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Powering change and driving down costs



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PETALING JAYA: The transition to solar energy is gaining momentum in Malaysia, driven by the dual goal of reducing electricity costs and meeting green energy targets.

The decreasing cost of solar panels has made this switch more appealing to both residential and commercial consumers.

The primary reason for adopting solar is the significant increase in electricity tariffs for medium and high-voltage users, said Solar service provider AQ Energy (Max Bell Sdn Bhd) director Lum Chean Jeeng.

He said consumers are looking for ways to combat rising costs.

Lum points to Environmental, Social and Governance (ESG) factors as a key driver, especially for companies dealing with European partners who require sustainabil-



Smart initiative: Rooftop solar panels doubling as shaded parking, generating clean energy while keeping cars cool at a mall in Cheras. — YAP CHEE HONG/The Star

ity reporting.

While the initial investment for a solar PV system can be substantial, the return on investment is typically between two and five years, depending on the system's size and upfront cost.

Financing is often a challenge for many Malaysians, so solar providers are offering various

schemes to make it more accessible.

Businesses with high electricity consumption, such as factories and cold storage facilities, are among the most enthusiastic adopters of solar technology.

According Agro Voltec Enterprise director Sri Suthesh, a major challenge has been the high cost

of the initial deposit, but companies view it as a worthwhile long-term investment.

A new challenge for households and government buildings is the recent expiration of the Net Energy Metering (NEM) 3.0 scheme on June 30. This scheme allowed consumers to fully offset their electricity consumption by exporting excess solar energy to the grid.

On Aug 6, Energy Transition and Water Transformation Ministry deputy secretary general (energy) Mareena Mahpudz said the government is still finalising a replacement for the NEM 3.0 scheme, which might be a hybrid between the NEM and self-consumption (SelCo), or even a new programme altogether.

Federation of Malaysian Business Associations vice-chairman Nivas Ragavan said there had been a gradual increase in solar adoption among members,

particularly in the manufacturing, logistics and hospitality sectors.

However, less than 10% currently use solar.

While recent tariff adjustments have sparked more interest, many are still in the planning stages.

Businesses that have adopted the NEM scheme reported bill reductions of 20% to 40%.

The main obstacles are still high initial costs, long payback periods, and a lack of awareness and financing options.

The NEM scheme, first introduced in 2016, was designed to encourage the use of renewable energy. Under this programme, solar-generated electricity is used first, and any excess is sold back to Tenaga Nasional Bhd at the prevailing cost.

The NEM 3.0 programme, which ran until June 30, offered additional quotas to further boost solar adoption.