

Headline	Asia's renewable energy boom		
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Asia's renewable energy boom

AN estimated US\$5.5 trillion of investment in power generating capacity in Asia-Pacific is expected between 2018 and 2050, with China being the biggest renewable energy player in the region.

According to a recent report by Kenanga Research, China (US\$2.7 trillion or 24%) and India (US\$1.6 trillion or 14%) are the two biggest investors for power generating assets, especially for wind generation, which exceeds solar generation.

"Meanwhile, South-East Asia will be the largest growth market in Asia after China and India with an estimated investment of US\$500bil or 4.3% globally. With the quest to reduce pollution, coal generation assets have started to be phased out in the Western world and we expect the Asian region to follow suit.

"There are reasons for using alternative energy besides

environment issues, such as the levelised cost of electricity being cheaper than conventional energy and cost forecasts for start-up in wind, solar and storage (the renewable trinity) are showing a declining trend."

It was projected that by 2050, wind and solar energy will account for 50% of generation capacity, says Kenanga Research, due to cost effectiveness, technology advancement and innovations.

The research house notes that Malaysia is heading towards green energy as well. "Since the new government took over office in May last year, the Energy Minister has been promoting green energy in which she set an ambitious renewable energy target of 20% of electricity generation mix by 2025 from the current level of 2%.

"In order to achieve such target, a strong growth of alternative energy installations is required over the next five years, amounting

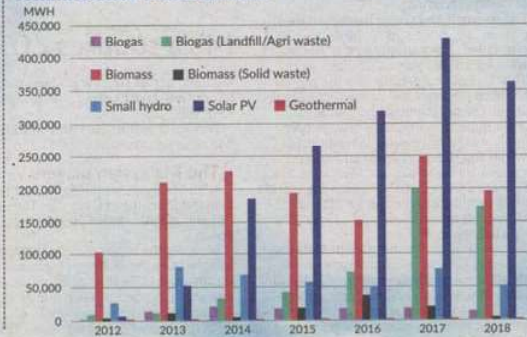
to 400 megawatts (MW) to 500MW new capacity each year."

Kenanga Research also says this presents a good opportunity for solar players, as this alternative energy is suitable for the country due to its tropical geographical location which has irradiance of more than 3.6 to 3.9 sun-hours a day.

The research house adds that more large scale solar (LSS) in the future will boost generation growth.

The bidding submissions of the 500MW LSS3 ended earlier this month was indeed overwhelming.

Annual power generation (MWH) of commissioned reinstallations



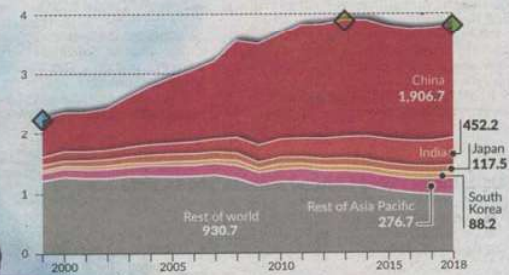
Asia's passion for coal

Asia is the world's largest producer and consumer of coal, accounting for 75 percent of global demand. China is the world's largest consumer, followed by India, Japan and South Korea

Coal consumption*

(billion tonnes of oil equivalent)

- ◆ 1999: World total 2,249bn tonnes
- ◆ 2013: World peaks at 3,867bn tonnes. Beijing starts five-year plan to cut coal consumption by 50%
- ◆ 2018: World total 3,772bn tonnes, just 2.5% below peak



Note: *Commercial solid fuels only, including bituminous coal, anthracite, lignite and brown coal

Source: BP Statistical Review of World Energy 2019

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