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Data centres must get 30pc of energy from renewables

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ENERGY Commission (ST) is developing a comprehensive framework and guidelines on self-generation facilities and the use of renewable energy for the data centre sector, said Deputy Prime Minister Datuk Seri Fadillah Yusof (pic).



He said the initiative is in line with the government's decision to require the sector to use at least 30 per cent renewable energy.

He said the data centre industry was also encouraged to develop self-generation facilities through solar initiatives for its own consumption, to prevent an increase in electricity supply costs for other consumers.

"This approach aims to increase the use of self-generated energy by the data centre sector while reducing its full dependence on electricity supplied by the national grid.

"In addition, data centres need to be equipped with backup generators that can be utilised for demand control, particularly to reduce additional pressure on the grid system during critical periods and when operating reserves are low," he said during the question-and-answer session in the Dewan Rakyat.

He was responding to a question from Wan Ahmad Fayhsal Wan Ahmad Kamal (PN-Machang) on the government's contingency plan to ensure that data centre operations do not affect the people's electricity and water supply during droughts or supply disruptions.

Fadillah said data centres were also encouraged to participate in the Corporate Renewable Energy Supply Scheme to obtain green energy supply directly.

He said every application for electricity supply for data centre development undergoes a comprehensive technical assessment by the Energy Focus Group before being brought to the Data Centre Task Force, taking into account the system's capacity to supply electricity, the electricity transmission and distribution network, as well as infrastructure investment requirements.

Fadillah said that as of August 2026, contracted electricity demand from data centres stood at 2,346 megawatts (MW), while actual consumption was 1,374 MW, or 58.5 per cent.

He said this was because the estimated electricity requirements submitted when applying for supply contracts did not necessarily correspond to actual consumption.

In response to a supplementary question from Wan Ahmad Fayhsal on the use of nuclear energy, Fadillah said the government was still considering its use as one of the country's energy sources, with national preparedness as the priority to ensure energy supply and public safety.

He said matters relating to international agreements needed to be resolved first, in addition to ensuring compliance with the standards of the International Atomic Energy Agency, safety regulatory requirements, workforce capacity and technological suitability. – Bernama