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MediaTitle	New Straits Times		
Date	30 Jan 2024	Language	English
Circulation	36,278	Readership	108,834
Section	Business Times	Page No	1,4,5
ArticleSize	1372 cm ²	Journalist	ASILA JALIL
PR Value	RM 141,339		



RAISING THE ENERGY BAR

MALAYSIA's latest large-scale solar and net energy metering initiatives will translate into engineering, procurement, construction and commissioning jobs worth RM7.2 billion to RM8.4 billion for the power sector players, say analysts.

» REPORT BY ASILA JALIL ON PAGES 4-5



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RENEWABLE ENERGY PUSH

BIG BOOST FOR POWER SECTOR

Latest LSS, NEM programmes may translate into EPCC jobs worth up to RM8.4b, say analysts

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MALAYSIA'S power sector has a strong pipeline of renewable energy (RE) projects over the next 12-24 months, supported by large-scale solar (LSS) and the net energy metering (NEM) programmes.

Analysts estimate that the latest LSS and NEM programmes could translate into engineering, procurement, construction and commissioning (EPCC) jobs worth RM7.2 billion to RM8.4 billion.

Last week, Energy Transition and Public Utilities Minister Datuk Seri Fadillah Yusof announced a cumulative 2.8 gigawatts (GW) of new RE quotas, including a 2GW allocation for Malaysia's fifth LSS photovoltaic programme that will be open for bids soon.

A developer can bid for up to 500MW.

Another initiative is the Low Carbon Energy Generation programme through the New Enhanced Dispatch Arrangement mechanism with a 400MW development quota for non-solar RE, including wind, mini-hydro, biogas, biomass and hydrogen.

Another 400MW quota under the NEM mechanism comprises 100MW for the household segment and 300MW for the commercial and industrial segment.

"The 2.4GW combined solar quota under the latest LSS and NEM programme translates into an estimated RM7.2 billion to RM8.4 billion worth of EPCC jobs that we expect to be tendered out in the next 12 to 24 months," said MIDF Research in a report.

Tenaga Nasional Bhd (TNB) and YTL Power International Bhd are likely to come in as anchors in their respective consortia, especially for larger capacity bids, the research firm added.

"One of the key changes in the latest LSS is the rise in capacity bid limit to 500MW, which is five times the 100MW limit for LSS3 and 10 times the 50MW limit for LSS4."

A project of such size entailed a huge capital expenditure of RM2 billion to RM2.3 billion, which required a fairly demanding balance sheet capacity, it said.

However, MIDF Research noted that the prior LSS winners also included non-utilities players from the property, plantation and construction sectors.

Landowners could come in as strategic partners given the huge