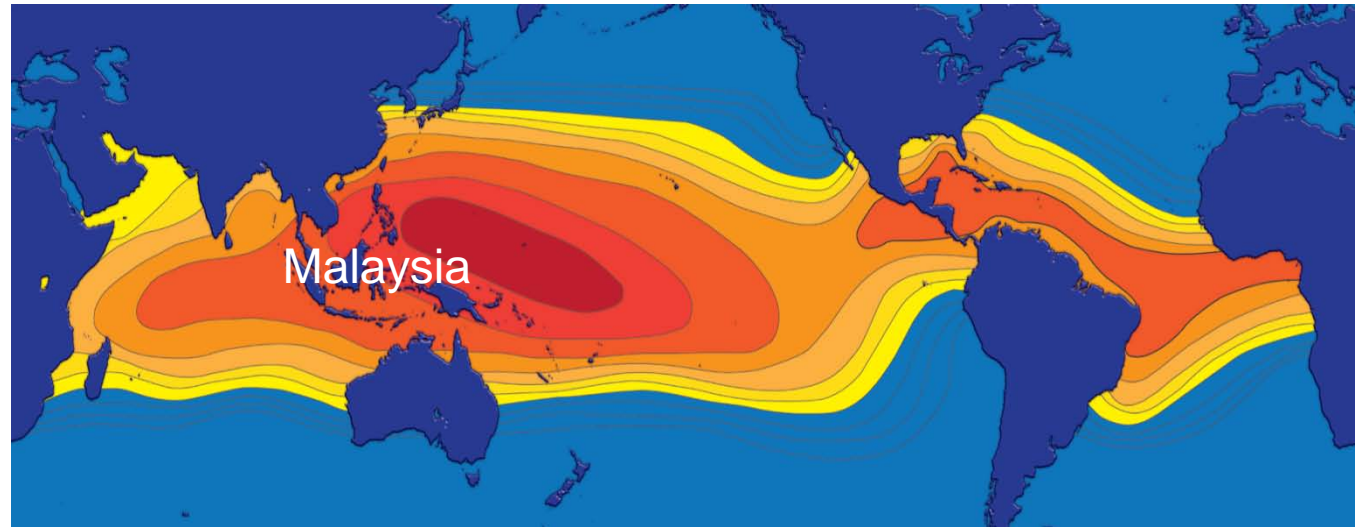


***OTEC International Symposium  
Asia-Pacific Clean Energy Summit  
Honolulu 9 -11 September 2013***

**1<sup>st</sup> Session: Policies, Finance and Incentives**

**“FRAMEWORK ON OTEC DEVELOPMENT IN  
MALAYSIA”**



***Presented by:***

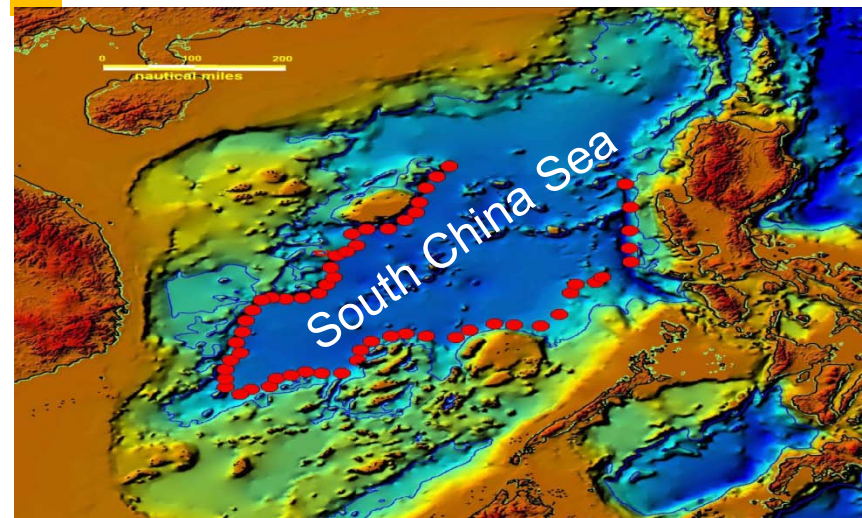
**Dato' Ir Dr A Bakar Jaafar, PEng, FIEM, FASc,**

**Email: [bakar.jaafar@gmail.com](mailto:bakar.jaafar@gmail.com)**

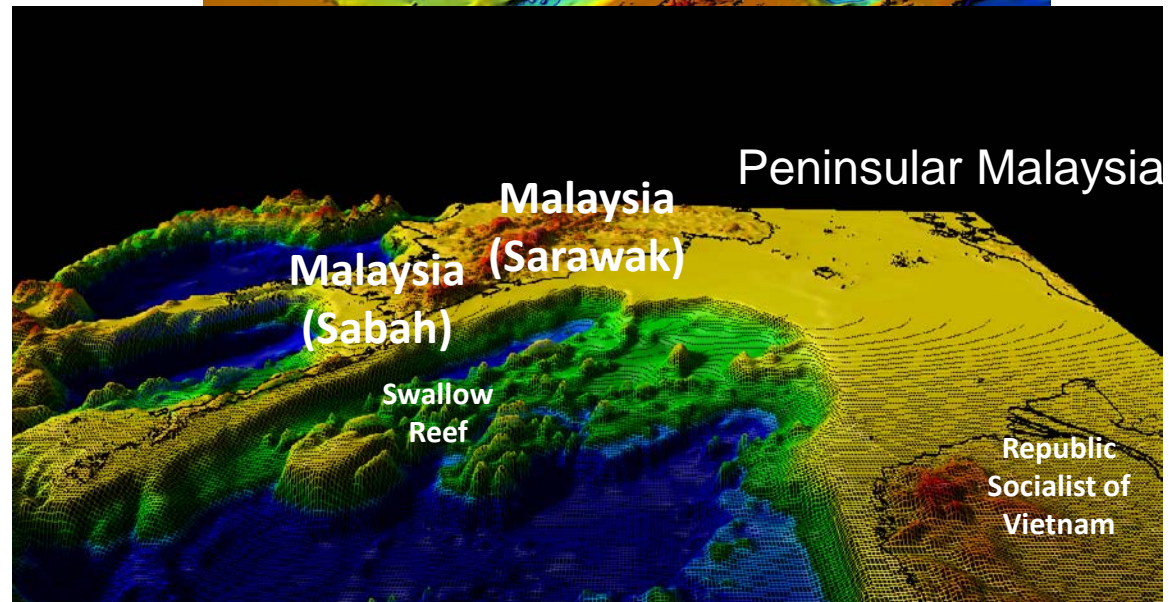
# MALAYSIA MARINE SURVEY IN THE SOUTH CHINA SEA (MiyMRS) (2006-2008)



TL Geohydrographics

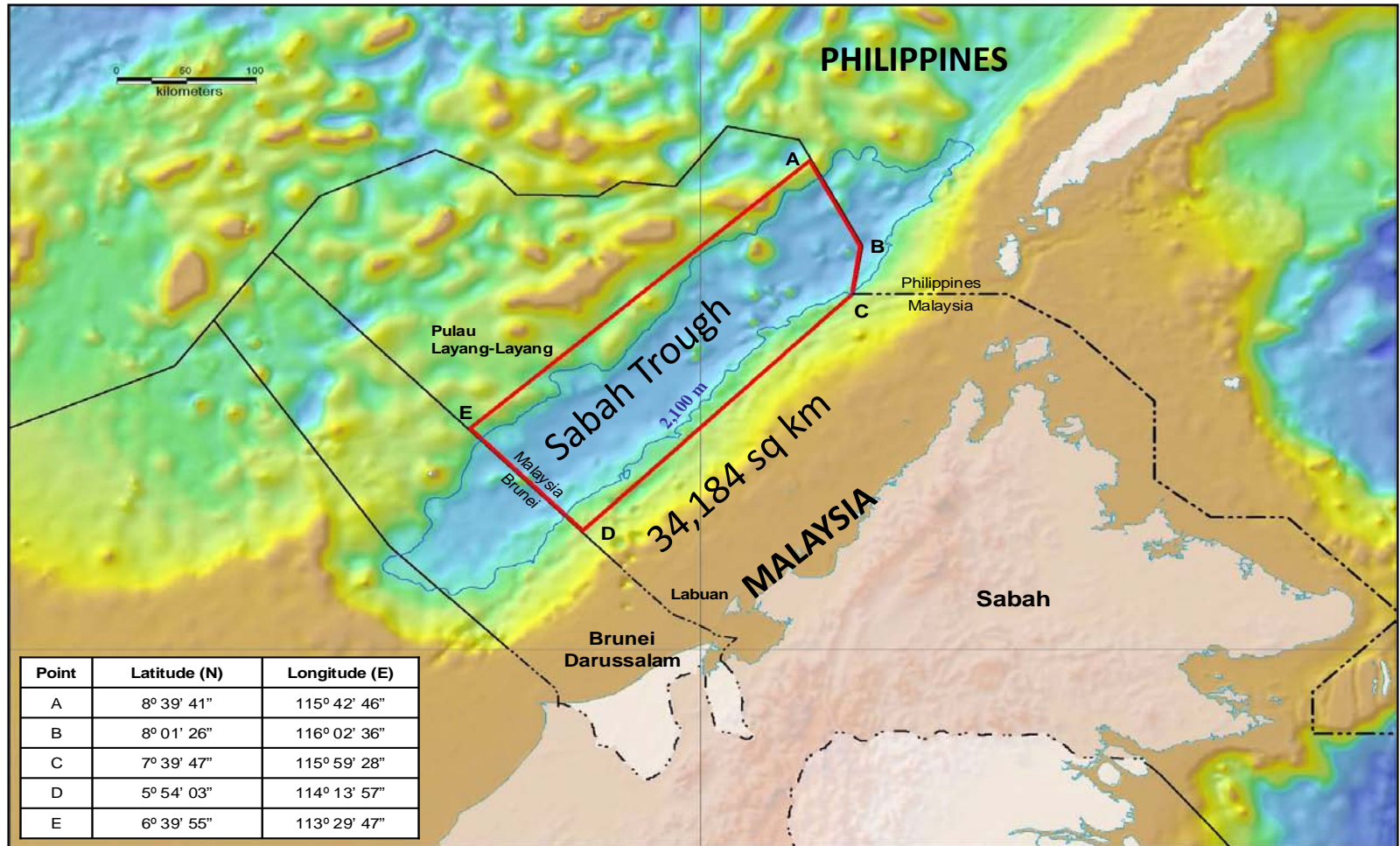


University of Tokyo  
RV *Hakure-maru II*  
(now, known as,  
MVTeknik Perdana,  
Owned by Sapura-  
Kencana)





# OTEC POTENTIAL: SUBREGIONAL COOPERATION IN OCEAN THERMAL ENERGY DEVELOPMENT: BRUNEI DS-MALAYSIA-PHILIPPINES



# PROPOSED LEGAL-POLICY FRAMEWORK

- Adequate existing laws and general policy to promote OTEC development, though not specific enough:
  - Territorial Sea Act of 2012; Exclusive Economic Zone Act of 1984;
  - Sustainable Energy Act of 2011; and
  - the Promotion of Investment Act of 1986;
- Introduce new Law on Ocean Thermal Energy Development; and
- Malaysia's commitment for "a voluntary reduction of up to 40 percent in terms of emissions intensity of GDP by 2020 compared to 2005."



## FINANCES: PROPOSED FISCAL POLICY & PRIVATE INVESTMENT INCENTIVES

1. INTRODUCE OCEAN THERMAL ENERGY-DRIVEN DEVELOPMENT AS A NEW KEY ECONOMIC AREA (NKEA) WITH A BUDGET ALLOCATION OF USD 120 million, for further development of OTEC and coastal or island communities including Pulau Banggi of Sabah;
2. UTM OTEC be given a concession under the relevant laws of Malaysian waters, in order to pioneer OTEC development with an allocation for R&D and Commercialisation Grant of RM 18 million plus USD 40 million of commercial-demo 4 MW OTEC plant off Pulau Layang-Layang, in order to attract further investments by deep-water oil and gas industry 4 MW x 6 = 24 MW OTEC plant [USD 240 million];
3. Private investment in OTEC development be a “promoted activity” with accelerated capital depreciation allowance of 40 per cent.



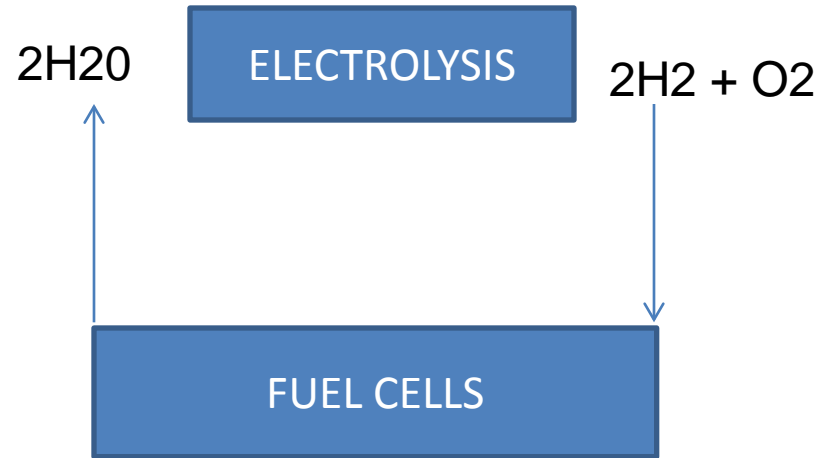




# PETRONAS



## PROPOSED NEW INSTITUTIONS:



1. OTE DEVELOPMENT UNIT,  
PRIME MINISTER'S DEPARTMENT
2. OCEAN THERMAL ENERGY  
NASIONAL  
(OTENAS)

OIL & GAS: UNSUSTAINABLE ENERGY SUPPLY

OTEC: SUSTAINABLE ENERGY  
FUTURE

# CONCLUSION: PROPOSED L.I.F.T. FRAMEWORK

- 1. LAW & POLICY :** SPECIFIC BILL ON OTEC & SOME ROYALTY FOR RENEWABLES;
- 2. INSTITUTIONAL ARRANGEMENT:** OCEAN THERMAL DEVELOPMENT UNIT, PRIME MINISTER'S DEPARTMENT; ESTABLISHMENT OF OTENAS;
- 3. *SIGNIFICANT FISCAL ALLOCATION & ATTRACTIVE FINANCIAL INCENTIVES*:** PROMOTED ACTIVITY & ACCELERATED CAPITAL DEPRECIATION ALLOWANCE; &
- 4. *TECHNOLOGY ACQUISITION*:** THROUGH INTERNATIONAL PROCUREMENT & MORE R, D & C



*TERIMA KASIH*

MAHALO



Thank You

Merci

Gracias

спасибо

谢谢

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*Photo:* Distinguished Participants @EWC-EAPI Workshop on Shipping, Energy & the Environment, Honolulu, November 1981

