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Goal of 31% RE in national power mix by December within reach through close public-private sector collaboration and international investments: Fadillah

SHAH ALAM: Malaysia is confident of achieving its target of 31% renewable energy (RE) in the national power mix by December, with about 4,000MW of large-scale solar projects already energised under the government's procurement programme.

Deputy Prime Minister and Minister of Energy Transition and Water Transformation Datuk Seri Fadillah Yusof said the government is optimistic about reaching the 31% target by year-end, and this will be realised through close collaboration between the public and private sectors, as well as with international investors.

Under the National Energy Transition Roadmap (NETR), introduced in 2023, Malaysia has set renewable energy capacity targets of 31% by 2025, 40% by 2035 and 70% by 2050.

Since the launch of the NETR, the government has approved additional deployment of 5.5GW of new RE capacity, which translates to an investment value of RM25 billion, contributing towards the intended target of the roadmap.

"We are on track to attract between RM1.2 trillion and RM1.3 trillion by 2050 under the NETR," Fadillah said at the launch of Sime Darby Property's Community Renewable Energy Aggregation Mechanism (Cream) project yesterday.

The project is Malaysia's first residential rooftop solar initiative.

To support commercial viability, Fadillah said the government recently cut the community access charge under Cream by 40%, from 15 sen/kWh to 9 sen/kWh. This would encourage more participation from homeowners and developers, with Sime Darby Property acting as the first local renewable energy aggregator in the pilot project.

He added that the government is also looking to review the charge for solar projects to encourage more players to participate in these initiatives. "We need to review it to see its viability, whether it can be further reduced or not. We want to ensure the programme benefits the people."

Fadillah (fifth from left) at the launch of Sime Darby Property's Community Renewable Energy Aggregation Mechanism project at Elmina Sales Gallery, Shah Alam, yesterday.

Further, Fadillah noted that the Energy Efficiency and Conservation Act 2023 has been passed in Parliament, while the Carbon Capture, Utilisation and Storage Bill has been tabled.

Meanwhile, the Corporate Renewable Energy Supply Scheme (Cress), launched in 2024, has received an encouraging response, with its wheeling charges reviewed to make the scheme more attractive.

"Cream has also been introduced alongside other supporting programmes. The launch of Cream is central. It allows homeowners to lease or rent out their rooftops to third parties, who aggregate multiple rooftops into one system to generate solar electricity," Fadillah said.

Sime Darby Property's Cream pilot project in the Elmina township introduces a rooftop leasing model where homeowners' properties are converted into solar energy generators without requiring upfront investment.

Participating households will derive income from leased rooftop space, while directly contributing to Malaysia's green energy transition.

As the designated Local Energy Generator Aggregator (Lega), Sime Darby Property will install, operate and manage the solar infrastructure in collaboration with GSPARX Sdn Bhd, a subsidiary of Tenaga Nasional Bhd (TNB), as its technical partner.

The RE generated will be channelled through TNB's grid to Sime Darby Property's nearby Innovation Park, located within 5km of the participating homes, which will serve as the Local Green Consumer.

Beyond this pilot, scale-up opportunities are being explored with potential off-takers, including petrol stations, commercial hubs, and even nearby schools that have expressed interest in participating.

Sime Darby Property group managing director and CEO Datuk Seri Azmir Merican said with this pilot, the company is demonstrating a model that aligns townships with national energy transition goals.

"By turning homeowners into active participants, we are reducing the community's carbon footprint, while supporting property value creation and potential income generation for residents.

"This collaboration demonstrates how public-private partnerships can accelerate Malaysia's renewable energy transition in a scalable, community-focused manner."

TNB CEO Datuk Megat Jalaluddin Megat Hassan said in support of the NETR, TNB, together with its subsidiary GSPARX, as the rooftop solar system installer, is delighted to contribute rooftop solar solutions and Malaysia's first community energy storage system to the Elmina township.

"This initiative aims to empower the community with cleaner, more reliable energy and to support the grid by enhancing flexibility and resilience, helping to create a more sustainable energy future".

Sime Darby Property plans to expand this initiative to more of its townships, further scaling the Cream framework in partnership with TNB and other stakeholders. This positions the group as a key private sector driver in supporting the government's long-term goal of achieving 70% renewable energy generation capacity by 2050.