

Infrastructure, Energy & Resources

Low Carbon Energy Generation Programme

Introduction

On 26 January 2024, the Ministry of Energy Transition and Water Transformation (PETRA) has introduced the new Low Carbon Energy Generation Programme ("LCEGP") as one of the Government's initiatives in achieving the goals outlined in National Energy Transition Roadmap (NETR). The LCEGP is available to power generation projects that utilise low-carbon power generation such as small hydro, biogas, biomass and hydrogen. Such projects will have to be registered under the New Enhanced Dispatch Arrangement ("NEDA") mechanism.

Implementation of the Low Carbon Energy Generation Programme

Starting from 5 February 2024, applications to participate in the LCEGP have been made available to the public on the official website of the Single Buyer¹. The participation will be on a 'first come, first served' basis and only 400 megawatt ("MW") total quota has been allocated for this programme. As of 22 March 2024, 0.4 MW has been applied.

The LCEGP enables power generators to supply electricity to the Single Buyer to oversee electricity planning and administer electricity procurement services in Peninsular Malaysia.

Subject to the capacity of the plant, the applicant may select any of the following categories in the participation under NEDA:

Category	Large Merchant Generator (30 MW and above)	Price Taker (<30 MW)
Bidding Mechanism	<ul style="list-style-type: none">Submission of Bid Price and Quantity	<ul style="list-style-type: none">Not subject to bidding mechanism (Applicant is only required to submit Planned Generation Schedule (PGS))
Settlement	<ul style="list-style-type: none">Actual System Marginal Price (SMP)	<ul style="list-style-type: none">Actual System Marginal Price

¹ <https://www.singlebuyer.com.my/>

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Category	Large Merchant Generator (30 MW and above)	Price Taker (<30 MW)
		(*Any Metered Output below 100 kW or 1% of the Price Taker’s Installed Capacity (whichever higher) shall be disregarded by the Single Buyer)
Failure to meet declared MW	<ul style="list-style-type: none"> Penalty of RM150 for each MW shortfall per event 	<ul style="list-style-type: none"> No penalty

Concluding Words

The implementation of LCEGP will enhance energy security and reliability within Malaysia, while allowing new economic prospects through the establishment of power generation projects that utilise non-solar renewable resources.

To view our previous Update on other energy transition programmes and initiatives for 2024, please refer to the following:

- [Malaysia Announces Renewable Energy Programmes in line with the National Energy Transition Roadmap](#)

Should you require further information or any advice on the above or any other matters pertaining to projects, energy and infrastructure, please feel free to reach out to any member of our team listed below.

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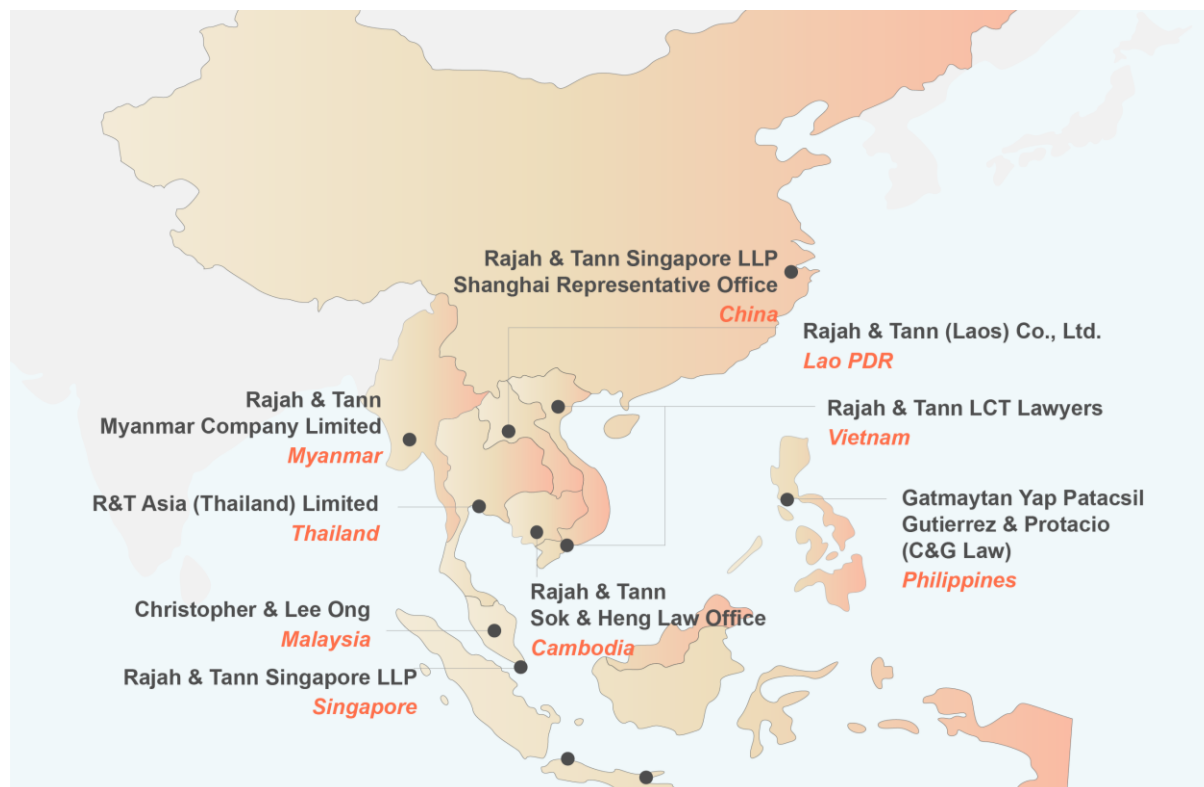
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