



29 OCT, 2026

Data centres use less power

The Star, Malaysia



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Actual consumption rate below operator's initial demands

DATA centres in Malaysia are using far less electricity than what the operators requested, says Deputy Prime Minister Datuk Seri Fadillah Yusof.

Fadillah, who is also Energy Transition and Water Transformation Minister, said the electricity consumption stood at 1,374 megawatts (MW), or just 58.5% of contracted demand of 2,346MW, as at August.

He said the gap reflected how data centre operators initially requested more electricity than they eventually needed, prompting the government to assess their actual demand and consumption more closely.

"That is why we are taking a comprehensive approach. The Data Centre Task Force (DCTF) was established to assess in detail the extent of actual demand and consumption.

"Sometimes at the initial stage, when they apply for an electricity supply contract, they estimate how much power they will need, but their actual consumption turns out to be lower than the amount requested," he said during the question and answer session in the Dewan Rakyat yesterday.

He was responding to Wan



Reassessing needs:
Fadillah speaking in Parliament.
— Bernama

Ahmad Fayhsal Wan Ahmad Kamal (PN-Machang), who asked about the government's contingency plans to ensure data centre operations did not affect the public's access to electricity and water during droughts or cause supply disruptions.

Fadillah added that every electricity supply application for a data centre development underwent a comprehensive technical assessment, which took into account the system's ability to supply electricity to data centres in line with projections approved by the National Energy Council.

He also said the Energy Commission was developing a comprehensive framework and

guidelines for data centres to generate their own electricity and meet the requirement to use at least 30% renewable energy.

"The government will continue to monitor the growth of the data centre industry, conduct risk assessments and implement appropriate mitigation measures, while regularly updating generation and grid planning based on actual demand trends," he said.

On water security, Fadillah said the DCTF also considered water reserve margins when assessing suitable locations, based on feedback and recommendations from state water supply operators.

He added that data centre projects in areas with low water

reserve margins would not be considered for development.

In terms of adopting nuclear energy as a source of electricity, Fadillah said Malaysia would only adopt nuclear energy as a source of electricity if it resolved its international treaty obligations and met the necessary safety requirements.

He said any move to adopt nuclear power would be subject to compliance with International Atomic Energy Agency standards on regulation, safety, manpower capabilities and technology.

"Readiness is more important to us because we want to ensure not only the security of our energy supply but also the safety of our people in every respect," he said in response to a supplementary question from Wan Ahmad Fayhsal on whether Malaysia would consider following Indonesia's reported move involving floating nuclear power plants.

He clarified that the arrangement in Indonesia was not a contract involving its government, but a business-to-business arrangement between a mining company and Russia's Rosatom, a state-owned nuclear energy and technology corporation.