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KUALA LUMPUR: Malaysia is blessed with abundant energy sources such as solar, hydropower and hydrocarbons such as natural gas.

As the world moves towards net zero carbon emission, the country has now made progress to achieve the commitment as early as 2050 by diversifying into green energy while also introducing several policies such as the National Energy Transition Roadmap as a guideline towards that commitment.

The government has also launched the Sustainability Achieved Via Energy Efficiency (SAVE) 4.0 programme to boost the purchase of energy-efficient electrical appliances among Malaysians.

Currently, Malaysia's energy sector is primarily reliant on fossil fuels, but there is a growing focus on renewable energy sources like hydropower and solar energy, which have contributed to about 5.0 per cent and 6.0 per cent of the country's energy consumption in the past five years.

The government is targeting a 31 per cent share of the total installed capacity of sustainable energy by 2025, up from the current 23 per cent.

Under Budget 2024, Prime Minister Datuk Seri Anwar Ibrahim also announced the extension of the net energy metering (NEM) programme until Dec 31, 2024, to promote solar panel adoption.

The government is also working on a programme for buying back solar energy from rooftop installations with minimal costs to the system. At the same time, the government encourages companies to offer a "Zero Capital Cost" subscription model, similar to what clean energy firm Gentari is offering for residential homes.

Putrajaya also will lead the way as a green city model for Malaysia. Solar panels will be added to government buildings in partnerships with Tenaga Nasional Bhd (TNB) and Gentari. The government will also use electric vehicles for official purposes.

Marked rise in residential solar adoption

Solarvest Holdings Bhd executive director and group chief executive officer Davis Chong has observed a substantial increase in residential solar panels in recent years, driven by a combination of supportive government policies, advancements in solar technology, and a growing commitment to sustainable energy practices.

He noted that the adoption of solar energy is massive in major cities like the Klang Valley, Johor

Increased adoption of alternative energy sources



and Penang as homeowners from these urban areas have demonstrated a heightened awareness of the economic and environmental benefits of solar energy systems.

In the northern region, where sunlight hours are more favourable, there is a correlating uptick in solar energy projects. Johor, meanwhile, is also witnessing a significant adoption in solar energy, with its expanding economy and accelerating development coupled with ample land and rooftop resources, said Chong.

"Additionally, we are seeing a consistent increase in interest from states like Kedah, Melaka, Perak and Negeri Sembilan, showcasing the nationwide appeal of solar energy. Malaysia's residential solar presence is still growing, with mainly the T20 (top 20 per cent income) and M40 (middle 40 per cent income) groups generally more aware and are able to realistically consider rooftop installation," he told Bernama.

Looking ahead, Solarvest is anticipating another cycle of heightened interest and eagerly awaiting the new round of quota allocations for NEM.

"In response to the increased demand, we revamped our residential business, Vestech Energy Sdn Bhd, to ensure that we are well-prepared to meet and exceed the expectations of homeowners seeking to adopt solar solutions

under these progressive initiatives," said Chong.

To date, Solarvest has powered more than 1,000 homes through its residential arm Vestech Energy. Additionally, the clean energy solutions provider also had a pipeline of over 3,000 houses in its tenderbook as of November 2023.

Fostering energy efficiency in Malaysia

Bank Muamalat Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid said programmes like SAVE 4.0 are certainly a step in the right direction to promote energy efficiency in Malaysia.

However, he pointed out that fostering a widespread culture of energy efficiency may require more comprehensive efforts and this includes continuous public education campaigns to raise awareness about energy-saving practices and the long-term benefits of energy efficiency.

"Additionally, incentivising both individuals and businesses through financial benefits, rebates, and recognition programmes can further motivate adoption. Collaborations with private sectors to innovate in energy-efficient technologies can also play a crucial role," he said in an interview with Bernama.

While SAVE 4.0 is a positive initiative, he noted that a multi-

layered approach is likely necessary to significantly shift energy usage behaviours across the country.

Association of Water and Energy Research Malaysia (AWER) president S. Piarapakaran said Malaysia lacks a proper transition plan by first optimising its alternative resources compared to some of its neighbours.

"For example, biomass and biogas developments are underdeveloped and plans to boost this sector's potential have been more lip service for the past few decades.

"On the other hand, energy transition projects are backed by project proponents and not based on how we need to transit and adapt to new solutions for locally sourced alternatives. Finally, energy efficiency is moving very slowly in Malaysia and is two decades late," he added.

Citing Indonesia and Singapore as examples, he said Indonesia has a coal deposit and the country is looking at optimising coal output to partly fund its energy transition process while Singapore would resort to importing alternative energy resources to fuel its energy transition process due to limited resources at its disposal.

Further liberalisation of electricity market

Putrajaya has already begun

work laying the foundation needed to liberalise Malaysia's electricity market to pull in more renewable energy investments to fuel the nation's energy transition agenda.

The government has identified three key agendas moving forward, namely amending the Electricity Supply Act 1990, reforming the electricity tariff structure, and carving out an independent Single Buyer from national utility giant TNB.

Mohd Afzanizam said various factors need to be considered in answering the question of whether Malaysia should further reform its electricity market by liberalising it.

While liberalisation can encourage competition, potentially leading to more efficient and innovative energy solutions, lower prices, and better services for consumers, it can also attract private investment and advanced technologies to the energy sector, he said.

"However, it's important to balance these benefits with the need for regulatory oversight to ensure reliability, affordability, and environmental protection. The government must carefully weigh these aspects and consider the unique dynamics of Malaysia's energy landscape and policy objectives before deciding on such reforms," he added.

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