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Govt mulls 45 sen/kWh charge for RE plants to access national grid via TPA

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KUALA LUMPUR (Aug 22): The government has fixed the system access charge (SAC) for renewable energy (RE) plants and power consumers wishing to deliver their own power through the national grid at 45 sen per kilowatt-hour (kWh).

The SAC, or wheeling charges, to deliver non-firm or intermittent RE was disclosed on Thursday at an industry briefing for the grid third-party access mechanism dubbed CRESS scheduled to open next month.

Industry players and consumers will also have to pay an SAC of 25 sen/kWh for RE with firm or consistent supply, according to photos of the presentation slides sighted by *The Edge* at the briefing led by the Ministry of Energy Transition and Water Transformation.

In a statement later, the ministry said

that the framework for CRESS will be fine-tuned further after it takes into account the input from the 250 industry players who attended the briefing.

Consumers who participate in CRESS will be imposed with a tariff which comprises the SAC, as well as generation costs agreed upon with a RE plant on a willing buyer, willing seller basis.

This is an alternative to buying electricity currently, either conventional or green, on a retail basis from electricity pooled by Tenaga Nasional Bhd (KL:TENAGA).

Currently, conventional electricity tariffs for medium- and high-voltage consumers is around the high 50s sen/kWh, with a four sen/kWh premium for green energy.

For CRESS, the 45 sen/kWh SAC could be added to solar power generation tariffs as a benchmark, which averages at slightly over 20 sen/kWh.

Meanwhile, it was also revealed that CRESS would include a market support measure, where an RE plant that loses its customer could sell the electricity generated to the grid at eight sen/kWh for a certain period.

The programme was announced as Malaysia seeks more RE investments to capture demand for the premium energy product, led by growth in emissions-conscious data centre projects in the country.

The nation could see as much as 7GW of additional energy demand by 2030 as a result, an increase of almost one-third from the 20GW maximum demand currently, the ministry said.

