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Mitsubishi Power sees Sarawak as key as it mulls SEA expansion

BY ISABELLE FRANCIS

Mitsubishi Power Asia Pacific Pte Ltd, the power solutions brand for global powerhouse Mitsubishi Heavy Industries, is considering a significant expansion of its manufacturing capabilities to support escalating demand for power generation in Southeast Asia, with Sarawak identified as a key strategic market.

This potential investment, says Mitsubishi Power Asia Pacific managing director and CEO Akihiro Ondo, comes in response to a "significant increase" in global demand for gas power turbines that has strained manufacturing capacity and created industry-wide backlogs.

While specific plans have yet to be finalised, Ondo says the company — which holds "more than 50% market share in Asia-Pacific for large gas turbines" from 2022 to 2024 — is considering a manufacturing expansion to capitalise on Southeast Asian opportunities, noting that initial capacity increases would likely occur at its Japanese base due to existing supply chains.

"We are considering expansion of our manufacturing capability [to support the opportunities in Southeast Asia, including Malaysia] ... But at this moment, we are not ready to announce [this yet].

"We still depend on enhancements from our supply chain, mainly our materials supplier. We will continue our best efforts to meet growing demand," he tells *The Edge*, adding that the company is on track to deliver gas turbines according to stipulated timelines communicated to its customers.

Ondo attributed the global surge in demand to a "steep increase in electricity demand, mainly in North America, led by artificial intelligence (AI) data centre-related demand", as well as a fuel conversion from oil to gas in the Middle East.

The bottleneck, he notes, is not exclusive to turbines but extends across the entire supply chain, including raw material suppliers for critical components like blades and rotors.

By considering a manufacturing expansion, Mitsubishi Power aims to alleviate these constraints and better serve its customers in the strategically vital Southeast Asian market.

Linchpin to broader ambitions

The expansion is deeply intertwined with the regional strategy of Mitsubishi Power, which views Malaysia, particularly Sarawak, as a linchpin for its broader ambitions.

According to Ondo, Sarawak's unique mix of resources makes it an ideal testbed for a realistic energy transition.

SOURCE: MITSUBISHI POWER

Mitsubishi Power's latest Asia-Pacific projects

COUNTRIES	CUSTOMER/PARTNER	DESCRIPTION
Malaysia	Petros	Supplies gas and steam turbines
	TNB Genco	Jointly study clean energy technologies (MoU)
	Malakoff	Supplies gas turbines (reservation agreement)
Thailand	Hin Kong Power (JV between Ratch and Gulf Group)	Supplies gas turbines; provides maintenance services
	JV between Gulf Group and Mitsui & Co Ltd	Supplies gas turbines; provides maintenance services
Singapore	Keppel Infrastructure	Supplies gas turbines; provides maintenance services
	Sembcorp Industries	Supplies gas turbines; provides maintenance services
	Meranti Power	Supplies gas turbines and generators; provides maintenance services
	PacificLight Power	Supplies gas turbines
Vietnam	Petrovietnam	Supplies gas turbines; provides support for stable operations
US	Georgia Power	Completed 50% hydrogen blend testing in a gas turbine
	ACES Delta	Supplies gas turbines (initially run on a blend of green hydrogen and natural gas, expanding to 100% green hydrogen)

Ondo: Sarawak is in one of the best positions to pursue energy solutions as it has abundant renewable resources and significant natural gas reserves

"Sarawak is in one of the best positions to pursue such energy solutions," Ondo says, highlighting its "abundant renewable resources, including hydropower", coupled with significant natural gas reserves.

Mitsubishi Power has cemented its commitment in Sarawak with Petroleum Sarawak Bhd's (Petros) Miri Combined Cycle Gas Turbine (CCGT) project. The deal includes supplying its turbines and a long-term service agreement for the plant's operation and maintenance.

Ondo sees this 500MW facility not as a standalone project, but as a foundational base for a broader energy ecosystem.

This optimism is fuelled by Sarawak's economic road map, which aims to attract industries such as semiconductor manufacturing and data centres — all requiring the green, reliable electricity that Mitsubishi Power's solutions can help provide, he adds.

Apart from its partnership with Petros in Sarawak, Mitsubishi Power is collaborating with Tenaga Nasional Bhd's Genco and Malakoff Corp Bhd, through which it supplies gas turbines and generators for a 1,400MW gas-fired power plant in Peninsular Malaysia.

Ondo says talks are also ongoing for "one or two" more projects in Malaysia, but declines to elaborate.

Elsewhere in the Asia-Pacific, Mitsubishi Power is working with state-owned entities in Thailand, Singapore and Vietnam on larger-capacity power plants.

Hydrogen pathway: Targeting 100% combustion by mid-2040s

Beyond meeting immediate gas power demand, Mitsubishi Power is heavily investing in a clean energy future, with its "Mission Net Zero 2040" strategy, focusing on hydrogen development.

At the core of this strategy is its Takasago Hydrogen Park in Japan, a dedicated research and development facility demonstrating hydrogen co-firing and pioneering research on 100% hydrogen combustion. Hydrogen co-firing is essentially a process of generating electricity by burning a blend of hydrogen with natural gas (primarily methane) in existing or new gas turbines. It is seen as a crucial transitional technology in the global push towards carbon-neutral power generation.

According to Ondo, the facility has made rapid progress in this field, with the successful achievement of 30% hydrogen co-firing in late 2023.

This was followed by a landmark 50% co-firing at the advanced-class gas turbine at Georgia Power's Plant McDonough-Atkinson in Smyrna, the US, in June this year. Mitsubishi partnered with Georgia Power — the largest electric subsidiary of NYSE-listed Southern Company — on the hydrogen testing project at the US plant. Mitsubishi Power is also a key supplier of gas turbines to Georgia Power.

"We are targeting to finish 100% hydrogen firing in Takasago by around 2030," Ondo says, with the goal of deploying this fully decarbonised technology at commercial sites by the mid-2040s.

Ondo stresses that technology alone is insufficient; the economic viability of a hydrogen ecosystem hinges on collaboration between the public and private sectors.

He points to a project in Utah in the US, as a benchmark, citing how it benefits from cheap renewable energy, vast natural underground storage and a supportive government loan guarantee.

Ondo sees a similar, promising foundation in Sarawak, where abundant hydropower could provide a stable, green source for hydrogen production.

"Sarawak is in a very good position," he says, but cautions that its success will depend on the "skilful involvement of other stakeholders".

Mitsubishi Power's regional market leadership positions the company to deliver tangible impact in Sarawak, including potential technology transfer and job creation, says Ondo.