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‘Powering’ national grid with Palm oil energy

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ACCELERATING CLEAN ENERGY TRANSITION

‘POWERING’ NATIONAL GRID WITH PALM OIL ENERGY

Malaysia’s 450 mills have the potential to generate more than 7,000MW of electricity, says Johari

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THE government plans to integrate renewable energy (RE) from oil palm biomass into the national power grid in collaboration with Tenaga Nasional Bhd (TNB) and the Energy Commission (EC).

Plantation and Commodities Minister Datuk Seri Johari bin Abdul Ghani said the initiative will support Malaysia’s goal of achieving net-zero carbon emissions by 2050 and reduce reliance on coal-fired power plants.

As the world’s second-largest palm oil producer, Malaysia generates substantial palm oil waste, including empty fruit bunches and palm kernel shells, which hold great potential as biomass energy sources, he said.

Beyond accelerating the country’s clean energy transition, Johari said RE also presents significant opportunities for foreign direct investment, positioning Malaysia as an attractive hub for investors in sustainable and low-carbon energy solutions.

“The palm oil sector holds immense potential, given that Malaysia has 450 palm oil processing mills.

“Each mill, with a capacity of 60 tonnes per hour, can generate between five and seven megawatts (MW) of electricity.

“The total energy generated from this industry could exceed 2,000MW, making a significant contribution to the national power supply,” he said at a press conference at the 36th Palm and Lauric Oils Price Outlook Conference and Exhibition yesterday.

Johari said the initiative demonstrates Malaysia’s ability to harness RE without requiring significant expenditure.

He said a key step is for TNB and EC to identify palm oil mills ready for grid integration.

With the necessary infrastructure in place, surplus energy could be supplied back to the grid.

“For example, if a mill produces 7MW but only uses 3MW, the remaining 4MW can be fed into the national grid.

“However, at present, most palm oil mills do not do this because there is no grid connection, causing the energy to go to waste.”



Plantation and Commodities Minister Datuk Seri Johari bin Abdul Ghani speaking at the 36th Palm and Lauric Oils Price Outlook Conference and Exhibition yesterday. NSTP PIC BY SAIFULLIZAN TAMADI

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DATUK SERI JOHARI ABDUL GHANI
Plantation and Commodities Minister

Johari said the government is increasing private sector interest in investing in energy processed from waste, with companies willing to finance energy infrastructure development in the palm oil sector.

He said investors have already approached the government. They are not only interested in the palm oil business but also on the energy sector related to palm waste.

He added that they see strong investment potential in converting oil palm biomass into electricity.

Johari said sustainability is no longer just a corporate checkbox but an existential business strategy.

He noted that the most progres-

sive firms leverage environmental, social and governance strategies to drive profitability.

Thus, zero-deforestation commitments, sustainable production and ethical labour practices must be embedded in the core operations

of plantation companies.

“Those who lag in sustainability will not only lose investor confidence but also risk regulatory crackdowns and exclusion from global markets.

“Companies must stop pretending that outdated practices can

continue unchecked. As global standards evolve, those who refuse to adapt will be left behind.”

Johari stressed that a future-ready plantation industry will not emerge through minor tweaks or half-measures.

It requires a bold embrace of innovation, agility and relentless improvement.

“Fear of change is no longer an excuse and the path forward is clear. Plantation companies in Malaysia must take bold, decisive steps to retain industry leadership.

“This is not a time for comfortable management; it is a time for committed and focused leadership,” he said.