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## Solar power adoption rising, but cost still high

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# Solar power adoption rising, but cost still high

The local solar power industry produces only for export, while the solar panels that are being used locally are all imported, says an installer

by AZALEA AZUAR

MORE homeowners are considering installing environment-friendly solar panels due to their long-term benefits and guaranteed profit.

However, the starting costs of installing a solar system at home are high and there are still insufficient high-quality solar products in the Malaysian market.

Abol Ismail, who has been using solar panels to power his home for 20 years, said it was better to install the panels himself as it helped to reduce cost.

Without labour cost, Abol spent RM70,000 to instal 8kwp solar panels with a 30kwh lithium battery bank.

He also shared that he installed the solar panels off-grid so he did not need to pay for electricity.

"It is good to have alternative power supplies rather than depending only on the grid. Long term, it can save your money for utilities cost," he told *The Malaysian Reserve* (TMR).

However, Abol advised that to perform the installation, one must be confident in their do-it-yourself (DIY) abilities.

To ensure proper installation, consider the area of the roof or yard, check for leaks or damage, address shading, and choose the appropriate solar system size.

Users also need to consider mounting solar panels if they have more yard space than roof space, as well as conduct research on existing laws, electricity provider requirements, and well-ventilated areas for off-grid and grid-tied installations.

Although DIY solar panel installation saves additional cost, it requires electrician knowledge and may be dangerous due to buried wires and potential legal issues, such as zoning laws.

Therefore, it is essential to have proper knowledge of elec-



Malaysia's year-round sunny climate is suitable for installing solar panels

Pic by Abol Ismail

trician work to ensure a safe and efficient installation.

## Locally-produced Solar Panels for Export

Freelance solar installer Hasbullah Mansor said Malaysia's year-round sunny climate is suitable for installing solar panels.

He revealed that 80% of his clients who had switched to solar panels are saving on their electricity bills.

The first phase of installation costs from RM24,000, and RM53,000 and above for the following phase.

However, Hasbullah explained that one of the challenges in the local solar power industry is that although Malaysia produces its own solar panels, they are only for export instead of the local market, while the solar panels that are being used locally are all imported.

## Increase Solar Power Adoption

The use of solar power in Malaysia has increased due to government tariff hikes and rising electricity costs.

Because of this, Solarvest Holdings Bhd ED and Group CEO Davis Chong Chun Shiong observed that his clientele in Kedah, Penang, Selangor, and Johor are exploring green solutions for long-term savings.

"As of March 2023, our total orderbook has reached RM550 million, with RM206 million



Our solar PV systems are designed to last for more than 25 years, says Chong

attributed to both the residential and the commercial and industrial (C&I) segments.

"We have also received an encouraging response for Powervest as we have signed C&I projects totalling approximately 83.6MWp through corporate power purchase agreements (PPAs) under Powervest," he told TMR.

Malaysia has a 1.5GW solar photovoltaic (PV) capacity, making it one of South-East Asia's largest markets.

By 2022, the country's installed renewable energy capacity was 9.04GW, with solar PV leading the energy transition.

## Making Solar Affordable

Chong shared that Solarvest is committed to making clean energy convenient, affordable and accessible by offering flexible, budget-friendly solar solutions.

The group's residential arm, Vestech Energy Sdn Bhd, introduces EcoHome solar plans for homeowners with varying electricity consumption needs, offering long-term cost savings of up to 90% on monthly bills.

On average, household electricity consumption is between 4.5kWh and 12.6kWh, or monthly electricity bills between RM300 and RM800.

EcoHome's solar packages cost from RM22,000 to RM48,800.

"We also offer financing solutions such as an instalment payment plan (IPP) and personal loan for homeowners to use their savings generated from the installed solar system to repay their instalment or loan.

"Our packages include, among others, five years of free operation and maintenance (O&M) services, and 25 years of solar PV module performance warranty to encourage solar adoption among homeowners," Chong said.

## Technical, Cost Issues

While Solarvest's financing programme Powervest is driven by growing clean energy adoption in the C&I segment, with a tender book of 600MWp for C&I projects, both residents and businesses still find

it a challenge to adopt solar power.

"The sizeable initial investment required for solar panel installations can be a barrier to businesses and homeowners in adopting solar energy.

"The assessment of the suitability of the rooftops for solar panel installation involves considerations of shading, rooftop area, restrictions on roof design and the structure of the roof to support the solar panels," Chong said.

Intermittent solar energy generation faces challenges in consistent energy supply, storage solutions, and maintaining optimal performance for homeowners and businesses.

Nonetheless, Solarvest mitigates these concerns by providing operation and maintenance services for solar PV assets.

Malaysia's Energy Transition Roadmap (NETR) includes Integrated RE Zone and Solar Park initiatives, boosting solar energy and facilitating third-party access.

This open market fosters green innovation and benefits consumers where government buildings and green townships are also supported.

"We are looking forward to the development of utility-scale energy storage systems (ESS), which will accelerate solar transition through enhanced grid stability and reliability," he told TMR.

## Govt Incentives Can Boost Solar Adoption

Government incentives are crucial for promoting solar usage in residential sectors.

These include personal income tax relief, interest-free loans, as well as tax incentives for property developers to construct solar-ready developments.

With more ordinary Malaysians adopting solar power, Chong hoped that households can maximise energy savings by up to 90% and secure a 25-year solution while increasing property resale value.

"Our solar PV systems are designed to last for more than 25 years.

"Our dedicated O&M team, Powertrack, ensures that the solar PV assets are operating at optimal efficiency," he said.

Solarvest's solar business portfolio includes over 450MWp of capacity in residential and C&I projects.