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KUALA LUMPUR (Feb 25): The Plantation and Commodities Ministry is working with utility giant Tenaga Nasional Bhd (TNB) (KL:TENAGA) and the Energy Commission to expand grid connectivity, aimed at seamless integration of renewable energy (RE) supply from the palm oil industry.

While participation is not mandatory, the government strongly encourages industry players to adopt sustainable practices by selling excess biomass energy to the grid, its minister Datuk Seri Johari Abdul Ghani said on the sidelines of the Palm and Lauric Oils Price Outlook Conference and Exhibition on Tuesday.

He said if all 450 palm oil mills nationwide transitioned to produce RE, they could contribute over 2,000 megawatts (MW) of

power to the national grid without requiring substantial government funding.

This is based on the assumption that a typical 60-ton-per-hour mill's generation capacity is between 5MW and 7MW, he noted.

"Within the next decade, all palm oil mills and refineries are expected to transition to renewable energy. To achieve this, TNB and the Energy Commission must evaluate the potential and identify mills ready for grid integration.

"Over time, this will be the strategy, especially as we move towards phasing out coal. United Plantations Bhd (KL:UTDPLT) has successfully implemented this approach, and we hope more industry players must gradually adopt similar practices," said Johari.

Last year, Malaysia announced its plan to phase out its coal-fired power plants, aim-

ing to cut their number by half by 2035 and fully retire them by 2044. This move is part of the government's mission to achieve net zero emissions by 2050.

Johari further noted that many investors have already expressed interest in supporting RE initiatives derived from palm oil waste.

"There are a lot of investors who have already approached my office. They say, 'I'm not interested in palm oil [plantation], but I'm interested in participating in the energy produced from palm oil waste.'

"They [investors] will need to provide capital in order to build palm oil mills," Johari added.