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KUCHING: Mestron Holdings Bhd (Mestron), through its indirect wholly-owned subsidiary Liziz Biogas Sdn Bhd, has secured approval from the Sustainable Energy Development Authority Malaysia (SEDA Malaysia) to expand its biogas power generation facility in Gua Musang, Kelantan.

The approval allows the facility to increase its approved net electricity export capacity by 18 per cent, from 2.00 megawatts (MW) to 2.36MW, while its installed capacity will rise by 13 per cent from 2.76MW to 3.12MW.

Under the new Feed-in Approval (FiA), the facility will receive an increased Feed-in Tariff (FiT) rate of 45 sen per kilowatt-hour (kWh) for the first 10 years, followed by 43 sen/kWh for the subsequent 11 years, compared with the existing rate of 39.75 sen/kWh.

The revised tariff arrangement is scheduled to take effect on Aug 17, 2029, providing a 21-year framework for renewable electricity sales, subject to the applicable approval conditions.

To support the expansion, Mestron plans to procure and install an additional 1.5MW gas engine generator to increase the plant's generation output and operating efficiency.

Upon completion and full commissioning of the expanded operations, the facility is estimated to generate approximately RM7.5 million in total annual revenue, subject to actual generation performance, plant availability and operating conditions.



Mestron's Liziz Biogas obtains SEDA approval to expand Gua Musang Plant Capacity and lock in 21-year enhanced tariff.

Mestron managing director Por Teong Eng said the new approval marked an important step in the group's renewable energy expansion.

"With higher approved electricity export capacity and an enhanced tariff structure, we are strengthening the commercial foundation of our biogas operations and creating greater visibility for long-term revenue generation," he said.

He said renewable energy represented an important avenue for diversification as the group continued to expand beyond its established steel pole manufacturing business.

"Our focus is on developing commerically viable energy assets that can contribute more consistently to the Group's earnings and create sustainable long-term value for our shareholders," he added.

Mestron's Gua Musang biogas plant began supplying renewable electricity to Tenaga Nasional Bhd (TNB) in March 2023.

The facility processes palm oil mill effluent (POME) by capturing methane-rich biogas and converting it into electricity for the national grid, while reducing greenhouse gas emissions that would otherwise be released through open waste decomporation.

Unlike solar generation, which is limited to daylight hours, biogas plants can generate electricity continuously, subject to feedstock availability and plant scheduling.

Por said the transition towards cleaner energy should deliver both environmental and economic benefits.

"Our biogas operations demonstrate how agricultural waste can be transformed into productive renewable energy while creating commercial value," he said.

He added that the expansion reflected the group's commitment to growing its renewable energy portfolio in a disciplined manner, while continuing to explore opportunities in solar and biogas energy.

Mestron remains focused on developing its steel pole manufacturing business alongside its renewable energy assets.

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