

Asia Clean Energy Summit Byline Editorial

Hed: Accelerating the growth of clean energy adoption

On October 24, the Singapore Economic Development Board (EDB) announced a slew of clean energy investments in the city-state that is estimated to create 400 professional jobs and generate \$500 million in business spending over the next five years.

These investments are spread across the fields of solar, wind, microgrids and energy management, helping Singapore to position itself as Asia's leading cleantech hub, the agency said.

This is good news for homegrown energy companies Sunseap Group and Red Dot Power. Both enterprises have been expanding their operations in the clean energy space by pioneering solutions to spur the adoption of clean energy solutions in Singapore.

Government support

Sunseap Group is the largest clean energy solutions provider in Singapore, with a portfolio of projects that range from rooftop installations to floating solar photovoltaic (PV) systems. Outside of Singapore, Sunseap has offices and operations in Cambodia, Thailand, Philippines, India, Malaysia and Australia.

Among these markets, Frank Phuan, Co-Founder and Director of Sunseap Group sees Singapore as well-positioned to be a cleantech hub thanks to regulations and policies that have helped the sector evolve over the years.

"When it comes to clean energy, more often than not, it is the incumbent regulation that determines the pace of adoption," he says.

In Cambodia, for instance, regulation only permits companies like Sunseap to sell clean energy solutions to the government and not to residents and businesses.

On the other hand, Sunseap currently supplies clean energy to more than 500 small and medium enterprises in Singapore. The company also started providing 100% clean electricity to tech giant Apple's operations in Singapore, a first in Southeast Asia.

"The uptake of clean energy solutions has been very good. It's good to see that it is not just the MNCs that are picking up on this but SMEs as well," he adds.

Hiring the right people

Meanwhile, Red Dot Power (RDP) is Singapore's first independent electricity retailer to begin supplying electricity to contestable class of electricity consumer in Singapore.

The company was founded in 2010 as a vehicle to implement a Virtual Power Plant (Demand Response) pilot project under a grant scheme by the Energy Market Authority (EMA). It was the first such project in southeast Asia and pilot project was successfully completed in 2013.

Red Dot Power received the market operations licenses from the EMA in 2014 and launched its Demand Management (Interruptible Load, a form of Demand Response) and Electricity Retail in 2015.

“Singapore businesses generally favour energy efficiency and are ‘green conscious’ thanks to significant work by the authorities,” notes Vijay Sirse, the Founder and CEO of Red Dot Power.

According to him, one of the challenges of being the first independent electricity retailer in Singapore is hiring the right personnel.

With EDB’s announcement of job creation in the energy space, companies like RDP will be able to recruit more employees who are equipped with the necessary skills.

Setting precedence

Government support aside, Sunseap and RDP have been coming up with energy saving plans and energy supply options to woo more businesses to make the switch to clean energy.

“There was no precedence to fall back on. [For us], it took almost nine months from receipt of the electricity license to put all building blocks in place and begin retail operations,” recounts Sirse.

He adds: “While most consumers are very keen on clean energy solutions, the upfront costs to implement such solutions is still a factor in decision making.”

Sunseap and RDP concur that the best way to get businesses to make the switch to clean energy is through cost savings. As such, both offer energy plans that are significantly lower than the prevailing regulated rate.

Perhaps a move that will see clean energy become more prevalent is the soft launch of the Open Electricity Market in Jurong in April 2018. With this initiative, a total of 108,000 household accounts and 9,500 business accounts will have the option of buying electricity from a retailer of their choice, or continue buying electricity from SP Group at the regulated tariff.

The EMA plans to extend this flexibility to consumers in the rest of Singapore in the second half of 2018. Currently, only businesses with an average monthly electricity of at least 2,000 kWh equivalent to a monthly electricity bill of at least \$400, have the option of buying electricity from a retailer of their choice or to remain with SP Group.

The way Phuan and Sirse see it, both Sunseap and RDP are poised to tap on this new opportunity in the clean energy space given their experience gleaned from building their businesses when clean energy adoption was still in its nascent phase.