

Policy and Regulation Sub-Committee meeting

28 August 2014

MGA Office, Etiqa Twins

Attendees

1. Ezhar Yazid Jaafar - chair
2. Rick Ramli
3. Farrah Fazlina Mustapa
4. Rumaizi Abdul Halim
5. Ho Sook Wah
6. Mohd Azhan Ismail

Summary of discussion

1. PETRONAS is still the only gas supplier in the country. Despite the discounted LNG price offered by PETRONAS to domestic buyers, there is room for other suppliers to beat the price.
2. There are times when LNG spot prices drop to low level. LNG spot prices are available from Platt's.
3. Absence of other gas suppliers could also be due to the lack of understanding of market liberalization and Third Party Access arrangement. It is proposed that a communication pack on market liberalization and opportunities be developed. The communication pack can contain:
 - a. Outlook of LNG market
 - b. Third Party Access Arrangement by PGB
 - c. Experience by other countries

An engagement with potential suppliers and buyers should be arranged with a small target group for the first session. The proposed invitees for the first session are Shell, TNB and Gas Malaysia.

4. Regulated gas price to the power sector in Sabah is still RM6.40/mmBtu.
5. PEMANDU is the government agency driving the subsidy rationalization. A dialogue with PEMANDU should be arranged to discuss the gas subsidy rationalization and the role that MGA can play to support the effort.