



01 OCT, 2026

TNB to benefit from DC-driven power demand



The Star, Malaysia

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PETALING JAYA: The rapid growth of data centres (DCs) and their power demand, spending on the grid to service this demand as well as integrating renewable energy (RE), will continue to benefit utility company Tenaga Nasional Bhd (TNB), says Hong Leong Investment Bank Research.

The research house said Malaysia's DC expansion remains strong, fuelling demand for power. It noted that TNB's potential electric service agreement (ESA) reached 13 gigawatts (GW) as of June 2026.

This comprises 8.35GW of ESA and 4.6GW approved by the Data Centre Task Force (DCTF).

"With DC capacity concentrated in Johor, grid bottlenecks are emerging, prompting TNB to accelerate grid upgrades and encouraging developers to diversify into the Klang Valley and East Coast, where capacity remains available," it said.

TNB's management also noted growing demand for mega DC sites of more than 1GW. The DCTF currently oversees new DC approvals, requiring proof of anchor tenants/off takers before ESA execution, with the government studying the potential use of on-site power plants to support DC developments.

TNB has guided that its own generation capacity in Peninsular Malaysia would increase by 7.6GW by 2030 (including 500MW from large-scale solar five and 2.4GW under the Corporate Renewable Energy Supply Scheme), followed by a further 2.3GW addition during 2031 to 2033.

This would be partially offset by the expiry of 6.6GW of existing capacity by 2030 (including 4.3GW of coal-fired generation).

Beyond TNB's own generation assets, the grid can expect an additional 1.2GW from THB Power Sdn Bhd's gas-fired plant by 2028.