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**Speech by**

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**Deputy Prime Minister and Minister of Energy Transition & Water Transformation**

**at The International Petroleum Technology Conference (IPTC)**

**18 February 2025**

**Distinguished Leaders, Honoured Guests, Ladies and Gentlemen,**

[Salutations: To be inserted upon confirmation of VIP list]

***Assalamu'alaikum warahmatullahi wabarakatuh, and a very good afternoon to all.***

It is a great honour to address this distinguished gathering. On behalf of the Government of Malaysia, I extend my warmest welcome to all participants, especially our esteemed international guests.

Malaysia is honoured to host this event, serving as a vital platform for industry leaders and stakeholders to reflect on the progress of the global petroleum sector, celebrate key milestones, and draw valuable lessons for the future. More than just a forum for discussion, this gathering foster meaningful collaborations among nations, corporations, and experts, each contributing unique insights and aspirations. Together, we are united by a shared purpose: to reflect, innovate, and evolve as we navigate the energy transition and shape a more sustainable future.

It is truly inspiring to witness the collective ambition in this room as we are here to seek innovative solutions for a future where energy is clean, reliable, and affordable for all.

***Ladies and gentlemen,***

It is a privilege to stand before you today as we convene under IPTC's powerful call to action: *Energy for All: Reflect, Innovate, and Evolve*. This theme compels us to pause and reconsider our approaches, challenging us

to develop innovative solutions to address urgent global challenges as we strive to shape a sustainable future for humanity.

The energy landscape is evolving at an unprecedented pace, driven by the imperatives of sustainability, reliability, accessibility, and equity. As we gather here, we reaffirm a fundamental truth: access to affordable energy is not a privilege but a right.

Malaysia is resolute in its commitment to ensuring that this right is fulfilled by providing affordable, reliable, and sustainable energy for all Malaysians including for rural and remote communities. As Malaysia assumes the Chairmanship of ASEAN in 2025 under the theme “Inclusivity and Sustainability”, our vision is for a resilient, people-centred, equitable, and future-ready ASEAN, one that balances growth with sustainability.

Here at the Kuala Lumpur Convention Centre, we stand on common ground, united in our resolve to reflect, innovate, and evolve towards a future that will usher in a new era of progress for the ASEAN region.

**Malaysia’s Commitment to a Sustainable Energy Future**

Over the years, Malaysia has remained steadfast in balancing economic growth, energy security, and environmental responsibility. While this remains a complex challenge, we are unwavering in our commitment to the Paris Agreement, with a national target of achieving net-zero emissions by 2050.

To realise this vision, Malaysia has taken decisive steps to align its energy policies with global sustainability goals. Key bold and ambitious initiatives were meted out in the *National Energy Transition Roadmap (NETR)*, of which six (6) energy transition levers, namely Energy Efficiency (EE), Renewable Energy (RE), Hydrogen, Bioenergy, Green Mobility and Carbon Capture, Utilisation and Storage (CCUS), have been strategically structured into 10 flagship energy transition projects.

I am pleased to inform that many new power sector related initiatives have been introduced to support the energy transition intent under the NETR. Among others we have introduced the open access initiative through the Corporate Renewable Energy Supply Scheme (CRESS) to allows direct procurement of green electricity from renewable energy generators. We

have also just recently announced the implementation of the Community Renewable Energy Aggregation Scheme (CREAM), which allows direct procurement and supply of green electricity from aggregated rooftop solar at local and community level.

The implementation of these programmes are expected to spearhead the deployment of RE in our electricity supply system. To date, renewable constitutes 28% of Malaysia's installed power capacity energy, with significant advancements in solar, hydropower, biogas and biomass. While the 2,400MW Bakun Hydroelectric Dam in Sarawak shall contribute significantly to the national RE target of 40% in 2035, other landmark utility scale solar projects under the Large Scale Solar Programme, Rooftop and Prosumer Solar Programme as well as the Battery Energy Storage System Programme shall be the driving force for our national target of 70% RE by 2050.

**Addressing the Challenges of Energy Transition**

Despite these advancements, renewable energy alone cannot yet meet the world's growing energy demands. A reliable power supply system requires consistent baseload supply. Therefore, transitional fuels such as natural gas remain important in the energy mix, requiring advanced technologies to reduce emissions and minimize environmental impact.

Challenges persist in technology scalability and cost. Biojet fuels and Sustainable Aviation Fuels (SAF), while gaining attention, remain far from commercial viability. Similarly, hydrogen and electric propulsion technologies are still in early development, with uncertain timelines for widespread adoption. Further, stalled policy frameworks in key markets create additional hurdles, slowing innovation and investment.

Southeast Asia's rapid urbanisation, industrialisation, and population growth mean that reliance on fossil fuels will remain high. Even as we increase our adoption of renewables, we must simultaneously decarbonise the entire oil and gas value chain to mitigate environmental impact.

To address this, Malaysia has embarked on multiple initiatives to reduce carbon emissions, enhance grid resilience, lower energy costs, and extend energy access to underserved communities. These efforts represent critical innovations that will shape the foundation of Malaysia's energy transition.

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## Innovating for a Cleaner, More Inclusive Energy Future

***Ladies and gentlemen,***

Malaysia is committed to diversifying its energy mix by investing in energy efficiency and low-carbon solutions. Guided by the National Energy Transition Roadmap, we are targeting a 70% renewable energy share in our power generation mix by 2050, with significant investments in solar, hydro, biogas and biomass energy.

To accelerate this transition, we have tripled funding for the National Energy Transition Facility Fund to over RM300 million in the 2025 national budget. Additionally, the Green Technology Financing Scheme, with RM1 billion allocated until 2026, will support the adoption of green technologies across industries.

A key focus of our decarbonisation efforts is Carbon Capture, Utilisation, and Storage (CCUS) technology. Malaysia has taken bold steps in this domain, with PETRONAS leading Southeast Asia's first CCS project in Sarawak. This initiative captures and stores carbon emissions from offshore gas facilities, paving the way for scalable CCS solutions in the region. Our ambition is to establish Malaysia as a regional hub for CCS technology, leveraging our strategic position to support neighbouring countries in their decarbonisation efforts.

Additionally, under the Hydrogen Economy and Technology Roadmap (HETR) 2023, Malaysia aims to generate RM12.1 billion in revenue from hydrogen initiatives, including the Sarawak Hydrogen Hub, which will see the development of three green hydrogen production plants by 2027.

Meanwhile, Malaysia is modernising its power grid with smart technologies, AI-driven energy management, and battery energy storage systems (BESS) to enhance grid resilience. Tenaga Nasional Berhad (TNB) will continue to enhance 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.

Furthermore, we are incentivising the electrification of transportation through tax exemptions for electric vehicles (EVs) and investments in charging infrastructure, accelerating the shift towards green mobility.

**Strengthening ASEAN Collaboration for Energy Resilience**

ASEAN's rapid economic growth, high energy demand, and vast renewable energy potential make it a pivotal player in the global energy transition. As Chair of ASEAN in 2025, Malaysia is committed to strengthening partnerships, fostering trust, and establishing a cohesive framework to attract investments and drive regional progress.

A key priority is the ASEAN Power Grid initiative, which seeks to interconnect energy systems across the region, positioning ASEAN as a green energy hub. Through collaboration, shared goals, and investment in clean technologies, we can leverage our collective strength to accelerate the energy transition and drive sustainable growth.

**Embracing Change and Evolving Together**

***Ladies and gentlemen,***

Our journey ahead is not without challenges. The energy transition requires bold action, sustained collaboration, and a willingness to embrace change. However, the rewards are immense. It is a future of shared prosperity, environmental stewardship, and energy security for all.

As we reflect, innovate, and evolve, let us think boldly, act courageously, and innovate relentlessly. Together, we can redefine what is possible, not just for Malaysia or ASEAN, but for the world.

In closing, I urge all of you to seize the opportunities this conference presents. Let us exchange ideas, forge partnerships, and drive meaningful progress towards a cleaner, more sustainable energy future.

It is with great honour and anticipation that I now officially declare this conference open.

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Thank you.