

KERATAN AKHBAR

TARIKH : 25 OKTOBER 2022
AKHBAR : NEW STRAITS TIMES
MUKA SURAT : 12

Let's focus on energy in GE15

POWERFUL CHALLENGE

LET'S FOCUS ON ENERGY IN GE15

THE energy crisis in Europe has caused economic and social unrest, leading to political instability.

Surging energy prices have been one of the main drivers that worsened the cost-of-living crisis in the United Kingdom, which is among the reasons why two prime ministers resigned in the past few months.

The energy crisis added tremendous pressure on Boris Johnson to resign. Subsequently, the hasty rollout of greater energy subsidies without a sensible financing plan caused detrimental economic impact on the UK.

It led to the resignation of Liz Truss, now the shortest-serving prime minister in the UK with 45 days in office.

These are not isolated cases of social unrest and political instability caused by the mishandling of energy issues.

At least 59 price-related riots occurred globally between 2005 and 2018, validating how well energy markets are entrenched in national stability.

With the 15th General Election approaching, politicians should recognise the critical role of energy in the country.

Not only does energy underpin the economy, it also has a direct impact on the lives of every Malaysian.

This is especially relevant given that the government indicated in the National Energy Policy its interest to rationalise energy subsidies towards market-based pricing.

This could increase Malaysia's power and fuel price exposure to international gas price volatility, making Malaysians more impacted by energy markets.

Energy will then be an increasingly sensitive challenge to address and would have an even greater impact on social welfare and political stability.



Demonstrators calling for an end to fossil fuel dependency in Berlin, Germany, on Saturday. AFP PIC

What we need is not only a leader with knowledge in solving complex energy sector challenges, but also someone who is visionary and can consider energy system plans holistically.

This is first because energy assets generally have a long lifespan of at least 25 to 30 years.

Therefore, if suboptimal energy investments are made due to a lack of planning and whole system considerations, society will bear the cost of

these stranded assets and the wider risks of system inefficiency and low operability.

Moreover, the future energy system is going to be increasingly complex as the need to transition to net-zero emission poses wider challenges in balancing priorities in energy security, affordability, and sustainability.

The next government should recognise this and ensure that qualified individuals, such as technocrats from the energy sector, or politicians with

substantial understanding of the energy systems, are appointed as relevant ministers.

We deserve to have qualified individuals to safeguard this critical pillar of nation-building and to ensure that the low-carbon energy transition can be achieved in Malaysia without compromising social welfare.

EVAN NG CHEE YANG
Energy market consultant
London, England