AUTHOR: No author available SECTION: STARBIZ PAGE: 7 PRINTED SIZE: 469.00cmï¿½ REGION: KL
MARKET: Malaysia PHOTO: Full Color ASR: MYR 23,694.00 ITEM ID: MY0064943096

06 AUG, 2025

Green future enters transformative phase

The Star, Malaysia

ENERGY

Green future enters transformative phase

NETR targets spark confidence in investments

PETALING JAYA: The utilities and renewable energy (RE) sectors look set for a structural transformation, propelled by ambitious government policy and a wave of new infrastructure initiatives.

With energy transition targets under the National Energy Transition Roadmap (NETR) calling for a 70% renewable energy mix by 2050, momentum is expected to build across both public and private investments.

As such, MBSB Research is maintaining its confidence in the direction of the market.

"We maintain our 'positive' stance on the utilities sector and the RE subsector, underpinned by the structural policy tailwinds for a deep decarbonisation trajectory in line with the targets under NETR," it said in a note.

Solar power remained central to this narrative.

It said: "We view that solar remains a multi-year growth engine, which will benefit engineering, procurement, construction and commissioning players such as Solarvest Holdings Bhd, Samaiden Group Bhd, Pekat Group Bhd, Sunview Group Bhd and Northern Solar Holdings Bhd."

MBSB Research highlighted that the government was preparing to launch the fifth large-scale solar (LSS5) programme, known as the LSS Petra 5+, in the second half of financial year 2025, which would introduce two gigawatts (GW) of additional capacity through land-based and floating solar projects.

"Following that, we expect the Energy Commission (ST) to announce the bidding for LSS6, which will likely introduce another 2 GW of solar capacity with battery energy storage system (Bess) requirements," it noted.

> "The recent RFP for new gas-fired power generation capacity also presents a positive catalyst for the sector."
>
> MBSB Research

The expected cumulative growth of solar was described as significant.

"We have previously estimated that solar will be increasingly dominant, accounting for 25%/39%/52% 58% share of the capacity mix in 2035/2040/2045/2050, respectively, growing at a compounded annual growth rate of 14% between 2025 and 2050," MBSB Research stated.

Beyond solar, Malaysia's gas-fired generation capacity also received a boost.

A recently launched request for proposal (RFP) for new gas plants aimed to deliver around eight GW of capacity through two channels: extensions of expiring power purchase agreements and new-build developments.

MBSB Research said: "The recent RFP for new gas-fired power generation capacity also presents a positive catalyst for the sector."

It added: "We expect independent power producers such as Malakoff Corp Bhd and YTL Power International Bhd to be among the frontrunners for this new scheme."

In parallel, grid modernisation remained a critical enabler.

"Tenaga Nasional Bhd (TNB) will be the key beneficiary in the asset ownership space from both RE capacity expansion and grid upgrade investments," said the research house.

On energy storage, the ST had initiated a request for quotation in late 2024 for four Bess projects totalling 1,600 megawatt hours.

The process has since progressed to the RFP stage.

Efforts to decentralise and democratise green power continued to gain traction.

"The resilience of Malaysia's green power supply will be bolstered by broadening the diversity and accessibility of renewable sources, which can be expected from third-party access models such as the Corporate Renewable Energy Supply Scheme," said MBSB Research.

"Concurrently, the Community Renewable Energy Aggregation Mechanism will be deployed to aggregate rooftop solar installations across clusters of residential properties," it added.

Meanwhile, Sarawak's dominance in hydropower is expected to be reinforced.

"Sarawak's strategic positioning as a hydro-centric renewable hub will be reinforced through a dedicated grid link to Peninsular Malaysia, further unifying the nation's clean-energy infrastructure," the research house said.

The 676km high-voltage subsea cable was planned to carry 1.6 GW and would be jointly implemented by TNB and Sarawak Energy Bhd.

On the long-term horizon, nuclear re-entered the policy spotlight.

"We view that nuclear power offers Malaysia a powerful lever to secure low-carbon, reliable baseload capacity, which addresses the intermittency concerns and bolsters energy security."

The government is targeting commercial readiness by 2031, with MyPOWER Corp appointed as the Nuclear Energy Programme Implementing Organisation.