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Energy Commission Malaysia



ENERGY EFFICIENCY LEGISLATION AND POLICIES IN MALAYSIA

Energy Efficiency In Malaysia's Key Energy Policies



- Vested on PETRONAS the exclusive rights to explore, develop and produce petroleum resources of Malaysia
- To regulate downstream oil & gas industry via the Petroleum Regulations 1974
- To ensure adequacy, security and cost-effectiveness of energy supply
- To promote efficient utilization of energy
- To minimize negative environmental impacts in the energy supply chain
- To prolong lifespan of Malaysia's oil reserves for future security & stability of oil supply
- To pursue balanced utilization of oil, gas, hydro and coal
- Renewable Energy included as the "fifth fuel" in energy supply mix

Policy Approaches To Promote Energy Efficiency

- Economic measures
 - ✓ Implement efficient energy pricing, provide fiscal incentives
- Persuasive measures
 - ✓ Create awareness/interest and disseminate information
- Prescriptive measures
 - ✓ Prescribe and regulate technical standards and guidelines
- Research, development and demonstration
 - ✓ Develop, demonstrate and commercialise new technologies and measures

Energy Commission Act 2001

- To promote efficiency, economy and safety in the generation, production, transmission, distribution supply and use of electricity
- To promote the use of renewable energy and the conservation of non-renewable energy

Electricity Supply Act 1990

- To promote the efficient use of electricity.
- To determine the standards, specifications, practices and measures for the efficient use of electricity.
- Installation to meet requirements in respect of the efficient use of electricity.
- Equipment to meet requirements in respect of the efficient use of electricity

Energy Efficiency Regulations

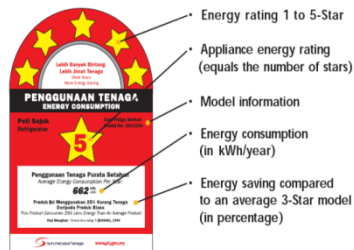
- Efficient Management of Electrical Energy (EMEER) 2008 Regulations.
- Minimum Energy Performance Standards (MEPS) – Electricity (Amendment) Regulations 2013

Key Provisions of Efficient Management of Electrical Energy Regulations 2008

- Applied to big energy users (equal or exceeding 3 Million kWh over any period not exceeding 6 consecutive months, currently there are about 1600 installations subjected under this regulations)
- To appoint a Registered Electrical Energy Manager and to submit written confirmation of the appointment.
- To submit Electrical Energy Management Policy, Objectives and Accounts and Documents.

Key Provisions of MEPS

- Implementation and Enforcement (MEPS) for 5 Domestic Electrical Products (Air Conditioner, Refrigerator, Television, Domestic Fan and Lamps).
- Mandatory Labelling



Energy Efficiency Initiatives In Malaysia

- Energy Efficiency Promotion in the Seventh Malaysia Plan (1996-2000).
- Malaysian Industrial Efficiency Improvement Programme (MIEEP) (1999).
- Fiscal Incentives for EE (2001).
- The formation of Malaysian Association of Energy Service Companies (MAESCO)
- Development of Malaysian Standard MS 1525 (2001). Code Of Practice On Energy Efficiency And Use Of Renewable Energy For Non-residential Buildings which provides guidance on the effective use of energy, including the application of renewable energy in new and existing non-residential buildings.
- Energy Audit on government buildings (2002).
- EE and RE in education curriculum and university courses (2002).
- Energy Efficient Building demonstration projects (2004).
- Development of EE guidelines for Malaysian Industries (2006).
- Efficient Management Of Electrical Energy Regulations (2008).
- Green Building Index (GBI) (2009).
- Energy Performance Contract (EPC) in Government Buildings (2013).
- Minimum Energy Performance Standards (MEPS) (2013).
- Energy Audit and Retrofit in selected government buildings (2014).

Energy Efficiency Fiscal Incentives In Malaysia

- A. Companies Providing Energy Conservation Services:
- Pioneer status with tax exemption of 100% of statutory income for a period of 10 years; or
 - Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of 5 years with the allowance deducted in each year of assessment be set-off against 100% of statutory income; and
 - Import duty and sales tax exemption on equipment used in energy conservation which are not produced locally. Equipment purchased from local manufacturers is given sales tax exemption.
- B. Company who did capital expenditure for energy retrenchment purpose for own use:
- Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of 5 years with the allowance to be set off against 100% of statutory income for each year of assessment.
 - Import duty and sales tax exemption on equipment used in energy conservation which are not produced locally. Equipment purchased from local manufacturers is given sales tax exemption.

Energy Efficiency Fiscal Incentives In Malaysia (cont.)

- C. Company which import EE equipment or buy it from local manufacturers for third party use:
- Import duty and sales tax exemption on EE equipment such as high efficiency motors and insulation materials given to importer including agent that accredited approved by Energy Commission; and
 - Sales tax exemption given on EE consumer's buying goods such as refrigerator, air conditioner, light, fan, and television which produced by local manufacturer;
 - Incentive is applicable for applications received by the Ministry of Finance by 31 December 2012.

Funding Scheme

- Green Technology Funding Scheme (GTFS)
- Malaysian Electricity Supply Industries Trust Account (MESITA)

Thank you

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