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KUALA LUMPUR (Feb 17): The government sees no immediate need to develop an independent power generation system in Johor to meet the state's growing electricity demand. Rather, the focus would be on upgrading and enhancing the overall electricity distribution and transmission infrastructure, said Deputy Minister of Energy Transition and Water Transformation Akmal Nasrullah Mohd Nasir.

He noted that while Johor has seen rapid growth in data centres, the need for electricity supply planning in the state must be approached holistically.

"When there is an increase in demand, certain infrastructure in Johor will certainly require upgrades. However, if we look into renewable energy — largely dependent on solar radiation — we observe that more solar farms are developed in the northern region of the country, where conditions are more conducive for energy generation," Akmal said during the oral question-and-answer session in the Dewan Rakyat on Monday.

Akmal was responding to a supplementary question from Datuk Seri Utama Hasni Mohammad (BN-Simpang Renggam), who suggested that Johor should consider developing its own power generation system, similar to Kedah's model through Kulim

Hi-Tech Park, where companies or the state can set their tariffs and manage electricity distribution independently.

Hasni noted that such an approach could reduce Tenaga Nasional Bhd's (KL:TENAGA) significant capital expenditure required to upgrade main intake substations and distribution substations to meet rising electricity demand.

"Certainly, such a process would require licensing and regulatory approvals. However, from a national perspective, electricity demand and supply planning are approached holistically," Akmal said.

He added that Johor is fortunate to have a grid capable of transmitting renewable energy from other regions. "Should there be specific needs in Johor, we are currently viewing the electricity supply system as a whole," he said.

Johor has experienced rapid growth in data centres, with the number expected to reach 28. As of December 2024, Malaysia had 18 operational data centres with a combined electricity demand of at least 800MW. The figure is projected to increase to 81 data centres by 2035, he noted.

Earlier, Akmal highlighted that the government is committed to gradually increasing the share of renewable energy in the national power supply mix to support data centre development without compromising overall energy security or imposing undue cost burdens on consumers.

"The RE capacity mix will be raised progressively to 31% by 2025, 40% by 2035 and 70% by 2050," he said.

Akmal was responding to Datuk Ali Biju (PN-Saratok), who sought clarification on the government's efforts to meet renewable energy requirements for data centre developments and whether this would affect overall electricity supply or lead to tariff hikes.