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Grid readiness critical to meeting rising AI data centre demand: TNB

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KUALA LUMPUR: Tenaga Nasional Bhd (TNB) is strengthening its electricity distribution network and accelerating infrastructure planning to accommodate rising power demand from artificial intelligence (AI) and data centres while ensuring reliable supply for existing consumers.

Chief distribution network officer Ir Ahmad Sazree Abd Aziz said utilities must anticipate demand growth and develop the necessary infrastructure ahead of emerging requirements as Malaysia's digital economy expands.

Speaking during a panel discussion titled "Tackling the Grid Impact of Data Centres" at Enlit Europe 2026, he said maintaining grid reliability would remain a priority amid the growing electricity requirements of data centres and AI-driven industries.

According to TNB's posts on social media, Ahmad Sazree said the company was enhancing demand forecasting, investing in network reinforcement and advancing digital monitoring and automation to improve network visibility, operational efficiency and grid resilience.

Through its Green Lane Pathway and dedicated One-Stop Centre, TNB is also facilitating more efficient electricity connections by aligning developers' requirements with the readiness of the electricity network.

He said the initiative enabled electricity connections to be delivered in as little as 12 months, subject to project-specific requirements, without compromising supply reliability.

Ahmad Sazree also stressed that grid readiness required close collaboration among policymakers, regulators, utilities, data centre operators and technology partners to coordinate investments, improve demand visibility and explore more flexible electricity consumption.

Malaysia's growing data centre industry is expected to significantly increase electricity demand over the coming years.

The Ministry of Energy Transition and Water Transformation (PETRA), citing projections by the Electricity Supply Planning and Implementation Committee and Tariffs (JPPPET), said electricity consumption by data centres in Peninsular Malaysia is projected to rise to 73,274 gigawatt-hours (GWh), or 31 per cent, by 2035, up from 10,544 GWh, or seven per cent of total electricity demand in 2026.

Peak electricity demand in the peninsula is also projected to increase to 33.5 GW by 2035 from 21.3 GW in 2026, driven by the expansion of data centres and high-tech industries.

As of August 2026, 45 data centres were operational in Peninsular Malaysia, with a combined electricity supply capacity of 6.04 GW, according to PETRA.

"As Malaysia accelerates its digital transformation, TNB remains committed to developing a smarter, more resilient and future-ready electricity grid to support sustainable economic growth, strengthen energy security and advance the country's energy transition," the utility company said. –Bernama

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