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Renewable energy capacity mix to be raised to meet data centre needs

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KUALA LUMPUR: The government is committed to gradually and systematically increase the renewable energy (RE) capacity mix in the national electricity supply since access to green electricity supply is a “pre-requisite” for data centre development, and to ensure that RE needs for data centre development can be met.

Deputy Energy Transition and Water Transformation Minister Akmal Nasrullah Mohd Nasir said this would not affect the overall energy supply or result in significant cost implications for electricity users.

“This effort includes a gradual rise in the composition of green electricity supplied from RE sources to 31 per cent by 2025, 40 per cent by 2035, and 70 per cent by 2050,” he said in the Dewan Rakyat’s question-and-answer session in response to Datuk Ali Anak Biju’s (PN-Saratok) question on the measures needed to meet data centre renewable energy needs and its impact on future tariffs.

Akmal Nasrullah is confident that this can be realised via various programmes, including the Feed-in-Tariff (FiT), large-scale solar (LSS), Net Energy Metering (NEM), Self-Consumption (Selco), New Enhanced Dispatch Arrangement (NEDA), Corporate Green Power (CGP), and Green Electricity Tariff (GET) programmes.

Additionally, to allow corporate companies, including data centres, easier access to green electricity directly from RE generators,

the Corporate Renewable Energy Supply Scheme (CRESS) programme has been introduced.

This gave data centres the option to obtain green electricity directly from RE generators via the use of utility grid network services.

This arrangement allows corporate companies, such as data centres, to obtain the required green electricity by paying an access fee to the system, which would help to cover some of the costs involved in strengthening the electricity supply system and grid network.

“This step is crucial to reduce the impact of tariff hikes on general electricity users, as the cost required to strengthen the grid network to accommodate data centres is very high. It is fair and equitable for data centres to contribute to accelerating this energy transition effort,” he explained.

Meanwhile, responding to a supplementary question from Datuk Seri Hasni Mohammad (BN-Simpang Renggam) on Johor developing electricity generation, Akmal Nasrullah said there was no necessity to do so at this time, despite the expected rise in usage with the development of data centres.

“We will continue to observe the overall national electricity supply system and will examine matters as they arise from time to time,” he said. —Bernama