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Regional power grid critical to Asean energy transition and resilience

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WITH recent geopolitical developments sharpening concerns over energy security, cross-border energy trading is increasingly seen as a practical pathway to strengthen supply resilience in South-East Asia.

At a panel discussion titled "Cross-border Energy Trading Opportunities for Asean Power Grid Integration" at Revolution EV Asia, experts said it would help to diversify sources, reduce import dependence and optimise energy use.

There is also a case for enabling higher renewable energy generation across the region, rather than one country generat-

ing from one source, said Frost & Sullivan managing director and Asia Pacific's regional leader Ravi Krishnaswamy.

"We are going to leverage different technologies, many of them renewable, and clearly that is going to enable a faster decarbonisation and slow down climate change," he said.

He added that a full Asean power grid integration could cut electricity costs for the region by 3% to 4%, with potential greater savings in some countries.

Providing an overview of the region's current progress, Snowy Mountain Engineering Corporation (Smec) regional director for energy Liew Yin Hoon said Malaysia has intercon-

nection with neighbouring Singapore and Thailand. There is also the multilateral Laos-Thailand-Malaysia-Singapore Power Integration Project to import hydropower from Laos to Singapore via Thailand and Malaysia.

Singapore has set a target to import around 6GW of low-carbon electricity from the region, he added.

"Beyond that, other regional interconnections that are currently being discussed include one from Vietnam to Singapore through Malaysia," Liew said, adding that it involves wind energy from an offshore wind farm.

"Another one that is currently in the early stage of discussion is

the Brunei-Indonesia-Malaysia-Philippines interconnection," he said.

While bilateral and multilateral arrangements are expanding, challenges remain. Ravi highlighted that a single harmonised regulation is critical for an Asean Power Grid comparable to Europe.

There are also technical issues, such as different grid codes.

"All these lead to investor uncertainty. At the end of the day, for any project to be financed, you need to have stability and clear direction for them to invest in," he said.

Ravi added that estimates suggest more than US\$100bil (RM396.8bil) is required by 2045

to integrate the power grids in South-East Asia, so private capital has to be unlocked alongside government and multilateral agency financing.

Fenecon International GmbH country manager - South-East Asia Haseef Hizan said the region is spending too little on renewable energy, at US\$70bil (RM277.8bil) a year.

"According to the International Energy Agency, as a region we need to double the investment to US\$140bil (RM555.5bil)," he said, adding that this would balance energy security and cost parity.

The panel was moderated by Rosergy Consulting managing director Rosman Hamzah.