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## Breaking through policy barriers and apathy

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As Malaysia marches towards net-zero 2050, the National Energy Transition Roadmap (NETR) has set the energy saving target of 15% for the residential sector in 2040 and 20% in 2050. The NETR also identifies a lack of awareness of the adoption of energy-efficient appliances as a challenge to achieving the target. However, the StarProperty Roundtable discussion on Sustainable Refurbishment for Existing Buildings revealed that achieving this goal is hindered by more than just a lack of awareness about energy-efficient appliances. Policy inconsistency and property owner apathy also play significant roles.

### Quota on solar energy

Green Building Index (GBI)'s chief executive officer Sarly Adre Sarkum said that while solar PV has gained traction among building owners, the Net Energy Metering scheme (NEM) quota has a discouraging effect on wider PV solar adoption.

Under NEM, electricity generated by the solar PV is used on-site before drawing from the utility grid. Any surplus energy is then sold back to TNB based on the current price of electricity. The Energy Transition and Water Transformation Ministry (PETRA) introduced the NEM Rakyat in 2021 for residential consumers and had allocated a total quota of 600MW, which was fully subscribed in May this year. An additional quota of 100MW was announced immediately, and to date, only 14.2MW is left for takers.

"We push for renewable energy and the one that is being implemented on a wide scale is solar. There is a restriction on solar use — the net metering program is always full. People want to use solar to reduce their electricity bill but the quota is so small (that) it is always full. We should have net metering as wide as possible because we need to lower the peak demand," he said, adding that scaling up renewable energy is becoming crucial as Malaysia has become a regional data centre hub which will significantly drive up energy demand.

"The country as a whole needs more electricity now as we are becoming a data centre hub, especially in Johor. One eighth of our energy will be used for data centres. That's why GBI has launched a Data Centre 2.0 certification. So in order to mitigate the peak demand issue, the net metering should be liberalised rather than controlled," Sarly advocated.

Malaysian Institute of Architects (PAM)'s committee chairman Axxu Hoi Jung Wai agreed, noting that savings from NEM could offset maintenance costs for high-rise residential buildings. He cited examples of companies offering zero capex installations for LEDs and solar PV but stressed that current policies aren't supportive enough.

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Government needs to act more for renewable energy and energy savings targets



Investors tend to be apathetic towards installing renewable energy infrastructure at buildings, Nageswaran said.



Wong proposed an amendment to the Strata Management Act 2013 to empower JMBs and MCs to adopt renewable energy effectively.



A multi-ministerial effort is required to tackle the issue of renewable energy and energy saving for buildings nationwide, Datuk Nahar said.

MCs are driven to cut costs so that they don't have to call for an increase in contribution. This is the common mindset," he lamented.

### Making it conducive

Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector, Malaysia (PEPS)'s advisor Wong Kok Soo called for an amendment to the Strata Management Act 2013 to include provisions for adoption of renewable energy infrastructures and energy efficiency fittings, as well as to ensure contracts entered for such purpose by the JMBs and MCs remain valid when their successors take over.

"JMBs change from year to year (and) they might not agree with their predecessors on long-term contracts. But if the Act makes it very clear that once you enter into a long-term contract, you have to pass the resolution of the management body, so that the committee cannot change the resolution unless the management body rescinds the resolution. Anyway, in zero capex, normally there's a break clause in case of early termination by the management body. They have to pay compensation," Wong said.

National Housing Department's housing management deputy director general Datuk Muhammad Nahar said the issue requires a multi-ministerial effort. The Housing and Local Government Ministry (KPKT) cannot act alone in the matter.

"Buildings have owners. We expect them to live as a community in harmony. Certain things cannot be put into policies and laws. Incorporating sustainability into private projects is a selling point but for public projects, of course, we are looking into it. We have to work with other ministries on this issue. It is not solely the purview of KPKT," he said.

Speakers' photos  
—Low Lay Phorn/The Star



The government should discuss having a more liberal policy of net energy metering that will change the strata building management landscape, Hoi said.



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"At the condominium I'm staying at, a company approaches the Management Committees (MC) to change the lighting to LEDs at zero capex but we pay back from the energy savings every month at a capped rate. So there is a saving of a few thousand ringgit every month. At another old condominium, there is a large parking area at the ground level. A solar PV supplier is willing to offer free installations, low capex or zero capex. They will also provide a cover for the parked cars. It is a win-win situation but the policy is not very encouraging to enable this strategy," Hoi shared.

"We need to have a high-level

discussion on this because it will change the strata management landscape," he added.

### JMB term limits and apathy

Malaysian Institute of Property and Facility Managers (MIPFM)'s secretary-general Nageswaran Muniandy pointed out that most Joint Management Bodies (JMBs) and MCs serve for a one-year term and are reluctant to enter into a contractual agreement with suppliers of solar PV or energy-efficient appliances. They fear successor committees may dispute

these 10 to 20-year agreements for zero or low-capex.

"There are companies offering solar PV with a 20-year contract and JMBs are unable to commit to such a long period. But another question is what if the company is unable to last as long? What if they are no longer in the market after five years?" he said.

Nageswaran also noted that many investors in these buildings are apathetic because they don't see a significant increase in property value from installing solar panels or EV chargers. Their primary concern is avoiding higher charges and contributions, leading JMBs and MCs to focus on cost-cutting rather than long-term sustainable investments.

"If the development is owned by many investors, they don't even bother. For them, so long as it can increase the capital value they can sell it and move on. How much does the integration of sustainable and renewable energy increase the property capital value? It doesn't mean that once I have the EV chargers or solar panels, my property will be valued 15% more. It doesn't happen. The value that owners see is so long as they don't have to contribute to higher charges in years to come. So the JMBs and