

# PM GEARS UP ENERGY TRANSITION PLAN

**RM2 billion seed fund to ensure renewable energy projects take off**

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**P**RIME Minister Datuk Seri Anwar Ibrahim yesterday unveiled Phase Two of the National Energy Transition Roadmap (NETR), which spells out the remaining initiatives to transform Malaysia into a regional leader in the energy transition and renewable energy (RE) industry.

Anwar, who is also finance minister, said the government had identified six energy transition levers, 10 flagship projects and 50 initiatives under the NETR.

The government will set aside RM2 billion as a seed fund for the National Energy Transition Facility to realise these goals.

"This facility will enable catalytic blended finance to ensure a seamless flow of financial resources towards energy transition projects that are marginally bankable or yielding below-market returns.

"For example, investment in electric vehicle value chain, hydrogen as well as carbon capture, utilisation and storage technologies," said Anwar in his speech at the launching yesterday.

Present were Economy Minister Rafizi Ramli and Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad.

Anwar said the allocation was vital due to the "immature" state



Prime Minister Datuk Seri Anwar Ibrahim inspecting an electric vehicle after launching Phase Two of the National Energy Transition Roadmap at an energy conference organised by Tenaga Nasional Bhd in Kuala Lumpur yesterday. PIC BY SAIFULLIZAN TAMADI

of the country's decarbonisation technologies.

The progress of the country's development, he said, hinged on alternative energy sources as well as robust regional and international collaboration.

Anwar said at least RM1.2 trillion would be needed until 2050 to transition to clean energy.

"Within this decade alone, the government requires between RM60 billion and RM90 billion to be allocated for crucial projects, among others, expansion of public transportation, strengthening grid infrastructure and reskilling human capital," he said.

Anwar also announced a renewable energy exchange, to be

launched next year, that would act as a market aggregator, enabling price discovery and monetising excess power.

"Energy efficiency as one of the energy transition levers that offers effective long-term solutions to manage our energy consumption, thus reducing carbon emissions.

"The government will launch a major retrofit programme to enhance energy efficiency in government buildings.

"In this regard, an energy service companies (ESCOs) platform will be established to connect private ESCOs, mainly small and medium enterprises, with government projects.

"The central role of the platform would be to serve as an intermediary that pools government building retrofitting projects and encourages public-private coordination in the ESCO market," he said.

To ensure holistic energy planning and policy development as well as to monitor the progress of the NETR, Anwar said the government would activate the National Energy Council.

Anwar said the NETR would accelerate and navigate the nation's energy transition measures on a larger scale, thus ensuring success in shifting from a traditional fossil fuel-based economy to a high-value, green and sustain-

able economy.

"The primary goal is to change how energy is generated in Malaysia by accelerating the energy transition.

"This can resolve the climate change crisis.

"With the implementation of initiatives under the NETR, Malaysia is set to be at the forefront of becoming a regional leader in the energy transition and RE industry," he said.

Anwar said Malaysia recognised the importance of RE sources.

In the early 1990s, he said RE was named the fifth fuel under the National Energy Policy.

"Today, the RE sources are solar, mini hydro, biomass and biogas. The RE supply in Malaysia is now at 25 per cent, and we are on the right track to source 31 per cent of (Malaysia's) power capacity from renewables by 2025 and 40 per cent by 2040.

"The NETR details how we will achieve these objectives," he said.

Anwar said Malaysia's sustainability drive had been gaining momentum, but emphasis should also be given to ensuring affordable energy and energy security.

"We are optimistic that the NETR will succeed in the balancing act.

"NETR will drive the creation of high-paying jobs and boost domestic and foreign investment participation, while ensuring the continuity of Malaysia's green energy supply," he said.

Earlier in his speech, Nik Nazmi described NETR as Malaysia's overarching macro policy document that covered the country's energy transition pathway for the power, transportation, manufacturing, and oil and gas sectors.