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## LSS PETRA 5+, other projects to drive RE sector

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KUALA LUMPUR: The large-scale solar (LSS) programme by the Energy Transition and Water Transformation Ministry (PETRA) known as LSS PETRA 5+ and other ongoing renewable energy (RE) programmes are set to drive robust activity within the sector over the next two to three years.

In a note, Maybank Investment Bank Bhd (Maybank IB) said the LSS PETRA 5+ offers substantial investment opportunities for industry players with potential engineering, procurement, construction and commissioning (EPCC) contracts.

It said the potential EPCC contracts were estimated to be worth around RM6 billion, based on an EPCC cost assumption of RM3 million per megawatt (MW).

"Shortlisted bidders for the developer-owner are expected to be announced in the third quarter of 2025 (3Q 2025), with the possibility of securing high single-digit internal rate of returns (IRRs)," it said.

The investment bank said the LSS5+ programme is divided into two packages; package A targets ground-mounted solar plants, with a total capacity of 1,500 MWs, and individual capacities ranging from 30 MWs to 500 MWs.

Package B, focused on floating solar plants, has a total of 500 MWs and ranges from 10 MWs to 500 MWs each.

"The bidding process is open to companies or consortiums incorporated in Malaysia, with a minimum 51 per cent local equity ownership. Bidders must submit their documents to the Energy Commission by Feb 28, 2025," said Maybank IB.

It reiterates a "Buy" call on the sector.

In a significant move to accelerate RE generation, the EC recently launched an open bidding process to develop an additional two gigawatts (GWs) capacity of LSS in Peninsular Malaysia under the LSS PETRA 5+ programme. -Bernama