



ESG IN REAL ESTATE ISSUE 107

Data Centre Growth Could Unlock RM36 Billion Solar Market Overall



Malaysia's expanding data centre pipeline could open a renewable energy market worth between RM9 billion and RM36 billion, depending on how demand is calculated, according to Hong Leong Investment Bank. The Data Centre Task Force has approved an additional 5 gigawatts of capacity on top of an existing 8.3 gigawatt pipeline as of June, with newly approved projects potentially facing a minimum 30% renewable energy sourcing requirement.

Under a capacity matching scenario, meeting that requirement would need about 2.25 gigawatts of solar capacity alongside 1,125 megawatts of battery storage, valuing the opportunity at roughly RM9 billion. A fuller energy consumption scenario raises solar needs to 9 gigawatts and battery storage to 4.5 gigawatts, lifting the market value toward RM36 billion given the intermittent nature of solar generation.

Momentum is building after the Energy Transition and Water Transformation Ministry unveiled a Corporate Renewable Energy Supply Scheme acceleration package on September 21, offering 14 sen per kilowatt hour for firm green electricity under 10 year contracts, with projects required to reach commercial operation by December 31, 2028.

Solar Developers Eye First CRESS Wins Within Three Months Ahead



Renewable energy developers are racing toward a December 2028 deadline under Malaysia's Corporate Renewable Energy Supply Scheme, with Solarvest and Samaiden tipped to secure their first project awards within the next three months. The scheme's newly announced acceleration package cuts the system access charge for firm supply by 30%, from 20 sen to 14 sen per kilowatt hour, while requiring a mandatory 10 year contract between developers and green consumers.

Analysts expect award momentum to build through the fourth quarter of 2026 and into the first quarter of 2027, supported by stronger project economics than earlier large scale solar programmes. Tenaga's DayOne project under the scheme points to an estimated internal rate of return of about 12%, compared with 6% to 8% previously, while Hong Leong Investment Bank estimates suggest Solarvest and Samaiden could see returns between 9% and 11% depending on contract tenure and financing costs.

Data centres remain a key demand driver, following approval of an additional 5 gigawatts of capacity that could carry minimum renewable energy sourcing requirements, reinforcing the scheme's growing relevance to corporate investors.

Sabah Now Offers Solar Installation Option For Government Buildings Statewide



All Sabah government owned buildings will be offered the option to install solar energy systems, with implementation beginning in early 2026 and participation kept voluntary rather than mandatory. Education, Science, Technology and Innovation Minister Datuk James Ratib said the initiative should cut electricity consumption by about 10%, easing operational costs across state facilities over time and freeing up budget for other public priorities.

As an initial step, 24 libraries under the ministry have been identified as pilot sites for solar panel installation, with the state government projected to earn a 32% return on the investment over the system's lifespan. Ratib said the estimated 10% savings at these libraries alone demonstrate the approach's potential before any wider rollout across other government premises statewide.

Preparations and discussions are set to begin in October 2026, with broader implementation planned for 2027. The phased approach allows Sabah to test outcomes at a manageable scale first, building a practical case for expanding solar adoption across its wider portfolio of public buildings in the years ahead.

Solar Batteries Deliver Power To Orang Asli Village In Perak



Kampung Sat, an Orang Asli village of about 100 residents across 10 households in Sungkai, Perak, gained reliable electricity for the first time after 10 portable battery energy storage systems were deployed on September 3. The community previously lacked conventional infrastructure, living in bamboo homes and relying on liquefied petroleum gas for cooking and river water for daily needs.

The systems, expected to deliver about 43,800 kilowatt hours of renewable energy while avoiding roughly 120 tonnes of carbon emissions, can be recharged in six to eight hours using one 120 to 160 watt solar panel, or four hours with two panels working together. Singapore based clean energy company GoRental Global launched the initiative, called PowerToEmpower, working closely with community partners Kenneth Toon and Arn Toon to reach the village.

Founder and managing director Colin Peh said the priority is serving decentralised communities far from the city. The company now plans to expand the programme to Sarawak and fishing villages in Pontian, Johor, targeting areas still dependent on diesel generators for daily power needs.

Melaka Advances Its Green Transformation Under Growing Statewide Solar Push



Melaka is stepping up its sustainability agenda, with Natural Resources Minister Datuk Seri Arthur Joseph Kurup describing the state's progress as highly impressive during 2026 National Environment Day celebrations. The state aims to position itself as a Green Champion State under Chief Minister Datuk Seri Ab Rauf Yusoh, aligned with the Melakaku Maju Jaya Strategic Plan 2035, which sets long term sustainability targets.

Key achievements highlighted include ESG based investment steering, development of a Sustainable Biomass Hub, and expansion of solar energy alongside the Smart Melaka Blueprint digitalisation drive. Ab Rauf outlined planned solar farms in Ayer Keroh, Rembia, Bemban and Masjid Tanah with a combined capacity of 102 gigawatt hours annually, while a hybrid solar farm covering 122 hectares at Jus Dam targets completion by the end of 2027.

Additional initiatives span the Sungai Udang waste to energy project, expanded electric vehicle charging infrastructure, enhanced green spaces including Taman Seribu Bunga and SDG Park, and continued preservation of the Melaka Geopark, rounding out a broad based sustainability push across the state.

New Kedah Centre Builds Skills For Electric Vehicle Industry Growth



Kolej Lembaga Kemajuan Wilayah Kedah has become the first training institution in Kedah to offer electric motorcycle technology instruction, launching the EV MIACE Academic Centre of Excellence through a partnership with Modenas. Deputy Rural and Regional Development Minister Datuk Rubiah Wang said the centre will serve as a training hub for students while carrying potential to function as a research and innovation base as well, supporting the wider industry over time.

The programme equips students with electric vehicle technology expertise and gives instructors the opportunity to upskill alongside them, addressing rising industry demand for talent in the fast growing segment. Instruction continues to cover high powered motorcycles and broader automotive areas, helping graduates build well rounded skills for both domestic and international employment opportunities ahead.

The announcement came alongside the college's 13th graduation ceremony, which produced 367 skills and diploma graduates plus 115 tahfiz TVET graduates this year. Rubiah noted that nearly all graduating students secure employment in the automotive field, underscoring the strong link between training investment and workforce readiness across the wider sector.