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A need to get the best for the energy plan

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THE National Energy Transition Roadmap (NETR) does sound impressive. As Economy Minister Rafizi Ramli points out, there is a once-in-a-lifetime opportunity for the country.

In his words, we have “a global crisis that demands urgent and serious action, an impetus to act that lies in the hands of a reformist government with political will, and a real opportunity for Malaysia to seize its one shot to be a regional powerhouse.”

After the plans were laid out this week, research analysts have worked overtime churning out bullish reports.

Kudos to the hard work of technocrats Rafizi and Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad, who are driving the plan. It was a sea

change to hear ministers well-versed in business and energy lingo as they laid out the country's energy transition plans.

The plan though, does not seem to have as much industry involvement as expected, only government-linked enterprises. Furthermore, it seems to be one that has laid out certain projects, albeit impressive ones, where deals had been struck behind closed doors.

For example, Phase 1 of the NETR involves the setting up of a one-gigawatt (GW) integrated renewable energy (RE) zone led by Khazanah Nasional Bhd, which will be carried out via a joint venture between UEM Group and Itramas Corp. This group has attracted some impressive international investors and off takers.

Then, there are the Tenaga Nasional Bhd (TNB) led projects, such as five

large scale solar parks with 100 megawatt (MW) capacity each, to be co-developed. TNB will also develop 2.5GW of hybrid hydro-floating solar photovoltaic (PV) projects at its hydro dams.

All of this will push Malaysia's ambitious RE capacity forward.

But it begs the question: Why haven't industry players been allowed to make such proposals to the government? True, Rafizi said industry players can come forward and make such proposals. But a clear structure to do that is needed.

What is also important is for such allocations to build out RE be given to parties who have the expertise and track record.

While many government-linked companies involved in flagship projects under Phase 1 of the NETR have strong balance sheets, that is not to say the private sector cannot raise

funds to carry out such projects.

Just this week, Reuters reported that local RE company reNIKOLA Holdings is seeking to raise up to RM2bil over the next three years to fund its pipeline of projects including solar in South-East Asia.

The industry now waits with bated breath for a more decisions by the government, more specifically by the Energy Commission (EC).

First up is the decision to award private companies that had submitted bids for virtual power purchase agreements and secondly, for the third-party access into the grid. The latter will involve the EC and TNB working together to finalise terms and conditions for private parties to build out RE to supply to their own off-takers.

Those actions are a sure way of getting the best providers to build out the much needed RE in the country.