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➤ Focus of National Energy Efficiency Policy and Action Plan 2026-2035 goes beyond electricity consumption to include thermal power, with measures aimed at industrial, commercial and domestic sectors

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KUALA LUMPUR: Malaysia is targeting RM85.24 billion in utility savings by 2035 under the National Energy Efficiency Policy and Action Plan 2026-2035 (NEEAP 2.0).

Economy Minister Akmal Nasrullah Mohd Nasir said NEEAP 2.0 will build on the first national energy efficiency action plan and be aligned with the Energy Efficiency and Conservation Act 2024.

The second phase will broaden the focus beyond electricity consumption to include thermal energy, with measures targeting the industrial, commercial and domestic sectors.

"From the savings target that we expect over this period of about 10 years, it is RM85.24 billion," Akmal Nasrullah told reporters at the 7th International Sustainable Energy Summit 2026 yesterday.

According to the NEEAP 2.0 policy document, the plan targets an 11.6% reduction in national energy demand and cumulative energy savings of 815,382 terajoules against business-as-usual projections by 2035.

The savings are equivalent to RM85.241 billion in utility costs and are expected to avoid 26,108 kilotonnes of carbon dioxide equivalent (CO₂e) in greenhouse gas emissions.

Akmal Nasrullah said energy efficiency should be viewed as an important part of Malaysia's broader energy transition, particularly as the country seeks to balance energy

security, affordability and economic competitiveness.

"The most affordable unit of energy is the one we do not need to consume," he said in his officiating address at ISSES 2026.

The first National Energy Efficiency Action Plan delivered 60,886 gigawatt-hours (GWh) of electricity savings over 10 years, exceeding its target of 52,233 GWh, Akmal Nasrullah said. This translated into an estimated reduction of 35.6 million tonnes of CO₂e and savings of about RM16.1 billion.

NEEAP 2.0 is built around four strategic thrusts - implementing the energy efficiency plan; reskilling and upskilling the workforce; establishing sustainable funding mechanisms; and facilitating private-sector energy efficiency initiatives and investments.

Among the key measures for industry are energy management systems, energy-efficient facilities and production processes, as well as more efficient electrical and thermal equipment.

For buildings, initiatives include energy audits, air-conditioning and mechanical ventilation efficiency improvements, and recommissioning and retro commissioning.

The domestic sector will see measures including stronger minimum energy performance standards for existing appliances, including cooling seasonal performance factors for air-conditioners, as well as regulation of new equipment and appliances.

The policy also places emphasis on mobilising private capital, inclu-



Akmal Nasrullah (centre) officiating the opening of the 7th International Sustainable Energy Summit 2026. Also present are (from left) Energy Transition and Water Transformation Ministry (Petra) secretary-general Datuk Seri Mad Zaidi Mohd Karli, Sustainable Energy Development Authority Malaysia chairman Tan Sri Dr Wan Ahmad Dahlan Abdul Aziz, Energy Transition and Water Transformation Deputy Minister Datuk Seri Abdul Rahman Mohamad and Petra deputy secretary-general (energy) Mareena Mahpudiz.

ding through dedicated energy efficiency funds or financing schemes, as well as supportive policies, streamlined procedures, assistance and incentives for private-sector projects.

Separately, Akmal Nasrullah announced that 42 renewable energy projects had been awarded under the 2026 Feed-in Tariff (FIT) e-bidding exercise, involving a total approved capacity of 331.355MW.

The awards followed 48 applications representing a combined net export capacity of 370.480MW.

The successful projects comprise 16 biogas projects totalling 26.185MW, 11 biomass projects totalling 135.94MW and 15 small hydropower

projects totalling 169.23MW.

Collectively, the projects are expected to catalyse about RM4.3 billion in investment, generate around RM617 million in demand for locally manufactured gas engines and boilers, and create about 7,738 indirect employment opportunities.

Akmal Nasrullah said the projects are expected to begin supplying electricity to the national grid between 2029 and 2030, taking into account construction and other requirements before they can enter the system.

The FIT mechanism will help diversify Malaysia's renewable energy sources by

allowing biomass, biogas and small hydropower projects to participate, the minister said.

The selection of successful bidders took into account factors including the suitability of project locations, prices offered and technical considerations, while biomass and biogas projects also require consideration of the availability of the supporting ecosystem.

The renewable energy awards are part of Malaysia's broader push to achieve 35% renewable energy in installed capacity by 2030 and 70% by 2050 under the National Energy Transition Roadmap.

Akmal Nasrullah said Malaysia's

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