KEMENTERIAN TENAGA DAN SUMBER ASLI

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RENEWABLE ENERGY

'INVEST IN GREEN INFRASTRUCTURE'

RM30b to RM40b needed to upgrade national power grid, says Blueleaf CEO

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MALAYSIA should invest RM30 billion to RM40 billion to upgrade the national power grid to cater to renewable energy (RE) generation, said Blueleaf Energy chief executive officer Raghuram Natarajan.

"Tenaga Nasional Bhd's large-scale solar (LSS) programme has been a big catalyst for RE."

Natarajan was part of the panel at Invest Malaysia KL 2021's "Rebuilding A Sustainable Economy Series 4: Renewable Energy — Decarbonising Malaysia" webinar on Tuesday.

Under its energy transition plan, Malaysia wants RE to make up 31 per cent of its installed capacity by 2025 and 40 per cent by 2035.

Thus, the carbon emission intensity from the power sector is set to be reduced by 45 per cent in 2030 and a further 60 per cent in 2035 compared to the 2005 level.

This is in line with Malaysia's Nationally Determined Contributions targets under the Paris Climate Agreement.

Natarajan said with the cost of RE generation dropping and this presented Malaysia with an opportunity to ramp up output.

"As more markets around the world move away from the feed-in tariff subsidy-driven mechanism towards more of a fair market mechanism, RE is at a price point where it's commercially competitive.

"As we migrate from a subsidy-driven market to a more capacity-driven one, having stricter regulations and the right framework will help attract investors.

"The LSS framework is an example of being able to discover that prices are going in one direction and can be competitive, but in order to keep that momentum going, having a very predictable and robust framework is important to give investors certainty into future integrations," Natarajan added.

"As RE becomes more mainstream in terms of the energy mix, I think it's important to make sure that there is a robust framework and fair market mechanism."

Blueleaf Energy is one of Asia's leading RE developers and it specialises in the development, finance, construction and operation of commercial and industrial, utility-scale solar systems.



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