

**WELCOME REMARKS BY
CHAIRMAN OF ENERGY MARKET AUTHORITY MS CHAN LAI FUNG
AT THE EMA DISTINGUISHED SPEAKER PROGRAMME LECTURE
BY TENAGA NASIONAL BERHAD CHAIRMAN TAN SRI LEO MOGGIE**

29 APRIL 2011, 9.00AM, HOTEL INTERCONTINENTAL

Tan Sri Leo Moggie, Chairman, Tenaga Nasional Berhad

Excellencies,

Distinguished guests,

Ladies and gentlemen,

1 Thank you for taking time from your busy schedule to join us at this morning's lecture by Tan Sri Leo Moggie. Tan Sri will be speaking to us on the topic – "The Dynamics of the Electricity Industry". It is an important topic given the energy challenges faced by many countries today, especially in Asia. Energy demand in Asia is expected to grow at an annual rate of 2.3 percent, which is almost double the estimated growth rate of 1.2 percent for the world. There is therefore a greater imperative for us in Asia to understand the dynamics of the electricity landscape and consider how we can meet rising energy demand and rising energy costs.

2 Here in Singapore, we import almost all our energy needs. As a small economy, we are a price-taker in the global energy market. To ensure that we have reliable and competitively-priced electricity, one of our key strategies is to foster effective competition in our energy markets. Our experience is that competition has helped us achieved substantial efficiency gains, and to some extent, helped mitigate the impact of volatile energy prices.

3 In the longer term, the Singapore Energy Market Authority (EMA) is working towards opening up the entire electricity market to competition. This means allowing even small businesses and household consumers to buy retail electricity packages direct from suppliers. As a first step, we have launched the Intelligent Energy System pilot project to test out a range of smart grid technologies and applications, including smart meters, which are needed for retail contestability.

4 Another option that features in our long-term thinking on meeting our energy needs is the import of electricity from nearby sources. ASEAN has a long-term vision of a regional power grid – the ASEAN Power Grid – which could potentially result in huge efficiency gains, cheaper electricity prices, and enhanced resilience in energy supply for all ASEAN countries. Although ASEAN countries have different natural resource endowment and are at different stages of economic development, we all share the same challenges of ensuring an electricity industry that is sustainable, secure and supports economic growth. There is tremendous scope for ASEAN countries to work together to realise the benefits from greater collaboration.

5 Indeed, given the enormity and complexity of the energy challenges that we face, beyond ASEAN countries, we can all be better off if we could come together and tackle the challenges that we face collectively. But joint action can only come about if we first have a shared understanding and meeting of minds on the issues to be addressed. Hence the importance of having platforms such as this that could facilitate exchange of ideas and promote understanding amongst governments, businesses and academia. Today's Distinguished Speaker Programme and the annual Singapore International Energy Week are examples of EMA's efforts in supporting such dialogues and exchange of ideas. Under the Distinguished Speaker Programme, EMA seeks to bring in renowned international personalities in the field of energy to share with us ideas and strategies on the energy issues of our time. This is the first year that we are introducing this programme, and it is our great honour to have Tan Sri Moggie as our inaugural Distinguished Speaker.

6 Tan Sri Moggie is well-known in the energy arena. He was Malaysia's Energy Minister for more than twenty years. He was first made Minister of Energy, Telecommunications and Posts in 1978 and served in that capacity for 11 years until 1989. He took a short break from energy issues when he was made Minister of Works. In 1995, he returned to the ministry which was subsequently renamed as the Ministry of Energy, Communications, and Multimedia. He remained there as the Minister until his retirement from Government in 2004. Tan Sri Moggie is easily one of the longest-serving Energy Ministers in ASEAN, if not the longest-serving.

7 In his many years as Energy Minister, Tan Sri Moggie was responsible for mapping out Malaysia's energy policies and overseeing the development of Malaysia's energy sector. He discharged these responsibilities with great distinction. In his many years working with the other ASEAN Energy Ministers, Tan Sri had also developed a deep understanding of the energy issues facing ASEAN. He was a strong advocate for the establishment of an ASEAN Power Grid.

8 After retiring from Government, Tan Sri Moggie was appointed Chairman of Tenaga Nasional Berhad, Malaysia's largest electricity utility company. The company's core activities are in the generation, transmission and distribution of electricity. It owns more than half of the total installed generation capacity in Peninsular Malaysia. It also owns and operates the national grid. The company hires some 30,000 staff and its customer base in Peninsula Malaysia and Sabah is seven million-strong.

9 As you can tell, Tan Sri's long and illustrious career in energy straddled both the policy and business worlds. Given his vast experience, Tan Sri Moggie is uniquely qualified to speak to us on how the interrelated elements of energy security, cost competitiveness, environmental sustainability and safety, drive the dynamics of the electricity supply industry. In his lecture, Tan Sri will also touch on how each ASEAN country has chosen to address these dynamics based on their own circumstances. Tan Sri will also share with us his views and insights on the opportunities and benefits of the proposed ASEAN Power Grid.

10 It is my pleasure to invite Tan Sri Moggie to address us. Tan Sri, please.

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