

# Alternative energy, the way forward

## PM: Move to clean energy will be economically, environmentally beneficial

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**KUALA LUMPUR:** Malaysia's progress will significantly depend on alternative energy sources as well as robust regional and international collaboration, said Prime Minister Datuk Seri Anwar Ibrahim.

As such, RM2bil has been set aside as seed fund for the National Energy Transition Facility, he added.

In his speech when launching the National Energy Transition Roadmap (NETR) Phase 2, Anwar said the allocation is important given the state of Malaysia's young decarbonisation technologies.

The Prime Minister underlined the importance of alternative energy sources as well as robust regional and international collaboration in determining the country's progress.

"As the paramount challenge in the energy transition is financing, it is estimated that aft investment of at least RM1.2 trillion between 2023 and 2050 is needed to enable a responsible energy transition.

"Within this decade alone, the government requires between



**Plans for the future:** Anwar (centre) visiting an exhibition at the launch of the second phase of the NETR. - SHAARI CHEMAT/THESTAR

RM60bil and RM90bil to be allocated for crucial projects, among them the expansion of public transportation, strengthening of grid infrastructure and reskilling of human capital," he said at the Kuala Lumpur Convention Centre here yesterday.

Anwar said the 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 the EV (electric vehicle) value chain, hydrogen and carbon capture, utilisation and storage (CCUS) technologies."

To ensure holistic energy planning and policy development, Anwar said the National Energy Council will be activated to monitor the progress of the NETR.

In May the government set out a target to achieve 70% renewable energy installed capacity by 2050 and lifted the ban on cross-border trade in renewable energy.

Anwar said a renewable energy exchange will be established and launched next year to act as a market aggregator that will enable price discovery aside from monetising excess power.

"The world has long been dependent on carbon-based fuels to produce energy. As we continued to power up our economy with fossil fuels, generating vibrant growth and expansion, so did carbon emissions, which grew at an exponential rate, adversely impacting our environment and triggering a global climate crisis.

"Do we have the solutions and technologies to resolve the issue? Could raising the use of sustainable and clean energy sources in the total energy mix be the definitive answer?"

"For Malaysia, while we have a vibrant oil and gas industry, the country recognises the importance of renewable energy (RE) sources," Anwar added.

In the early 1990s, RE was named the fifth fuel under the National Energy Policy. Today, the RE sources are solar, mini hydro, biomass and biogas.

The Prime Minister said Malaysia's RE supply is now at 25%, adding that the country is on

the right track to source 31% of its power capacity from renewables by 2025 and 40% by 2040.

Noting that electricity and heat generation by burning fossil fuels such as coal, oil or gas emits a huge amount of greenhouse gases, Anwar said the energy sector has been identified as the largest greenhouse gas emitter, which contributes to climate change.

"There are vast opportunities that will come with clean energy transitions across the supply chain, from manufacturers of solar panels, EV charging facilities and battery energy storage to a host of other technologies.

"All of these developments provide impetus for us to restructure our economy while boosting investment opportunities in green growth.

"The NETR will provide policy clarity in shaping Malaysia as a leader in energy transition among Asian economies," he said.