



MINISTRY OF ENERGY AND NATURAL RESOURCES

MEDIA RELEASE

MALAYSIA'S ENERGY TRANSITION PLAN 2021-2040 FEATURED AT THE SPECIAL MEETING OF ASEAN MINISTERS ON ENERGY AND THE MINISTER OF ECONOMY, TRADE AND INDUSTRY OF JAPAN

JUNE 21st, 2021

YB Datuk Seri Dr. Shamsul Anuar bin Haji Nasarah, the Minister of Energy and Natural Resources together with other ASEAN Ministers of Energy and representatives have gathered virtually at The Special Meeting of ASEAN Ministers on Energy and the Minister of Economy, Trade and Industry of Japan on the 21st June 2021. The Meeting was chaired by H.E. Nguyen Hong Dien, Minister of Industry and Trade of Viet Nam, and co-chaired by H.E. Kajiyama Hiroshi, Minister of Economy, Trade and Industry of Japan. The Secretary-General of ASEAN was also in attendance.

During the meeting, YB Datuk Seri Dr. Shamsul Anuar bin Haji Nasarah shared Malaysia's energy transition plans until 2040, which focuses on its power generation plan. YB Datuk Seri Dr. Shamsul also shared Malaysia's target of 31% Renewable Energy (RE) in its installed capacity in 2025 and 40% in 2035. To date, the installed capacity for RE in Malaysia is 7,995MW. By 2035, the RE installed capacity is projected to more than double to 18,000 MW.

The Minister also explained that to increase the share of RE in the power capacity mix, the government will be focusing on Peninsular Malaysia as it accounts for 80% of Malaysia's electricity demand. Out of the 31% RE target in 2025, 26% comes from Peninsular Malaysia in 2025 and out of the 40% target in 2035, Peninsular accounts for 32%. RE capacity in Peninsular is projected to increase from the current 4,430MW to 10,944MW in the next 15 years. As solar has the highest potential, Malaysia plans to introduce battery energy storage systems (BESS), with a total capacity of 500MW from 2030 onwards.

YB Datuk Seri Dr. Shamsul said with these RE targets, the carbon emission intensity from the power sector is set to be reduced by 45% in 2030, and a further 60% in 2035, compared to the 2005 level which is in line with Malaysia's Nationally Determined Contributions (NDCs) targets under the Paris Climate Agreement. The Minister also emphasized that Malaysia's energy transition plan should be an affordable one in line with the Sustainable Development Goal 7 of ensuring access to affordable, reliable, sustainable and modern energy for all. Therefore, while Malaysia is pushing for a

higher target of RE in its capacity mix, the Ministry also takes into account the affordability of the energy transition to the rakyat and the resiliency of Malaysia's energy system.

The Minister further explained that more than 7000 MW of coal power plants' Power Purchase Agreements (PPAs) will expire by 2033 and be replaced mostly by gas and RE, lowering Malaysia's carbon emissions. Although Malaysia will not be building new coal power plants, the Ministry does not discount the option of extending the operation of these plants. However, the decision for extension of these plants will depend on future availability of technologies in reducing emissions and also the cost of adopting those technologies. As solar has the highest potential in Peninsular, most of Malaysia's RE will be contributed by solar. Hence, the Ministry will introduce utility scale battery energy storage systems (BESS) with a total capacity of 500MW from 2030-2034.

In conclusion, the Minister stated that Malaysia's energy transition journey towards a lower carbon pathway is not without its challenges. Hence, ASEAN will continue to work together with various dialogue partners and international organisations to achieve its sustainable energy goals. Malaysia values the support offered by Japan to further enhance its policies and programmes which will assist in transitioning our energy systems towards a lower carbon pathway. Malaysia welcomes Japan's Asia Energy Transition Initiative (AETI) in providing support in terms of expertise, knowledge sharing and capacity building towards the development of a sustainable, affordable and reliable energy future for ASEAN.

In conjunction with The Special Meeting of ASEAN Ministers on Energy and the Minister of Economy, Trade and Industry of Japan, the ASEAN ministers together with the Minister of Economy, Trade and Industry of Japan adopted a Joint Statement on "Enhancing Partnerships in Realising Energy Transitions in ASEAN".

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