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Bankable projects key to energy transition financing

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KUALA LUMPUR: Malaysia's energy industry players should focus on developing more bankable projects with attractive and sustainable returns to strengthen the country's energy transition financing landscape and attract greater investor participation.

Tenaga Nasional Bhd (TNB) chief new energy officer Mohd Zarihi Mohd Hashim said it's important not to overlook the role of equity capital, as equity investors provide patient capital and are willing to take on risks, although many remain on the sidelines.

Patient capital refers to a long-term investment approach.

"To attract greater participation at scale, there is a need to develop more bankable projects that offer attractive and sustainable returns.

"This is certainly a key factor that can help accelerate progress and mobilise the capital needed to achieve our (energy transition) goals," he said during a dialogue session on 'Financing Tomorrow: Innovative Capital Models for Energy Transition' at the Energy Transition Conference 2026 (ETCon26) here.

Mohd Zarihi said innovative capital

models will be crucial in advancing Malaysia's energy transition, particularly as the country embarks on larger and more complex projects in the years ahead.

"Initiatives such as the ASEAN Power Grid and the development of new renewable energy sources will require more risk-sharing and closer collaboration among policymakers, project developers and financiers.

"All stakeholders must work together to enhance project bankability, ensure sustainable returns and mobilise the investment needed to deliver the energy transition outcomes that Malaysia aims to achieve," he said.

Bank Negara Malaysia (BNM) sustainability deputy director Suraya Sani emphasised at the dialogue that regulations and policy frameworks play a foundational role in supporting the financial system's participation in the energy transition and are therefore critical to its success.

She said BNM, together with the Securities Commission Malaysia (SC), has developed sustainable finance taxonomies to guide financial institutions and businesses in their investment and financing deci-

sions.

"Under the Joint Committee on Climate Change (JC3), we are currently developing the Malaysia taxonomy.

"Moving forward, we have developed a threshold for the Malaysia taxonomy to guide investors and financiers in making investment decisions," she added.

Among other initiatives are the Sustainable and Responsible Investment (SRI) Taxonomy and BNM's Climate Change and Principle-based Taxonomy (CCPT), which provide a framework for assessing economic activities based on their environmental impact.

Under the theme "Energy and AI: The Synergy for Energy Transition", ETCon26 is held from June 3 to 5 at the Kuala Lumpur Convention Centre and features more than 50 exhibitors and 80 speakers from across the energy and technology sectors.

More than 4,000 delegates from over 60 countries are attending TNB's flagship conference, which serves as a platform to accelerate the implementation of Malaysia's energy transition agenda and foster regional collaboration on sustainable energy solutions. —Bernama