

Cheap loans for solar panels proposed

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KUALA LUMPUR: The Energy, Green Technology and Water Ministry is in talks with Bank Negara Malaysia (BNM) on the possibility of having cheap loans for households keen to install solar panels.

This would be an incentive for people to use electricity generated from sunlight, which will help them cut their power bills and allow Malaysia to raise its usage of renewable energy.

Minister Datuk Seri Peter Chin Fah Kui said the ministry has already discussed with the association of banks and they are keen to provide financial packages.

"We are still in preliminary discussion with BNM. We hope this can be carried out, in line with FiT (Feed-in Tariff) scheme implementation for renewable energy (RE) by the end of this year," he said after launching the Green Building Index (GBI) Industrial New Construction Tool and Industrial Existing Building Tool yesterday.

An average house uses three to four kilowatts (kW) of power and solar panels that generate 1kW costs about RM15,000.

FiT is a government scheme to develop the RE industry. It allows electricity produced from RE resources like solar, biomass, biogas, mini-hydro, solid waste and wind to be sold to power utilities at a fixed premium price for a specific duration.

Chin said FiT would provide an opportunity for Malaysians, including business and house owners, to mitigate the rising cost of living by generating revenue from RE electricity production.

At present, the government is looking at a tariff rate of between RM1.25 and RM1.75 per kilowatt hour (kWh) for 21 years for solar PV and 23 sen to 24 sen per kWh for 21 years for mini-hydro source.

The government is targeting RE to contribute 6 per cent, or 985 megawatts (MW), and 11 per cent, or 2,080MW, of electricity generation mix by 2015 and 2020 respectively.

In his speech, Chin noted that the ministry is in the midst of finalising its Low Carbon Cities Framework and Assessment System to guide local councils, developers and other users to focus on the development of Low Carbon City.

"The entire document looks at a measurable and performance-based approach and helps us set our targets that we wish to achieve," he said.

Chin acknowledged that these initiatives are among the key technologies which will help Malaysia achieve its commitment to cut carbon intensity by 40 per cent in 2020, based on 2005 levels.