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KUALA LUMPUR (Sept 18): The Malaysian government had undertaken detailed discussions with Singapore regulators on issues relating to electricity exports to the city-state, said Minister of Natural Resources, Environment and Climate Change Nik Nazmi Nik Ahmad.

The discussions involving the ministry also included the Energy Commission and its Singaporean counterpart Energy Market Authority, as well as industry players, Nik Nazmi said. A paper on energy exchange will be tabled to the Cabinet in October, he said in the Dewan Rakyat.

"The discussion continues," Nik Nazmi said. "Even at prime minister level, and between myself and my counterpart [in Singapore]," he said.

Nik Nazmi (PH-Setiawangsa) was responding to questions on the status of the mechanism to allow local players to export renewable energy (RE) to Singapore.

Singapore's EMA is seeking to appoint licensed electricity importers, with an end-2023 deadline for its request for proposal. The country's administration has also initiated pilots with Indonesia and Laos to import low-carbon electricity from the neighbours.

Malaysia has lifted an electricity export ban to Singapore this year, but has yet to finalise the framework on the export. In East Malaysia, Sarawak has expressed interest to

Malaysia-Singapore in discussion on RE exports, Cabinet paper on energy exchange due October — Nik Nazmi

BY ADAM AZIZ
theedgemaalaysia.com

export its hydro-power generation to Singapore, including via direct transmission using undersea cable.

"We will ensure that the mechanism will capture the opportunities there [in Singapore], ensure the growth of the local RE industry, and provide the benefits [of] RE generation to our country," said Nik Nazmi, when responding on questions about Singapore's RFP deadline and whether a government-to-government (G2G) agreement is in the planning.

The fear is that "costs to upgrade the grid to facilitate RE fell to normal consumers" in the form of higher tariffs, which is especially impactful to lower income groups where RE is not a priority.

"If companies like Amazon, Google need RE, they have to pay more to invest into the grid," Nik Nazmi said, citing examples of carbon-conscious multinational companies.

Mini hydro roll-out dragged by conflicts with state governments

On the progress of RE capacity generation, Nik Nazmi pointed to efforts to expand beyond solar, including through biomass — currently mostly off-grid — and mini hydro, especially in Peninsular Malaysia.

"There is good potential with mini hydro," Nik Nazmi said. "However sometimes a lot of conflicts arise with the state governments [in the forms of] charges imposed by them and so on. We will study on how to encourage mini hydro," he added.

Nik Nazmi also touched on the scheduled retirement of coal plants in the country.

The government is looking at launching an RFP for early retirement of coal plants, and also "mothballing" — namely allowing coal plants to operate at a minimum scale to allow for increased capacity utilisation when energy is needed, such as being practised in Germany and China.