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BY 2035

NEEAP 2.0 TO SAVE NATION RM85.24B IN ENERGY COSTS

Plan targets 11.6pc cut in national demand, translating to cumulative savings of 815,382TJ compared with current trajectories, says minister

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MALAYSIA expects its National Energy Efficiency Action Plan 2026-2035 (NEEAP 2.0) to generate RM85.24 billion in cumulative utility savings by 2035, as it seeks to contain energy demand amid rapid industrial expansion and the shift to cleaner power.

The plan targets an 11.6 per cent reduction in national energy demand, equivalent to cumulative energy savings of 815,382 terajoules (TJ) against a business-as-usual scenario, Economy Minister Akmal Nasrullah Mohd Nasir said.

The energy-efficiency measures are also expected to prevent 26,108 kilotonnes of carbon dioxide equivalent in greenhouse gas emissions by 2035, he said.

The targets come as Malaysia faces rising electricity demand from data centres, manufacturing and other energy-intensive industries, while pursuing a broader transition toward renewable energy and a lower-carbon economy.

"Over 10 years, the first NEEAP delivered electricity savings of

60,886 gigawatt-hours (GWh), exceeding its target of 52,233 GWh," he said at the 7th International Sustainable Energy Summit 2026 here yesterday.

"This is equivalent to an estimated reduction of 35.6 million tonnes of carbon dioxide equivalent and savings of about RM16.1 billion," Akmal said.

NEEAP 2.0 complements the National Energy Policy 2022-2040, the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the 12th and 13th Malaysia Plans.

The action plan focuses on four strategic thrusts, covering energy efficiency implementation, workforce reskilling and upskilling, sustainable funding mechanisms, and private-sector initiatives and investments.

Its key initiatives cover energy efficiency across the industrial, building and domestic sectors, alongside wider adoption of digital technologies and smart energy-management systems.

Akmal said improving energy efficiency is necessary as Malaysia expands clean energy supply, with NEEAP 2.0 aimed at making efficiency an integral part of the economy.

He said the Energy Efficiency and Conservation Act (2024) marked an important shift towards institutionalising energy efficiency across the economy.

"Together with the next phase of the national policy, including thermal energy management, it will encourage users to optimise consumption, improve competitiveness and reduce pressure on the grid.

"Energy efficiency must become standard business practice and a national productivity tool, and ultimately, a way of life," he said.

RENEWABLE ENERGY INVESTMENT

Akmal said Malaysia's 2026 Feed-in Tariff (FIT) e-bidding exercise is expected to catalyse about RM4.3 billion in investment in biogas, biomass and small hydropower projects, as the government seeks to accelerate renewable energy deployment and strengthen domestic supply chains.

He said the awarded projects will also generate about RM617 million in demand for domestically manufactured gas engines and boilers, creating spillover benefits for domestic manufacturers.

The projects are expected to cre-



Economy Minister Akmal Nasrullah Mohd Nasir (centre) launching the National Energy Efficiency Action Plan 2026-2035, which is held in conjunction with the 7th International Sustainable Energy Summit (ISES) 2026, in Kuala Lumpur yesterday. With him are Deputy Energy Transition and Water Transformation Minister Datuk Seri Abdul Rahman Mohamad (second from right), Sustainable Energy Development Authority Malaysia chairman and adviser of the 7th ISES, Tan Sri Dr Wan Ahmad Dahlan Abdul Aziz (second from left), as well as other officials.

NSTP PIC BY AHMAD UKASYAH

ate about 7,738 indirect jobs while supporting domestic supply chains and generating wider economic activity, he said.

"This is the outcome we seek. More renewable energy, stronger domestic supply chains, greater investment and tangible economic value for the country," he said.

Under the FIT mechanism, renewable energy producers are paid a fixed tariff for electricity supplied to the national grid over an agreed period.

The mechanism provides longer-term revenue visibility for developers and is designed to encourage investment in renewable power projects.

The Sustainable Energy Development Authority Malaysia (SEDA Malaysia) received 48 applications under the latest e-bidding exercise, representing a combined net export capacity of 370.48 megawatts (MW).

Following evaluation, 42 applications with a total approved capacity of 331.355MW were awarded, Akmal said.

The successful bids comprise 16 biogas projects with a combined capacity of 26.185 MW, 11 biomass projects totalling 135.94 MW and 15 small hydropower projects totalling 169.23 MW.

The implementation of new renewable energy projects under

the FIT mechanism is part of the Energy Transition and Water Transformation Ministry's commitment to increase renewable energy's share of the country's electricity supply mix to 70 per cent by 2050.

The expansion of biogas, biomass and small hydropower capacity is also expected to strengthen electricity supply reliability by diversifying renewable energy generation sources while providing firm and consistent electricity supply.

Akmal said the outcome demonstrated the government's efforts to expand renewable energy while attracting investment and strengthening domestic supply chains.