

## Seda revises rates, aims to attract more renewable energy developers

by [leong hung yee](#)



According to CEO Datin Badriyah Abdul Malek, the Sustainable Energy Development Authority Malaysia (Seda) has to adjust the depreciation rate for all installed capacities for solar PV to reflect the actual market value.

PETALING JAYA: The [Sustainable Energy Development Authority Malaysia \(Seda\)](#) is revising the depreciation rates for biomass, biogas and solar photovoltaic (PV) that will come into effect this month, according to chief executive officer Datin [Badriyah Abdul Malek](#).

Badriyah said the revision is to make it more attractive to renewable energy (RE) developers and also to reflect the lower technology cost. She stressed that the new ruling would not affect the existing feed-in approval holders or FiAH.

"For biomass and biogas, the principle is to improve the feed-in-tariff (FIT) rates to make it more attractive to the RE developers, as the take-up rate has been rather sluggish in the past two years.

"With the revision of the FIT rates for biomass and biogas, the reduction in depreciation rates, and higher bonus rates given for certain criteria, we anticipate there will be an improvement in the response to these RE sources," Badriyah told *StarBiz*.

The depreciation rate refers to a gradual decrease in the tariff.

The basis of the depreciation rate is that the costs of the RE technologies are expected to drop as the technology matures.

"As for solar PV, on March 28, the depreciation rate for installed capacities exceeding 24kWp will be revised



from 8% to 24%.

"This is a one-time correction to the pricing of PV modules which have declined sharply in recent years. This time, we have to adjust the degression rate for all installed capacities for solar PV to reflect the actual market value," Badriyah added.

Currently, solar PV is the most popular among the four RE sources approved under the RE Act, with a high take-up rate .

The statutory body is expected to announce the details on the changes of the degression rates in two weeks.

In addition, Badriyah said there would also be changes to the subsidiary legislations such as the technical and operational requirement rules, especially on changing conditions for conducting connection confirmation checks and power systems studies.

The changes to the rules will be reflected after discussion with distribution licensees such as Tenaga Nasional Bhd and Sabah Electricity Sdn Bhd so the prudent practices in the managing of the main electricity grid can be upheld.

Asked on changes in its e-FiT online system for FiT applications, Badriyah said Seda has been engaging with various stakeholders to improve the FiT rules and requirements on technical and commercial matters.

It is also adjusting the e-FiT online system to ensure the electronic system reflects the latest rules and requirements, as quota is allocated based on compliance with the rules and requirements.

"The modifications to the e-FiT online system constituted about 33% of the total cost of developing and maintaining the system to keep up with the amended rules and requirements of the FiT," she elaborated.

As of December, Seda had approved projects with an RE capacity of 482MW, comprising solar PV (40.2%), biomass (27.2%), hydropower (27.2%) and biogas (4.9%).