



17 OCT, 2026

## Budget 2027 offers limited new catalysts for utilities



Borneo Post (KK), Malaysia

Page 1 of 2

## Budget 2027 offers limited new catalysts for utilities



Rachel Lau

racellau@theborneopost.com

**KUCHING:** Budget 2027 has introduced limited new catalysts for Malaysia's power and utilities sector, with most major energy-related announcements representing a continuation of existing initiatives rather than fresh investment opportunities.

Researchers with TA Securities Holdings Bhd (TA Research) maintained a 'largely neutral' assessment of Budget 2027's impact, identifying the RM1.5 billion investment in a centralised solar park for government buildings and the RM1 billion allocation under Dana Iklim+ as the key new developments.

The latter, to be undertaken by Kumpulan Wang Persaraan (Diperbadankan) (KWAP), will support green investments, including renewable energy (RE) and decarbonisation initiatives.

Other major initiatives highlighted during the Budget, including Tenaga Nasional Bhd's (TNB) RM15 billion grid investment and UEM Lestara Bhd's (UEM Lestara) one gigawatt (GW) hybrid solar project in Johor, were already part of existing development plans.

TNB's RM15 billion investment forms part of its fourth regulatory period (RP4) capital expenditure programme, while UEM Lestara's

solar project is an existing initiative under the National Energy Transition Roadmap (NETR) introduced in 2023.

Meanwhile, TA Research highlighted some concerns over changes to the Green Investment Tax Allowance framework, which exclude solar projects developed for business purposes while retaining eligibility for self-consumption installations.

It estimated that the changes could marginally increase the tariffs required by commercial solar developers under schemes such as the Corporate Renewable Energy Supply Scheme (CRESS) and Large Scale Solar (LSS) programme by less than one sen per kilowatt-hour.

The research house also expressed disappointment over the absence of an extension to the SuRIA Home initiative, which provides rebates for residential rooftop solar installations.

"We were somewhat disappointed by the absence of an announcement to extend the SuRIA Home initiative," it said, noting that rising electricity costs presented an opportunity to encourage wider rooftop solar adoption.

Nevertheless, TA Research maintained its 'overweight' recommendation on the utilities sector, citing continued electricity demand growth, renewable energy expansion and grid infrastructure investment.

It also expects the recently introduced CRESS Acceleration Package, which reduces system access charges by 10 per cent, to stimulate RE demand and accelerate solar project development over the next two years.



17 OCT, 2026

## Budget 2027 offers limited new catalysts for utilities



Borneo Post (KK), Malaysia

Page 2 of 2



TA Research maintains its overweight recommendation on the utilities sector, citing continued electricity demand growth, renewable energy expansion and grid infrastructure investment. — Bernama photo