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25 companies seek financing under CM Fund

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GEORGE TOWN: A total of 25 companies have expressed interest in securing financing under the Penang Climate Mitigation Fund (CM Fund), with five currently undergoing the assessment process.

Chief Minister Chow Kon Yeow said the fund, established under the Penang Green Industry Programme (PGIP) in partnership with Alliance Bank, has an initial allocation of RM20 million, comprising RM5 million from the state government and RM15 million from the bank, with a potential commitment of up to RM100 million.

"For a start, I've been informed that they are already processing some applications now. So that they can get the funding to carry out the necessary adaptation action plans in their respective factories," he told reporters after delivering his keynote address at the R.A.C.E To Zero: Penang Edition here yesterday.

Also present were Infrastructure, Transport and Digital Committee chairman Zairil Khir Johari and Malaysian Photovoltaic and Sustainable Energy Industry Association (MPSEA) president Justin Sim.

Earlier in his keynote address, Chow said eligible small and medium enterprises (SMEs) and

Chow Kon Yeow

mid-tier companies (MTCs) can access preferential financing of up to RM500,000, supported by grants, sustainability assessments and expert advisory services.

"Together with the Penang Green Council, the programme gives manufacturers a practical pathway to assess their sustainability needs and implement improvements," he said.

Chow said the shift towards clean energy is no longer simply an environmental concern but increasingly a competitiveness issue, particularly as global companies set stronger carbon targets across their supply chains.

He said this was particularly important for Penang, which recorded RM436.9 billion in electrical and electronics (E&E) exports last year, representing about 68 per cent of Malaysia's total E&E exports.

"Companies still look at talent, infrastructure, logistics, and cost. Increasingly, they are also asking, 'Where does your electricity come from?'

"Global companies are setting stronger carbon targets across their supply chains. They want access to renewable energy (RE) and lower Scope 2 emissions. For Penang's manufacturers, clean energy is no longer simply an environmental issue. It is a competitiveness issue," he said.

Chow said the Penang Energy Framework, launched in November 2024, targets a 25 per cent reduction in energy intensity and an increase in the share of RE in the state's energy mix to at least 10 per cent by 2030.

"Penang is land-scarce, so rooftop solar is one of our most practical solutions. Under our new building guidelines, new commercial and industrial buildings are expected to utilise at least 75 per cent of their roof area for solar panels or meet the relevant RE sourcing target according to their TNB tariff category," he said.

Chow said the state is also exploring other RE solutions, with the Penang Water Supply Corporation (PBAPP) studying floating solar installations on its dams, while Silicon Island will incorporate RE into its development, including a Green Tech Park supported by solar generation.

He said energy efficiency is another important component of the transition, with the state introducing energy intensity standards to enable energy consumption to be measured, benchmarked and improved, while state government and local authority properties are being assessed for their RE and energy efficiency potential.

"For eligible new state government and local authority buildings, our target is for at least five per cent of total energy consumption to come from renewable sources, while existing government facilities are encouraged to work towards the same target," he said.

Chow said Penang's energy policies and programmes are also aligned with the federal government's National Energy Efficiency Action Plan (NEEAP) 2.0, which targets an 11.6 per cent reduction in national energy demand by 2035, adding that federal and state efforts must move in the same direction towards cleaner energy, greater efficiency and stronger competitiveness. — Bernama