



MINISTRY OF ENERGY TRANSITION  
AND WATER TRANSFORMATION

## OFFICIAL OPENING SPEECH

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DEPUTY PRIME MINISTER MALAYSIA AND  
MINISTER OF ENERGY TRANSITION AND WATER  
TRANSFORMATION (PETRA)**

**OFFICIAL OPENING OF  
THE 6TH INTERNATIONAL SUSTAINABLE ENERGY SUMMIT  
(ISES) 2024**

**TUESDAY, 20 AUGUST 2024**

**KUALA LUMPUR CONVENTION CENTRE (KLCC)**

Bismillahirrahmanirrahim

[Salutation]

Assalamualaikum WBT, Salam Sejahtera & Salam Malaysia MADANI

## **INTRODUCTION**

1. Alhamdulillah, let us express our heartfelt gratitude to Allah SWT for His guidance and blessings that have brought us together today for the opening of the International Sustainable Energy Summit (ISES).

2. Here I would also like to extend my sincere thanks to the organizing committee for the privilege of standing before this distinguished assembly of visionary leaders, passionate advocates, and innovators of the energy transition from across the globe. My warmest welcome to all our guests, delegates, and participants, including those joining us ONLINE as your presence and support are vital for Malaysia as we strive to transition effectively towards a sustainable energy system while fostering growth across various economic sectors.

3. The theme of this conference, “Accelerating Energy Transition Through Innovation,” is timely and relevant, as global communities continue to intensify discussions and actions on energy transition strategies and initiatives. However, it is essential that we leverage technological advancements and innovation to accelerate in creating a sustainable, low-carbon energy system. While pursuing these aspirations, we must carefully address the energy trilemma of balancing the need for a reliable and resilient electricity supply with affordability and environmental sustainability.

4. Hence, the sixth edition of the ISES is expected as a crucial platform for policymakers, industry leaders, and experts in sustainable energy to share and explore innovative strategies and practices for energy transition imperative. As Steve Jobs once remarked, “Innovation distinguishes between a leader and a follower.”, it is my sincere hope that the insights and breakthrough ideas shared here will pave the way toward a more sustainable future for all of us.

## **TOWARDS A CARBON-NEUTRAL NATION THROUGH INNOVATION IN ENERGY TRANSITION**

Ladies and Gentlemen,

5. The International Energy Agency (IEA) projects that renewable energy will contribute 95% of the increase in global power capacity by 2030, highlighting the crucial need for innovation in facilitating this transition. The growth in electricity generation from renewable sources and the adoption of energy-efficient practices are essential in addressing climate change which are significantly influenced by the evolving trends in geopolitics, economics, investment, and trade. Consequently, Malaysia must also strategically address these areas to safeguard our national trade interests and sovereignty while creating new opportunities for wealth generation and economic growth.

6. In light of the shifting geopolitical and trade landscape, Malaysia is committed to a clear and ambitious vision of a low-carbon future, aligning itself with our global pledge to achieve net-zero carbon emissions by 2050. This commitment is not merely rhetorical; it is supported by a comprehensive

framework of policies, regulations, and initiatives as outlined in our National Energy Transition Roadmap (NETR). Currently, our energy sector is responsible for nearly 80% of our annual greenhouse gas emissions of approximately 259 million tonnes. Therefore, the energy transition to cleaner energy is not a choice but a clarion call for action by all of us.

7. We must proactively pursue a cleaner energy matrix while navigating the complexities of the energy trilemma of sustainability, security and affordability. It is in this spirit that we are gathered at ISES 2024 to initiate discussions that will drive meaningful progress in our individual and collective energy transition journeys. For Malaysia, our ambition revolves around ensuring a just and responsible transition. As an economy traditionally reliant on fossil fuels, we must ensure that this transition does not negatively impact our citizens.

8. The Government of Malaysia recognizes that the energy sector is a crucial driver of economic development and growth. We believe sustainable energy development will foster resilient socioeconomic progress in ensuring harmony between enhancing the quality of life and preserving our natural resources. As such, innovation is crucial at the heart of this transition in empowering Malaysia in achieving its carbon-neutral goals. To meet our carbon-neutral target, the energy sector, particularly the electricity supply industry must play their role.

Moving forward in embracing this energy transition aspirations, the Malaysian government has committed to:

- a. Increase the share of Renewable Energy (RE) capacity in the national electricity supply to 40% by 2035 and 70% by 2050 as outlined in the

NETR. With the current RE capacity standing at 26%, advancements in technology and integration are essential in achieving these targets as espoused at the World Economic Forum which emphasizes, “The future of energy is renewable, and innovation will drive this change.”

- b. Transitioning from coal to significantly reduce greenhouse gas emissions by phasing out coal-fired generation and halting the establishment of new coal power plants by 2030. The IEA reports indicate that “the transition from coal is crucial for reducing global emissions and limiting temperature rise.”
- c. Enhancing grid flexibility through investments in smart grid, digitalization and energy storage systems, aiming for at least a 20% increase in grid flexibility by 2035 to facilitate greater RE capacity integration.
- d. Promoting cross-border trade of renewable energy to foster regional cooperation and the development of a regional power grid in ensuring energy security for the Asean Family. This will facilitate the sharing of excess renewable energy generation across borders, ensuring efficient use of surplus energy and minimizing reliance on fossil fuels. By enabling cross-border trade, we can establish a more integrated and efficient electricity infrastructure that benefits both Malaysia and our neighbouring countries.

Ladies and gentlemen,

9. Malaysia’s journey toward a sustainable energy future will be guided by three key innovations: electrification, automation, and digitalization.

Electrification is a crucial step in reducing carbon emissions, especially as we project our population to exceed 40 million and our economy to triple by 2050. We must ensure that all new energy additions to our system aligns with our net-zero ambitions while gradually replacing existing energy supplies with lower-carbon alternatives.

10. Likewise, automation and digitalization, bolstered by the Fourth Industrial Revolution and the New Industrial Masterplan 2030 are vital for scaling production and optimizing energy systems. As our energy demand continue to grow, these technological advancements will be instrumental in integrating renewable sources, improving grid management, and ultimately facilitating the transition to a sustainable energy landscape.

11. By using digital technologies, we can optimize our energy consumption intelligently using AI and advanced analytics to save energy, enhance equipment performance, and significantly reduce energy waste in our move towards a more resilient and efficient energy ecosystem.

12. We anticipate that these innovative policy initiatives will support Malaysia's goal in achieving carbon neutrality by 2050 while creating substantial economic opportunities including an expected RM40 billion in investments by 2035 and 50,000 direct job creation.

## **SUSTAINABLE ENERGY AS A COMPETITIVE ADVANTAGE THROUGH INNOVATION**

Ladies and Gentlemen

13. The government is conscious of the growing demand for green

electricity as a promising economic opportunity for Malaysia by capitalizing on our robust renewable energy industry value chain. Our goal is to attract foreign direct investment (FDI) by fostering an investment-friendly environment that encourages industry players to expand their operations and draw in high-value green investments.

14. To stay competitive, we must be forward-thinking on sustainable energy development and embrace innovation in adapting to global trends. The integration of renewable energy into various sectors such as transportation, heating and industrial processes, necessitates policy interventions and proactive planning that promotes and supports technological advancements for this energy transition.

15. Needless to say, Malaysia needs to offer a range of options in accessing green electricity, whether through direct sourcing from renewable projects or through on-site and off-site solutions so we can not only reduce the carbon footprint of our electricity supply system but also increase the share of renewable energy in the national electricity generation mix.

16. I firmly believe with enhanced policies and legislation, Malaysia can seize these invaluable investment opportunities. For this reason, I call upon government agencies and utility companies to synergistically facilitate the industry by ensuring competitive cost of doing business and most importantly, streamline bureaucratic processes. This is crucial for advancing Malaysia's energy sector competitiveness and visibility at both regional and global levels.

Ladies and Gentlemen,

17. In our ongoing commitment to future-proof the electricity supply sector and reinforce the government's dedication to energy transition, we will:

- i. Continue to expedite and enhance the implementation of an open grid mechanism, facilitating increased access to green electricity for businesses through third-party or corporate power purchase agreements.
- ii. Strategically transition away from a single-buyer model for renewable energy (RE) development to effectively de-risk the national electricity supply system, fostering greater participation and competition within the power supply industry and among RE stakeholders. This shift will foster a competitive market for renewable energy, leading to cost reductions, enhanced investor confidence and accelerated deployment of clean energy technologies.
- iii. Promote the development and deployment of non-solar renewable energy resources such as biogas, biomass, and mini-hydro to diversify our power generation sources while ensuring energy system security and reliability. To reinforce our commitment, a Feed-in Tariff (FiT) quota of 190MW for biogas, biomass, and mini-hydro development will be allocated through e-bidding. To identify potential areas for bioenergy development. Concurrently, SEDA Malaysia will be conducting a bioenergy cluster study in sourcing green electricity from non-solar resources which will be permitted under the newly introduced Corporate Renewable Energy Supply Scheme (CRESS).
- iv. Accelerate the implementation of grid-level battery energy storage systems (BESS) including exploring the potential establishment of an



electricity ancillary market mechanism. The deployment of grid-level battery energy storage systems will enable efficient management of intermittent renewable energy sources like solar. Additionally, exploring the implementation of an electricity ancillary market mechanism will offer economic incentives for energy storage and other grid-supportive technologies, facilitating the integration of renewable energy sources and ensuring a more resilient and flexible energy infrastructure.

- v. Enhance the current accreditation process focusing on renewable energy within the Technical and Vocational Education and Training (TVET) Programme to establish a robust framework for skill development and certification. By collaborating with the government, educational institutions, and private companies to align training with industry needs, our goal is to equip individuals with specialized knowledge and practical skills necessary to drive innovation and sustainability in the energy transition. Ultimately, we aim to cultivate a skilled, capable and competent workforce to meet the evolving demands of the industry.

## **CONCLUSION**

Ladies and gentlemen,

18. As we embark on this journey of transition and innovation over the next two days, let us listen, learn, and collaborate. I encourage all of you to share your experiences and accomplishments, present your ideas, and engage wholeheartedly in the dialogues.

19. Together, we can illuminate the path towards a sustainable energy future that prioritizes ecological health and enhances social justice. The discussions initiated here can resonate globally, bringing us closer to the world we aspire that celebrates the potential of renewable energy and advocate inclusivity in all aspects. Our aim is to nurture a talent pool well-versed in the intricacies of the green industry, inspiring sustainable growth and contributing significantly to Malaysia's energy transition objectives.

20. Once again, welcome to ISES 2024. Together, let us transform this event into a defining moment of progress that will inspire generations to come! In the spirit of Bismillahirrahmanirrahim, I hereby declare the commencement of the 6th International Sustainable Energy Summit 2024.

Wabillahitaufik      Walhidayah      Wassalamualaikum      Warahmatullahi  
Wabarakatuh.

Thank you.