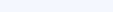
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Stepping up the RE push



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MALAYSIA is moving in the right direction when it comes to its renewable energy (RE) initiatives but to fully realise its RE poten-tial, it must improve on policy clarity and investor confidence to attract long-term capital for RE projects. The country also needs to mod-ernise the grid to accommodate decentralised solar and large-scale renewables, expand region-al energy interconnectivity and enhance local energy storage and digital grid solutions to ensure reliability and efficiency. Professor Lee Poh Seng, execu-tive director of the Energy Studies Institute at the National University of Singapore (NUS), says Malaysia can become a key player in South-East Asia's clean energy transition if it addresses all these matters. The Energy Transition and Water Transformation Ministry announced a slew of initiatives recently, including the Community Renewable Energy Aggregation Mechanism (Cream), large-scale solar six (LSS6), as MALAYSIA is moving in the right

Aggregation Mechanism (Cream), scale solar six (LSS6), as well as an upcoming Energy

Storage Systems (ESS) bidding round. These initiatives are in line

with the country's overall aim of achieving 70% RE capacity by 2050. Datuk Chow Pui Hee, the Datuk Chow Pui Hee, the group managing director of clean energy services and solu-tions provider Samaiden Group Bhd, says the government's com-mitment towards 70% net-zero emissions is evident in the series of initiatives rolled out in recent years. These include an expanded Net Energy Metering quota, the Cross Border Electricity Supply pro-gramme, the Corporate

Border Electricity Supply pro-gramme, the Corporate Renewable Energy Supply Scheme, and key LSS pro-grammes such as LSS JLSSS+, FiT 2.0, and Battery Energy Storage Systems (Bess). "Together, these initiatives present compelling opportunities for players in the renewable energy sector," she says. Chow says the company's involvement in LSS projects posi-tions it for "solid growth" in the years ahead. "The upcoming LSS6, with a

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bidding round set for the second quarter of 2025, is poised to fur-ther expand solar capacity, and

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## Recent RE initiatives present compelling opportunities for players in the sector

However, policy clarity and investor confidence are needed to attract long-term capital for RE projects

Samaiden stands to benefit, given our track record," she adds. **Challenges** aplenty

NUS' Lee reckons Malaysia is

NUS' Lee reckons Malaysia is making commendable progress in its RE transition, and these new programmes reflect a well-structured approach. The Cream initiative, for instance, promotes rooftop solar aggregation, while LSS6 contin-ues to expand Malaysia's large-scale solar capacity, he notes. Samaiden's Chow says Cream offers "new opportunities for renewable energy access". "We are actively collaborating with property developers to lev-erage rooftop spaces for solar energy generation, offering both investment and installation opportunities," she says. The ESS bidding round is also a vital step in addressing grid intermittency and enhancing energy resilience. Lee reckons Malaysia's approach towards RE is slightly different from Singapore's. Malaysia benefits from vast land availability and natural resources, allowing it to scale up solar, hydro and biomas energy

resources, allowing it to scale up solar, hydro and biomass energy projects, while Singapore has sig-nificant constraints due to land

projects, while singapore has sig-nificant constraints due to land scarcity. To negional RE imports, whereby it is developing cross-border electricity trading with Malaysia, dotwps Nahere it already has a 60Myp Rohere it already has a 60Myp Rohe

RE leader, especially with its LSS and hydro resources. However, its ability to scale up RE will depend on grid modernisation, policy stability and investments in energy storage." Under the LSS initiatives, for

Under the LSS initiatives, for instance, there will be continu-ous cost reduction through econ-omies of scale. As seen in LSSS, competitive bidding lowers solar power gen-eration costs. There is also the scalability, Lee says with LSS6 being able to add substantial capacity to the grid, helping Malaysia reach its RE targets. Nevertheless, there are pit-falls.

falls

fails. Lee says identifying large tracts of land for solar projects may conflict with agriculture and conservation efforts. There are also project delays and financing risks in each pro-ject as large-scale infrastructure projects often face bureaucratic hurdles, delays and financing challenges. Likewise, for ESS, he says there is also the high capital cost to consider as such investments require significant funding, which may deter smaller inves-

which may deter smaller investors

Additionally, there will likely Additionally, there will likely be technology maturity and life-cycle issues such as battery deg-radation, recycling concerns and evolving storage technologies that can pose uncertainties. Cream, he notes, is a novel approach to aggregating residen-tial rooftop solar for corporate and local consumers, but coordi-nating leasing agreements

and local consumers, but coordi-nating leasing agreements between homeowners and devel-opers may be challenging. Another challenge may involve grid integration as managing multiple small-scale distributed solar producers may require enhanced grid infrastructure.

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