



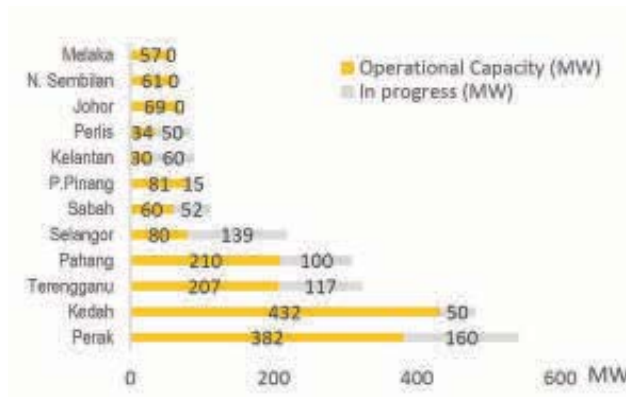
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## Renewable Energy Positive

The Sun, Malaysia



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Source: Energy Commission, Maybank Investment Bank

**TO** kick off the cross-border trade, the Ministry has announced a 100MW pilot run via existing interconnection facilities between Malaysia and Singapore. Interested RE bidders (who hold generation licenses and/or retail electricity supply licenses in Singapore) are invited to register their interest (pre-qualify) on Malaysia's Single Buyer website. Meanwhile, details on auction timeline and source of RE supply for this pilot run have not yet been announced.

The establishment of the energy exchange platform represents another milestone achieved for the eventual cross-border trading of RE. We note that RE export is potentially a new revenue source (RE sales and wheeling charges) and capacity growth driver for Malaysia's RE industry (currently reliant on domestic LSS and CGPP schemes). To recap, Singapore has announced a target of up to 4GW of low-carbon electricity import (30% of Singapore's electricity supply by 2035). Currently, the existing Plentong-Woodlands Interconnector can facilitate bi-directional electricity flow of 1GW between Malaysia and Singapore.

Local solar EPCC players like Solarvest (SOLAR MK, BUY, CP: RM1.60, TP: RM1.76), Cypark (CYP MK, HOLD, CP: RM0.99, TP: RM0.86), Sunview (SUNVIEW, CP: RM0.64, N.R.), Pekat (PEKAT MK, CP: RM0.49, N.R.), and Samaiden (SAMAIDEN MK, CP: RM1.37, N.R.) would benefit from increased job flows from RE capacity growth. Meanwhile, utility majors such as Tenaga Nasional (TNB MK, HOLD, CP: RM11.60, TP: RM11) and YTL Power (YTLP MK, HOLD, CP: RM3.91, TP: RM4) could also benefit from RE export via RE sales and wheeling charges.

Overall, we remain POSITIVE on the RE sector, for which EPCC order book replenishment is impending from both the 800MW of Corporate Green Power Programme and 2GW of LSS5 projects.