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## Solar investment to hit RM93bil



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**PETALING JAYA:** Malaysia may need to invest some RM93bil to build 24 gigawatts (GW) of new solar capacity over the next decade as it seeks to meet rising electricity demand while containing carbon emissions, according to CIMB Research.

The research house said the expansion over 2026 to 2035 would support Malaysia's ambition to become a sustainable regional data centre (DC) hub, creating opportunities for renewable energy (RE) developers and contractors.

"Based on committed investments, the government projects DC electricity consumption to rise by nearly 600% between 2026 and 2035, increasing its share of Peninsular Malaysia's total electricity demand to 31% by 2035," it said.

CIMB Research said RE's share of the peninsula's energy mix was projected to double to 22% by 2035, while gas would rise to 59% and coal decline to 10%.

"Considering the 2GW of installed solar capacity commissioned to date (excluding behind-the-metre resources) in Peninsula Malaysia, 24.3GW of new solar capacity may need to be built between 2026 and 2035 (with 20.2GW to be paired with on-site battery energy storage systems or Bess)."

Bess would account for part of the estimated investment, with solar projects incorporating storage costing about RM4mil per megawatt, compared with RM3mil for solar alone, it said.

CIMB Research identified Solarvest Holdings Bhd and Samaiden Group Bhd among potential beneficiaries, alongside mechanical and electrical engineering specialist Kee Ming Group Bhd.

"To maintain a 25% firm reserve margin, we estimate RM83bil will need to be invested to build 15GW of new gas-fired capacity over the next decade," it said.

"If the power purchase agreements of four coal-fired power plants ending 2029 to 2033 are extended, a lesser 7GW (RM42bil) of new gas-fired power plant capacity will be required," the research house added.

Tenaga Nasional Bhd (TNB), YTL Power International Bhd and Malakoff Corp Bhd could lead the gas-fired capacity expansion, the research house said.

Moreover, the research house has maintained an "overweight" stance on the utilities sector.