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Mitsubishi Power: Growth surge demands bigger power supply

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FUTURE CAPACITY

Mitsubishi Power: Growth surge demands bigger power supply

KUALA LUMPUR: Malaysia will need to add substantial power generation capacity over the coming years as electricity demand accelerates, fuelled by investments in data centres, semiconductor manufacturing and other energy-intensive industries, according to Mitsubishi Power Asia-Pacific Pte Ltd.

Its managing director and chief executive, Akihiro Ondo, said: "In Malaysia, electricity demand is growing significantly due to stable economic growth and newly installed data centres, especially in Johor.

"As demand continues to grow, Malaysia needs a significant addition to its power supply capacity."

Ondo said Mitsubishi Power, which has been involved in Malaysia's power sector for more than 60 years, was working with utilities to prepare for future demand.

The company has signed reservation agreements with Tenaga Nasional Bhd (TNB) for six gas turbines and with Malakoff Corp Bhd for four turbines, while also participating in a power station project in Miri, Sarawak.

He said the reservation agreements were intended to secure future equipment deliveries amid rising demand for power generation equipment globally.

"To move forward with the installation or construction of a power plant, subsequent agreements will be required. These agreements will build on the reservation agreements and form the basis for project execution."

Ondo said Malaysia is not alone in facing rising electricity demand, noting that countries worldwide are expanding generation capacity as investments in artificial intelligence, hyperscale data centres, advanced manufacturing and electrification gather pace.

"If we look at the global market, electricity demand has massively increased in the United States due to hyperscalers' investments for new data centres."

Ondo said investment in gas turbine-related projects is also booming.

To secure sufficient resources or equipment, long-term planning and proactive and strategic dialogue with stakeholders were essential, he said.

"We need to act early to mitigate the gap between rising demand and existing capacity."

Ondo believes Malaysia had a solid foundation, with well-developed power generation, transmission and distribution networks, but said additional capacity would be needed to support the country's long-term economic ambitions.

Beyond data centres, he expects rising electric vehicle adoption, semiconductor investments and broader industrial expansion will drive electricity consumption higher over the next decade.

Despite the country's growing focus on renewable energy, Ondo said natural gas would remain a critical component of Malaysia's power mix because it provided the flexibility needed to complement intermittent renewable sources, such as solar and wind.

"In case renewables cannot generate power because of rain, a lack of sunlight or changes in wind direction, open-cycle gas turbines can be started much faster than other applications."

He added that natural gas remained an important transition fuel, particularly for countries such as Malaysia that already possessed natural gas resources and supporting infrastructure.

Mitsubishi Power is also developing technologies that can utilise hydrogen in power generation.

Ondo said the six turbines reserved for TNB, four units for Malakoff and the Sarawak project were already capable of co-firing hydrogen.

While hydrogen and other low-carbon technologies remained part of the long-term energy transition, Ondo said the immediate priority across Southeast Asia was ensuring adequate and reliable electricity supply.

He said governments and utilities were currently focused on energy security, affordability and resilience.