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Strong RE intent, slow traction

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THE move to open the power grid to third-party renewable energy (RE) under the Corporate Renewable Energy Supply Scheme (Cress) and Community Renewable Energy Aggregation Mechanism (Cream) is undergoing regulatory review, the Energy Commission said recently.

Both frameworks, which allow RE developers to use the national grid to supply electricity directly to end-users while bypassing the traditional single-buyer model, were designed to expand market participation.

However, uptake has been weaker than expected.

Cress targets corporate users with high electricity demand, supporting ground-mounted or floating solar projects above 30MW.

Cream, meanwhile, is designed to allow households to lease rooftop space to solar developers, who then aggregate and sell electricity within a localised area.

Two listed companies have shown early interest in the latter, although the scheme is experiencing teething issues, sources say.

Notably, the system access charge – the fee for using the national grid under Cress and Cream – was recently reduced, which industry players say is a positive development in isolation.

However, broader pricing and access structures may still need fine-tuning to better reflect the different user segments under Cress.

This comes at a time when electricity costs may face additional upward pressure from potential increases in automatic fuel adjustment charges due to volatility in global energy markets linked to geopolitical tensions.

As for Cream, it will be interesting to see its progress, given the need for coordination across participating households.

Similar models exist globally, but the combination of rooftop leasing, developer-led aggregation and a localised trading radius remains relatively unique, industry players say.