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M'sia to benefit from cross-border power project

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SINGAPORE: Malaysia stands to benefit from a cross-border electricity project involving Petroliam Nasional Bhd (Petronas) and Tenaga Nasional Bhd (TNB) through local contractor participation, engineering expertise and the development of renewable energy certificate mechanisms, said Deputy Prime Minister Datuk Seri Fadillah Yusof (**pic**).

Fadillah, who is also the Energy Transition and Water Transformation Minister, said the project, involving the purchase of offshore wind energy from Vietnam and its transmission to Singapore, would create opportunities for Malaysian contractors to participate in the development of transmission infrastructure, including undersea cables.

"When you are doing the transmission line, definitely you need contractors and the contractors will be from Malaysia.

"In terms of human capital, this will be another learning curve for our engineers, and because it is the first time we are involved in a project with Vietnam, we will be learning about wind energy supply," he told Bernama on the sidelines of Singapore International Energy Week 2026 (SIEW 2026) here.

Under the project, Petronas and TNB, through the MY Energy Consortium (MYEC), will work with PetroVietnam Technical Services Corporation (PTSC) to develop the cross-border electricity supply arrangement involving offshore wind energy from Vietnam.

Fadillah said Malaysia could also contribute its expertise in developing a mechanism for exchanging renewable energy certificates with Vietnam, which he said was crucial to the project's commercial viability.

"Vietnam has not developed that, so our experts can jointly develop with them how they can benefit in terms of renewable energy certificates.

"Otherwise the project will not be viable without the renewable energy certificate," he said.

The Energy Market Authority (EMA) of Singapore has granted conditional approval to Sembcorp Utilities Pte Ltd and its consortium partners to import 1.3 gigawatts (GW) of electricity into Singapore.

The approval allows the project to source and integrate low-carbon electricity from regional and domestic resources, including offshore wind energy from Vietnam and solar power from Malaysia.

Sembcorp Utilities is working towards commencing electricity imports under the project by 2035, subject to the necessary approvals, power purchase agreements and financing arrangements.

Fadillah said about 30 per cent of the electricity from the Vietnam offshore wind arrangement would be supplied to Peninsular Malaysia, with the majority transmitted to Singapore.

On broader regional energy cooperation, he said the initiative underscored the importance of developing the ASEAN Power Grid, which would enable member states to exchange electricity based on their respective energy resources and supply requirements.

"Why do we need the ASEAN Power Grid? It is not only for Malaysia. It is for the entire ASEAN. Every country has its own advantages," he said.

He cited Laos' hydropower and wind resources, as well as Thailand's solar and gas resources, as examples of how regional electricity connectivity could allow countries to complement one another's energy mix.

"When there is a shortage, we can exchange across border. We can buy from our neighbours.

"When there is a shortage in Malaysia, we can buy from them. When we have surplus, we can also supply to them," he said.

Fadillah said the regional grid would help ensure security and stability of electricity supply while keeping costs affordable by allowing countries to share resources rather than invest individually in all the generation capacity they require.

"One is to make sure that there is a secure supply, number two is stability of supply, and number three is affordability," he said.

He said the Laos-Thailand-Malaysia-Singapore (LTMS) Power Integration Project was already an operational model for cross-border electricity trading, with efforts underway to extend similar arrangements to other ASEAN member states.

The existing arrangement connects Laos, Thailand, Malaysia and Singapore, while Vietnam had agreed to participate and further discussions were needed with Cambodia, he said.

Indonesia was already purchasing electricity from Sarawak through an interconnection with West Kalimantan, while the Philippines had also agreed in principle to connect to the regional grid through Sarawak, he added. – Bernama

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