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Google targets 1GW of clean energy in Malaysia

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Expansion under Cress to add to national grid capacity

TECHNOLOGY

By AIDA AHMAD
aidaahmad@thestar.com.my

PETALING JAYA: Google plans to expand its clean energy procurement in Malaysia to 1GW under the Corporate Renewable Energy Supply Scheme (Cress), as its data centre (DC) footprint raises questions about electricity costs and grid capacity.

Google head of clean energy and power, Asia Pacific, Jay Mariyappan told *StarBiz* that the plan builds on two solar projects in Kedah totalling about 50MW.

The projects are being developed by Citra Energies Sdn Bhd, a joint-venture subsidiary owned by TotalEnergies (49%) and MK Land Holdings Bhd (51%).

The aim is to add new clean power to Malaysia's national grid.

This takes the form of power purchase agreements (PPAs), which provide the bankability and upfront guarantee of future revenue that energy developers need to secure financing for the construction of new clean energy generation facilities, such as utility-scale solar farms, and to expand their local workforce to deliver and manage these sites.

Solarvest Holdings Bhd is involved in the PPA for the solar plant in Kedah, which will bring new clean energy generation to the grid.

Between 2010 and 2025, Google brought 35GW of new renewable energy to grids globally, he said.

In Asia Pacific, it has procured around 600MW across 17 projects, including a geothermal PPA in Taiwan and a biomass plant in Singapore.

Asked about public concern that DCs will push up power bills, Jay said Google covers its own costs.

"We pay all of our electricity costs and we contribute significantly by committing with the utility and the developers of the clean energy projects to long-term offtakes," he added.

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>
> Jay Mariyappan

"Overall, we lead to new capacity coming onto the grid, which doesn't impact local households or businesses in the region."

On Nov 5, it was announced that Google will invest US$15bil (RM60.96bil) in Malaysia from 2027 to 2028, with the spending going towards DC campuses, clean energy, bolstering water security and upskilling workers.

The Alphabet unit plans to build new campuses in Selangor and Negri Sembilan, in addition to its first campus at Elmina Business Park in Selangor, which is already operational.

On who pays for new substations and transmission upgrades, Jay said Google's long-term commitments to Tenaga Nasional Bhd (TNB) are the mechanism.

"We commit long-term with TNB, which allows them to invest and have those costs recovered from our commitments to pay bills," he said. He did not reveal how costs are apportioned between Google and other ratepayers.

Such agreements are crucial to financing utility-scale projects, he said.

"It gives confidence to the financiers, particularly on the bank side, that the project can deliver the revenues and repay the debt."

To ensure the capacity is new, Google contracts projects in the early design stage, before financial flows begin, and helps developers resolve issues such as grid connection and land rights.

Cress requires four hours of battery storage, which flattens solar output so the grid can absorb it more easily.

Jay said the scheme is "quite unique to the region" but is still at an early stage.

"The area that we are looking to see improvement is, can we develop solutions that are around the clock?" he said.

Google plans to work with TNB and other developers on long-duration storage, supporting its goal of 24/7 clean energy at its DCs.

Together with the large scale solar programme, Cress gives Malaysia "real potential to be a powerhouse in the region", he said.

Beyond solar, Google is also looking at biomethane, wind and biomass, as well as importing baseload renewable power from Laos.

Jay said Malaysia "is in a very good place" because it has built local capabilities across design, engineering, construction, financing and operations.

Small and medium enterprises could benefit through consortium work, funded energy audits and training.

In addition, Google's computing capacity in Selangor will support its upcoming Google Cloud region in Malaysia for enterprise customers.

On the tension between artificial intelligence (AI)-driven demand and climate goals, Jay said: "AI is driving demand but it's also helping solve some of the issues, reducing demand, helping drive energy efficiency."

He cited a system developed by DeepMind that optimises DC cooling.

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