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MEDIA STATEMENT
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Energy Regulatory Insights 2026: Energy Reform Key to Malaysia's Economic Competitiveness

PUTRAJAYA, 8 September 2026 – Energy reform is increasingly central to Malaysia's economic growth and competitiveness as the country responds to rising energy demand, technological developments, investment requirements and the transition towards a cleaner energy system.

This was highlighted at the opening of **Energy Regulatory Insights (ERI) 2026,** organised by Suruhanjaya Tenaga (ST) from 8 to 9 September 2026 at Sunway Resort Hotel, Bandar Sunway, under the theme **"Energy Reform, Powering Growth".**

The two-day forum brings together policymakers, regulators, industry players, investors, financial institutions, international organisations, academia and other stakeholders to discuss the reforms needed to strengthen Malaysia's energy system and support long-term economic growth.

In his special address, Minister of Economy, YB Tuan Haji Akmal Nasrullah Haji Mohd Nasir, said energy reform could no longer be viewed solely as a sectoral or regulatory matter, but must be recognised as an integral part of Malaysia's broader economic agenda.

"Energy reform is no longer only a sectoral or regulatory matter. It is central to economic policy."

He noted that the cost, reliability and carbon profile of energy would increasingly influence investment decisions, industrial competitiveness, technology deployment and the ability to protect the interests of the *rakyat*.

Malaysia's economy expanded by 6.0 per cent in the second quarter of 2026, while the country secured RM218.5 billion in approved investments in the first half of 2026. This reinforces the need for reliable, affordable and increasingly cleaner energy to support higher-value activities, including advanced manufacturing, semiconductors, digital services, data centres and modern logistics.

ST's Chief Executive Officer, Puan Siti Safinah Salleh, said Malaysia's energy landscape is also being shaped by increasing uncertainty, including geopolitical developments, weather-related risks and disruptions across global supply chains. This reinforces the need for a more resilient energy system that can respond to changing conditions while maintaining reliability, affordability and consumer protection.

From Transition Ambition to Delivery

Malaysia has established its long-term energy transition direction through the National Energy Transition Roadmap (NETR), including a target to increase renewable energy installed capacity in the power mix to 70 per cent by 2050.

The focus now is on delivery, especially in translating policy into commercially viable projects, connecting new capacity to the grid, improving system flexibility and ensuring regulation keeps pace with technology and investment.

Among the developments highlighted is LSS PETRA 5+, which is expected to add almost 2 gigawatts of large-scale solar capacity, mobilise approximately RM6 billion in investment and create around 12,000 jobs as projects come onstream from 2027.

However, the energy transition will require more than additional generation capacity, with continued investment needed in transmission and distribution infrastructure, storage, digitalisation, forecasting and demand-side management.

"The energy transition will not be won by megawatts alone. It will be won by whether the grid can connect, balance and deliver those megawatts reliably."

Three Priorities for Energy Reform

YB Minister of Economy outlined three (3) key priorities for the next phase of reform: building a competitive and progressive energy market; modernising the electricity grid; and treating energy efficiency as an energy resource in its own right.

Malaysia's first National Energy Efficiency Action Plan (NEEAP) delivered cumulative electricity savings of 60,886 GWh, equivalent to approximately RM16.1 billion in savings, between 2016 and 2025. The Energy Efficiency and Conservation Act (EECA) 2024 and NEEAP 2.0 will further strengthen Malaysia's energy efficiency framework, with NEEAP 2.0 targeting an 11.6 per cent reduction in energy demand against the business-as-usual scenario by 2035.

In conjunction with ERI 2026, YB Tuan Haji Akmal Nasrullah also officially launched the EECA 2024 Communications Campaign. Under the theme "Value Your Energy, Be Energy Smart (*Hargai Tenaga, Guna dengan Bijak*)," the campaign calls on businesses, industry and the public to recognise the value of the energy they consume and use it more efficiently. ST will also organise a series of conferences nationwide to engage stakeholders and deepen their understanding of the EECA 2024 and its requirements.

Regulation Must Keep Pace

Puan Siti Safinah also highlighted the rapidly changing profile of energy consumers, particularly with the growth of cloud and AI data centres, which have introduced new considerations for energy demand, infrastructure planning and regulation. As these developments reshape the energy landscape, regulatory frameworks must continue to evolve while remaining aligned with the broader principles of reliability, economic efficiency, sustainability and consumer protection.

Meanwhile, Chairman of ST, YBhg. Datuk Seri Asri Hamidon, said ERI 2026 reflects the increasingly interconnected nature of energy, investment, industrial development, technology, sustainability and consumer expectations.

He said energy reform was no longer simply about changing the energy mix, but increasingly about Malaysia's future competitiveness.

"As demand grows from industrial expansion, data centres, electrification and new technologies, our energy system must be able to respond with sufficient capacity, stronger infrastructure, greater flexibility and the right investment signals."

At the same time, he stressed that affordability, security, reliability and safety must remain fundamental considerations in the reform process.

ERI 2026 will explore key issues shaping Malaysia's next phase of energy development, including energy market reform, investment and infrastructure, digitalisation and energy data, technical regulation, regional integration and emerging technologies.

As Malaysia marks 25 years of energy regulation, ST said its focus remains on ensuring that regulation evolves with the sector while preserving the fundamentals of security, affordability, reliability, safety and public interest.

The forum ultimately seeks to move the conversation from broad agreement towards practical action, with success measured not by megawatts announced alone, but by reliability delivered, costs managed, productivity gained, emissions reduced and Malaysian capabilities built.

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For further information, please contact us at media@st.gov.my.

ABOUT THE ENERGY COMMISSION

The Energy Commission (Suruhanjaya Tenaga - ST) is a regulatory body responsible for regulating the energy sector, particularly the electricity and piped gas supply industries in Peninsular Malaysia and the Federal Territory of Labuan. The Energy Commission ensures that the provision of electricity and piped gas to consumers is secure, reliable, safe and reasonably priced.