed-in approval holder or other person and to inspect, examine and to download from them, make copies of them or take extracts from them;
- (b) to require the production of any identification document from any person in relation to any case or offence under this Act or its subsidiary legislation;
- (c) to make such inquiry as may be necessary to ascertain whether the provisions of this Act or its subsidiary legislation have been complied with.

Compounding of offences

53. (1) The Minister may, by regulations, prescribe any offence under this Act or its subsidiary legislation to be a compoundable offence.

(2) The Authority may, with the consent in writing of the Public Prosecutor, compound any offence committed by any person under this Act or its subsidiary legislation and prescribed to be a compoundable offence by making a written offer to the person suspected to have committed the offence to compound the offence upon payment to the Authority an amount of money not exceeding fifty per centum of the maximum fine for that offence within such time as may be specified in the written offer.

(3) An offer under subsection (2) may be made at any time after the offence has been committed but before any prosecution for it has been instituted, and if the amount specified in the offer is not paid within the time specified in the offer, or such extended

time as the Authority may grant, prosecution for the offence may be instituted at any time after that against the person to whom the offer was made.

(4) Where an offence has been compounded under subsection (2), no prosecution shall be instituted in respect of the offence against the person to whom the offer to compound was made, and any equipment, instrument, material, book, record, account, document or thing seized under this Act or its subsidiary legislation in connection with the offence may be released by the Authority, subject to such terms and conditions as it thinks fit to impose in accordance with the conditions of the compound.

(5) All sums of money received by the Authority under this section shall be paid into the Federal Consolidated Fund.

Prosecution

54. No prosecution shall be instituted for any offence under this Act or subsidiary legislation made under this Act except by or with the consent in writing of the Public Prosecutor.

Offences by body corporate

55. (1) If a body corporate commits an offence under this Act or its subsidiary legislation, a person who at the time of the commission of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or was purporting to act in any such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management—

(a) may be charged severally or jointly in the same proceedings with the body corporate; and

(b) if the body corporate is found guilty of the offence, shall be deemed to be guilty of that offence unless, having regard to the nature of his functions in that capacity and to all circumstances, he proves—

(i) that the offence was committed without his knowledge, consent or connivance; and

- (ii) that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

(2) Whenever any agent or employee in the course of his employment does or omits to do any act the doing or the omission to do of which by his principal or employer would be an offence against this Act, such agent or employee shall be guilty of that offence, and subsection (3) shall apply to his principal or employer.

(3) If any person would be liable under this Act or its subsidiary legislation to any punishment or penalty for his act, omission, neglect or default, he shall be liable to the same punishment or penalty for every such act, omission, neglect or default of any employee or agent of his, or of the employee of the agent, if the act, omission, neglect or default was committed—

- (a) by that person's employee in the course of his employment;
- (b) by the agent when acting on behalf of that person; or
- (c) by the employee of the agent in the course of his employment by the agent or otherwise on behalf of the agent acting on behalf of that person.

PART VIII

GENERAL

Report on implementation and performance of feed-in tariff system

56. (1) The Authority shall monitor all significant matters relating to the implementation and performance of the feed-in tariff system and submit a report thereof to the Minister after the end of each financial year of the Authority.

(2) In performing its functions under subsection (1), the Authority shall have regard to such indicators as the Authority considers appropriate.

(3) The report to be submitted by the Authority under subsection (1) shall include the following matters:

- (a) the operation and administration of this Act and its subsidiary legislation;
- (b) the applicable feed-in tariff and degression rates;
- (c) the Fund;
- (d) any non-compliance by any person with the provisions of this Act and its subsidiary legislation;
- (e) the grant or revocation of any feed-in approval;
- (f) any deficiencies in the scope or operation of this Act and its subsidiary legislation; and
- (g) other matters the Minister thinks necessary.

(4) The Authority shall publish the report in a manner it deems appropriate as soon as practicable following the date on which the Authority submits the report to the Minister.

Compliance with all other laws

57. For the avoidance of doubt, the grant of a feed-in approval by the Authority shall not exempt a feed-in approval holder from the obligation to comply with all other applicable laws, including the Electricity Supply Act 1990 and its subsidiary legislation.

Directions by the Authority

58. (1) The Authority may from time to time issue directions in writing to any person about the compliance or non-compliance of any conditions of the feed-in approval, including the remedying of a breach of a feed-in approval condition or the provisions of this Act or its subsidiary legislation.

(2) Prior to making a direction under subsection (1), the Authority shall issue a notice in writing to the person specifying the nature of the required compliance.

(3) The person shall be granted an opportunity to be heard or may submit a written submission on the reasons for his or its conduct or activity within a reasonable time period specified in the notice.

(4) After the expiry of the notice specified in subsection (3), the Authority shall take into consideration any reasons provided by the person before making a decision in relation to the relevant conduct or activity of the person.

(5) After due consideration of any reasons provided by the person, the Authority may, by written notice, issue a direction under subsection (1) as soon as practicable requiring the person to take a specified action directed towards ensuring that the person does not contravene or does not continue to contravene any of the conditions of the feed-in approval or any of the provisions of this Act or its subsidiary legislation.

(6) The person shall comply with the direction issued by the Authority under subsection (5).

(7) A direction made by the Authority under this Part shall be registered as soon as practicable.

(8) The direction shall be effective from the date of registration or such later date as the Authority may specify in the direction.

(9) The direction shall expire on such date as the Authority may specify in the written notice or if no date is specified, the direction shall be in force until the direction is revoked.

(10) The Authority may vary or revoke a direction and the procedures set out in subsections (2), (3), (4), (5), (7), (8) and (9) shall apply *mutatis mutandis* in respect of any variation or revocation of a direction.

(11) A person who fails to comply with a direction of the Authority under this section commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred thousand ringgit or to imprisonment for a term not exceeding two years or to both.

(12) The Authority shall maintain a register of all directions issued by the Authority under this section, including any variation or revocation of a direction.

Register

59. A person may, on payment of any fee specified by the Authority—

- (a) inspect the registers maintained under this Act; and
- (b) make a copy of, or take extracts from, the registers.

Power of Minister to make regulations

60. The Minister may make regulations for all or any of the following purposes:

- (a) to prescribe the criteria to be met in order for a particular resource of energy to be regarded as a renewable resource for the purposes of this Act;
- (b) to prescribe any matter relating to the Fund;
- (c) to prescribe the offences which may be compounded and the forms to be used and the method and procedure for compounding the offences for the purposes of section 53;
- (d) to prescribe the manner of appeal under section 11; and
- (e) to prescribe all other matters as are necessary or expedient to be prescribed for giving effect to, or for the better carrying out of, the provisions of this Act.

Power of Authority to make rules

61. The Authority may make such rules for all or any of the following matters:

- (a) to prescribe all matters relating to the application of feed-in approvals, including the eligibility criteria of the applicant, the manner of application and duration, forms and standard conditions of the feed-in approval;
- (b) to prescribe the form and substance of renewable energy power purchase agreements under section 12;

- (c) to prescribe technical and operational requirements for the purposes of section 15;
- (d) to prescribe the criteria to be met by a renewable energy installation for ascertaining the eligibility of a feed-in approval holder to receive a particular feed-in tariff rate for the purposes of section 16;
- (e) to prescribe the procedures of recovery of moneys from the Fund and methods of calculation of the amounts payable to a distribution licensee under section 19;
- (f) to prescribe fees which may be prescribed under this Act; and
- (g) to prescribe any matter for which this Act makes an express provision for the Authority to prescribe.

Penalties for subsidiary legislation

62. The regulations made under section 60 and the rules made under section 61 or any other subsidiary legislation made under this Act may provide for any act or omission in contravention of the regulations, rules or other subsidiary legislation to be an offence and may provide for penalties of a fine not exceeding three hundred thousand ringgit or imprisonment for a term not exceeding three years or to both.

Power of Minister to amend Schedule

63. The Minister may, by order published in the *Gazette*, amend the Schedule.

PART IX

SAVINGS AND TRANSITIONAL

Existing renewable energy generators

64. (1) An eligible producer who has executed an agreement for the sale and purchase of electricity with a distribution licensee

prior to the coming into operation of this Act shall have the option of either—

- (a) applying to participate in the feed-in-tariff system, terminating any such prior agreement with the distribution licensee with the consent of the distribution licensee and entering into a renewable energy power purchase agreement prescribed under this Act; or
- (b) continuing under his or its existing agreement with the distribution licensee and not participating in the feed-in tariff system.

(2) Sections 5, 6, 7, 8, 9, 10 and 11 shall apply *mutatis mutandis* where an eligible producer referred to in subsection (1) has opted to participate in the feed-in tariff system.

(3) Upon the grant of a feed-in approval to an eligible producer referred to in subsection (1), Parts III and IV shall apply *mutatis mutandis* to the feed-in approval holder except that the effective period applicable to such feed-in approval holder shall be reduced by a period equivalent to the period during which his or its renewable energy installation had generated electricity for commercial sale to the distribution licensee prior to the grant of the feed-in approval.

Existing licences

65. Nothing in this Act shall be construed as reducing or extending the duration of a licence issued under section 9 of the Electricity Supply Act 1990.

SCHEDULE
(Section 2)
RENEWABLE RESOURCES, FEED-IN TARIFF RATES, EFFECTIVE PERIOD AND ANNUAL DEGRESSION RATES

First Column	Second Column	Third Column	Fourth Column	Fifth Column	
Renewable resource	Description of qualifying renewable energy installation	Feed-in tariff rate (in ringgit per kilowatt hour)	Effective period (commencing from the feed-in tariff commencement date)	Annual degression rate	
Biogas	(a) Renewable energy installation having an installed capacity of:	<i>Basic feed-in tariff rate</i>			
	(i) up to and including 4 megawatts	0.32	16 years	0.5 %	
	(ii) above 4 megawatts, and up to and including 10 megawatts	0.30	16 years	0.5 %	
	(iii) above 10 megawatts, and up to and including 30 megawatts	0.28	16 years	0.5 %	
	(b) Renewable energy installation having any one or more of the following criteria in addition to (a) above:	<i>Bonus feed-in tariff rate in addition to basic feed-in tariff rate</i>			
	(i) use of gas engine technology with electrical efficiency of above 40%	+ 0.02	16 years	0.5 %	
(ii) use of locally manufactured or assembled gas engine technology	+ 0.01	16 years	0.5 %		
(iii) use of landfill or sewage gas as fuel source	+ 0.08	16 years	1.8 %		

Small hydropower	Renewable energy installation having an installed capacity of up to and including 10 megawatts	0.24	21 years	0 %
	Renewable energy installation having an installed capacity of above 10 megawatts, and up to and including 30 megawatts	0.23	21 years	0 %
Solar photovoltaic	(a) Renewable energy installation having an installed capacity of:	<i>Basic feed-in tariff rate</i>		
	(i) up to and including 4 kilowatts	1.23	21 years	8.0 %
	(ii) above 4 kilowatts, and up to and including 24 kilowatts	1.20	21 years	8.0 %
	(iii) above 24 kilowatts, and up to and including 72 kilowatts	1.18	21 years	8.0 %
	(iv) above 72 kilowatts, and up to and including 1 megawatt	1.14	21 years	8.0 %
	(v) above 1 megawatt, and up to and including 10 megawatts	0.95	21 years	8.0 %
(vi) above 10 megawatts, and up to and including 30 megawatts	0.85	21 years	8.0 %	

First Column	Second Column	Third Column	Fourth Column	Fifth Column
Renewable resource	Description of qualifying renewable energy installation	Feed-in tariff rate (in ringgit per kilowatt hour)	Effective period (commencing from the feed-in tariff commencement date)	Annual degression rate
	(b) Renewable energy installation having any one or more of the following criteria in addition to (a) above:	<i>Bonus feed-in tariff rate in addition to basic feed-in tariff rate</i>		
	(i) use as installations in buildings or building structures	+ 0.26	21 years	8.0 %
	(ii) use as building materials	+ 0.25	21 years	8.0 %
	(iii) use of locally manufactured or assembled solar photovoltaic modules	+ 0.03	21 years	8.0 %
	(iv) use of locally manufactured or assembled solar inverters	+ 0.01	21 years	8.0 %

All intermediate calculations and the final feed-in tariff rates under this Schedule shall be rounded to the fourth decimal place in ringgit per kilowatt hour and a figure of five or more in the fifth decimal place shall result in a rounding up of the fourth decimal.

EXPLANATORY STATEMENT

The Renewable Energy Bill 2010 (“the proposed Act”) seeks to provide for the establishment and implementation of a special tariff system to catalyse the generation of renewable energy, and for related matters.

PART I

2. Part I deals with preliminary matters.
3. *Clause 1* contains the short title of the proposed Act. The proposed Act applies throughout Malaysia. However, the Minister is empowered to appoint different dates for the coming into operation of different provisions of the Act in different parts of Malaysia.
4. *Clause 2* contains the definitions of certain words and expressions used in the proposed Act.

PART II

5. Part II provides for the establishment of the feed-in tariff system and for related matters.
6. *Clause 3* seeks to establish the feed-in tariff system which provides for the connection to supply line connection points for the distribution of renewable energy generated from renewable energy installations owned by feed-in approval holders and the priority of the purchase and distribution by distribution licensees for renewable energy generated and sold by such renewable energy installations. The system also provides for the feed-in tariff to be paid to feed-in approval holders for such renewable energy. The feed-in tariff system is to be administered and implemented by the Sustainable Energy Development Authority of Malaysia (“the Authority”) which, in carrying out its functions, will give due consideration to the matters specified in *subclause 3(3)*.
7. *Clause 4* seeks to provide for the eligibility criteria for the application of the feed-in approval. A person is eligible to apply for the feed-in approval if the person proposes to generate renewable energy from a renewable energy installation having an installed capacity of not more than thirty megawatts or such higher installed capacity as may be approved by the Minister and if the person meets such other criteria as prescribed by the Authority.
8. *Clause 5* deals with applications for feed-in approvals under the proposed Act.
9. *Clause 6* seeks to enable the Authority to require an eligible producer to submit additional information or documents after receiving an application for a feed-in approval from such eligible producer.
10. *Clause 7* seeks to empower the Authority to approve or refuse an application for a feed-in approval. A feed-in approval granted under this clause shall be personal to a feed-in approval holder and cannot be assigned or transferred to any person except with the prior written approval of the Authority.

11. *Clause 8* seeks to require the Authority to impose all the prescribed standard conditions of a feed-in approval and to enable such special conditions to be imposed as it thinks fit.

12. *Clause 9* empowers the Authority to impose any additional conditions on a feed-in approval or to vary or revoke any conditions imposed on a feed-in approval. Before such a decision is made by the Authority, the feed-in approval holder is to be given written notice of the Authority's intention and an opportunity to make written submissions.

13. *Clause 10* seeks to empower the Authority to revoke a feed-in approval in certain circumstances. Before such a decision is made by the Authority, the feed-in approval holder is to be given written notice of the Authority's intention and an opportunity to make written submissions. Once the revocation of a feed-in approval has taken effect, the feed-in approval holder will cease to be entitled to participate in the feed-in tariff system and to receive feed-in tariff payments.

14. *Clause 11* seeks to allow any person who is aggrieved by the decision of the Authority under *clauses 7, 9 and 10* to make an appeal to the Minister whose decision shall be final.

PART III

15. Part III deals with the renewable energy power purchase agreement, and the connection to supply line connection points and priority of the purchase and distribution by distribution licensees for renewable energy generated by renewable energy installations.

16. *Clause 12* seeks to require a distribution licensee to enter into a renewable energy power purchase agreement with a feed-in approval holder within such period and in the form as prescribed by the Authority. The distribution licensee is not obliged to enter into the agreement if certain requirements are met. A person who contravenes this clause commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

17. *Clause 13* seeks to require a distribution licensee to connect a renewable energy installation owned by a feed-in approval holder to a supply line within such period as prescribed by the Authority. A person who contravenes this clause commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

18. *Clause 14* seeks to require a distribution licensee, as a priority over the electricity generated from resources other than renewable resources, to purchase and distribute through the supply line the entire available quantity of renewable energy generated by a renewable energy installation owned by a feed-in approval holder unless exempted by the Authority having regard to public safety and private safety. A person who contravenes this clause commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit.

19. *Clause 15* seeks to empower the Authority, with the concurrence of the Energy Commission, to prescribe rules governing technical and operational requirements to be complied with by distribution licensees and feed-in approval holders in the implementation of Part III of the proposed Act.

PART IV

20. Part IV deals with the provisions relating to the feed-in tariff to be paid to feed-in approval holders, degression rates and review of feed-in tariff, and grid parity of renewable energy installations.

21. *Clause 16* seeks to provide that a feed-in approval holder shall be paid a feed-in-tariff based on the applicable feed-in tariff rate as adjusted under *clause 18* for the renewable energy generated by his or its renewable energy installation.

22. *Clause 17* seeks to provide for the progressive reduction of the feed-in tariff rate each year based on the applicable degression rate commencing on 1 January every year after the date of coming into operation of the proposed Act. However, no further reduction shall be made to a feed-in tariff rate applicable to a feed-in approval holder after the feed-in tariff commencement date in respect of that feed-in approval holder.

23. *Clause 18* deals with the procedure of review and adjustment of degression rates for the purposes of improving the overall performance of the feed-in tariff system to better achieve the objective of the proposed Act. The revised degression rate shall not be applicable to the feed-in approval holders existing before the revised degression rate comes into effect.

24. *Clause 19* seeks to allow a distribution licensee to recover from the Fund a sum equivalent to the difference between the amount of feed-in tariffs paid by the distribution licensee to feed-in approval holders and the cost which the distribution licensee would have otherwise had to incur to generate the same amount of electricity generated by such feed-in approval holders based on the prevailing displaced cost.

25. *Clause 20* seeks to allow a distribution licensee and the Authority to be paid administrative fees for administering the payment of the feed-in tariffs to feed-in approval holders and for implementing and administering the feed-in tariff system, respectively at the rate to be determined by the Minister.

26. *Clause 21* seeks to require the Authority to determine whether a particular renewable energy installation has achieved grid parity. Grid parity is achieved where the feed-in tariff rate applicable to that renewable energy installation is equal to or cheaper than the displaced cost. Upon notification of the achievement of grid parity, a feed-in approval holder shall cease to be paid the feed-in tariff and shall instead be paid by the distribution licensee a tariff that is based on the prevailing displaced cost for the remaining duration of the effective period and the distribution licensee shall not be entitled to recover from the Fund the sums referred to in *clause 19* and be paid administrative fees under paragraph 20(a) in respect of that renewable energy installation.

27. *Subclause 22(1)* seeks to make it an offence for a person to dishonestly generate electricity from a renewable energy installation by using resources other than the renewable resource specified in the feed-in approval applicable to that renewable energy installation in order to receive the payment or higher payment of feed-in tariffs. The person who commits this offence shall, on conviction, be liable to a fine not exceeding one million ringgit or to imprisonment for a term not exceeding five years or to both. *Subclause 22(3)* empowers the Authority to require the person to pay for the loss to the Fund resulting from the payment or higher payment of feed-in tariffs in *subclause 22(1)* which if remains unpaid shall be treated as civil debt due to the Authority.

PART V

28. Part V provides for the establishment of the Renewable Energy Fund and related matters.

29. *Clause 23* seeks to establish the Renewable Energy Fund (“the Fund”) which will be administered and controlled by the Authority.

30. *Subclause 24(1)* seeks to empower the Minister to require a distribution licensee to allocate and pay into the Fund a portion of tariffs levied by the distribution licensee under subsection 26(1) of the Electricity Supply Act 1990. A distribution licensee who contravenes *subclause 24(1)* commits an offence and shall, on conviction, be liable to a fine not exceeding one million ringgit. *Subclause 24(4)* empowers the Authority to require the distribution licensee to pay into the Fund the unpaid portion of tariff which if remains unpaid shall be treated as civil debt due to the Authority. *Subclause 24(6)* seeks to allow the Minister to revoke the requirement in *subclause 24(1)* if he is satisfied that there are sufficient moneys in the Fund to meet the purposes of the proposed Act.

31. *Clause 25* sets out the expenditure that may be charged to the Fund.

32. *Clause 26* requires the moneys from the Fund, in so far as they are not required or immediately required to be expended by the Authority under the proposed Act, to be invested in such manner as the Minister may approve with the concurrence of the Minister of Finance.

33. *Clause 27* requires the Authority to cause proper accounts of the Fund and proper reports of its activities in respect of the Fund to be kept and to submit the accounts and auditor’s report to the Minister who shall cause the accounts and auditor’s report to be laid before both Houses of Parliament.

PART VI

34. Part VI deals with information-gathering powers of the Authority.

35. *Clause 28* seeks to empower the Authority to carry out or appoint an auditor to carry out an audit on the operations of distribution licensees or feed-in approval holders to evaluate their compliance with the proposed Act, its subsidiary legislation and the conditions of the feed-in approval.

36. *Clause 29* seeks to allow the Authority to order a person to provide any information or documents that are relevant, or evidence which the Authority has reasonable grounds to believe is relevant, for the purposes of carrying out its functions and powers under the proposed Act.

37. *Clause 30* provides that a person shall provide to the Authority or its authorized officer all documents and information as he may have relating to his compliance with the proposed Act or its subsidiary legislation if required by the Authority in a particular case.

38. *Clause 31* allows the Authority to take and retain a document as provided by any person under Part VI as long as necessary.

39. *Clause 32* seeks to require a person to allow the Authority, its authorized officers or appointed auditors to have access to his or its records for the purposes of carrying out any of the Authority's functions and powers.

40. *Clause 33* imposes an obligation on the Authority to maintain a record of all information or documents received pursuant to orders given under *clause 29*.

41. *Clause 34* seeks to allow the Authority, following consideration of the commercial interests of parties to whom the information relates, to publish information received in the course of exercising its functions and powers.

42. *Clause 35* provides that a person who fails to comply with an order of the Authority in accordance with Part VI commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding six months or to both.

PART VII

43. Part VII deals with enforcement provisions.

44. *Clause 36* seeks to allow the Minister to authorize any public officer, officer of the Authority or officer of the Commission to exercise the powers of enforcement under the proposed Act.

45. *Clause 37* requires an authorized officer to produce his authority card when acting against a person under the proposed Act.

46. *Clause 38* provides that an authorized officer may investigate the commission of an offence under the proposed Act and its subsidiary legislation.

47. *Clauses 39 and 40* deals with provisions relating to the power of search and seizure with warrant and search and seizure without warrant, respectively.

48. *Clause 41* deals with access to computerized data.

49. *Clause 42* provides that a search warrant issued under the proposed Act shall be valid and enforceable notwithstanding any defect, mistake or omission therein.

50. *Clause 43* imposes a duty on an authorized officer to prepare a list of any equipment, instrument, material, book, record, account, document or thing seized under the proposed Act.

51. *Clause 44* deals with the release of anything seized under the proposed Act pursuant to *clause 43*.

52. *Clause 45* enables an authorized officer to order the attendance of any person acquainted with the case.

53. *Clause 46* empowers the authorized officer investigating a case under the proposed Act to examine orally any person supposed to be acquainted with the facts and circumstances of the case.

54. *Clause 47* deals with provisions relating to the admissibility of statements in evidence.

55. *Clause 48* imposes an obligation on the authorized officer to immediately give all information relating to the commission of an offence to an officer in charge of a police station upon completion of the investigation.

56. *Clause 49* deals with the cost of holding anything that has been seized while *clause 50* deals with the cost or damages arising from seizure.

57. *Clause 51* makes it an offence to obstruct an authorized officer conducting a search by refusing access to the premises, assaulting, obstructing, hindering or delaying the authorized officer in the performance of his functions under the proposed Act, or refusing to produce any information relating to the offence under the proposed Act.

58. *Clause 52* provides additional powers to an authorized officer for the purposes of the execution of the proposed Act.

59. *Clause 53* provides for the compounding of offences under the proposed Act.

60. *Clause 54* provides that the prosecution of an offence shall be instituted with the consent of the Public Prosecutor.

61. *Clause 55* deals with provisions relating to offences committed under the proposed Act by a body corporate.

PART VIII

62. Part VIII deals with general provisions.

63. *Clause 56* deals with the duty of the Authority to make reports to the Minister on significant matters relating to the implementation and performance of the feed-in tariff system to ensure the ongoing monitoring of the implementation of the feed-in tariff system. A report by the Authority under this clause must be published to ensure transparency by making information about the feed-in tariff system available to the public.

64. *Clause 57* seeks to clarify that the grant of a feed-in approval by the Authority does not exempt a feed-in approval holder from the obligation to comply with all other applicable laws including the Electricity Supply Act 1990.

65. *Clause 58* deals with the power of the Authority to issue directions to any person about compliance or non-compliance of any condition of a feed-in approval or any provision of the proposed Act or its subsidiary legislation. Before issuing a direction, the Authority must first issue a notice in writing to the person and allow the person an opportunity to be heard or submit a written submission on the reasons of his conduct or activity. The direction made by the Authority shall be registered.

66. *Clause 59* allows a person to inspect, make copies of, or take extracts from, the registers maintained under the proposed Act upon payment of a fee as specified by the Authority.

67. *Clause 60* empowers the Minister to make regulations on matters specified therein and such other matter as may be necessary for giving effect to the proposed Act while *clause 61* empowers the Authority to make rules.

68. *Clause 62* provides that subsidiary legislation made under the proposed Act may prescribe penalties of a fine not exceeding three hundred thousand ringgit or imprisonment for a term not exceeding three years or to both.

69. *Clause 63* seeks to allow the Minister to amend the Schedule by an order to be published in the *Gazette*.

PART IX

70. Part IX deals with savings and transitional provisions.

71. *Clause 64* provides that an eligible producer who has executed an agreement for the sale and purchase of electricity with a distribution licensee prior to the coming into operation of the proposed Act shall have the option of either applying to participate in the feed-in-tariff system, terminating any such prior agreement with the distribution licensee with the consent of the distribution licensee and entering into a renewable energy power purchase agreement prescribed under this Act or continuing under his or its current agreement with the distribution licensee and not participating in the feed-in tariff system. Under the former option, the effective period applicable to such feed-in approval holder shall be reduced by a period equivalent to the period during which his or its renewable energy installation had generated electricity for commercial sale to the distribution licensee prior to the grant of the feed-in approval.

72. *Clause 65* clarifies that nothing in the proposed Act shall be construed as to reduce or extend the duration of a licence issued under section 9 of the Electricity Supply Act 1990.

FINANCIAL IMPLICATIONS

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

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