

# Climate Change & Renewable Energy

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## WELCOME to the Special Edition of LHAG's *Legal Herald*

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On behalf of Lee Hishammuddin Allen & Gledhill (“**LHAG**”), I am delighted to welcome you to our special edition of the *Legal Herald*, LHAG’s periodical on developments in the law. In this issue, we present a series of articles on a range of key topics that should appeal to investors and other players within the energy and renewables sectors. Given the unprecedented growth in energy-related investment, it is ever more important that energy players understand the regulations, policies, risks and opportunities that may affect their interests. In this newsletter, we have endeavoured to thoroughly cover a broad spectrum of issues in order not only to educate investors about these industry-specific matters, but also to highlight the potential for investors to capitalise on business opportunities arising out of the Earth’s changing climate.

Climate change is unsurprisingly regarded as one of the biggest threats and long-term challenges for businesses. By staying on top of regulatory change, technological advancement and market demand, corporations can better perceive and manage climate change risk with the objective of preparing their businesses for a low-carbon world. In **Crystal Wong Wai Chin’s** article, she highlights the possible risks arising out of climate change and examines the emerging opportunities for corporations leading the transition towards a lower-carbon economy.

Despite the strong incentives offered by the Malaysian government to promote its sustainability and renewable energy (“RE”) policies, the hard truth is that Malaysia’s carbon emissions have continued to rise significantly. In their article, **Ooi Bee Hong** and **Eleena Abd Wahab** offer investors an overview of the existing regulatory framework and underscore the importance of having robust laws and incentives in the Malaysian RE industry. Nevertheless, it bears emphasising that achieving the government’s RE goals will require the cooperation and commitment of stakeholders across the industry in working together to reduce our carbon footprint.

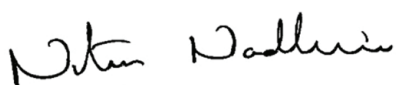
Supplementing their grasp of the Malaysian regulatory environment for RE, investors with international ambitions may also wish to explore RE opportunities abroad. In light of the increasing prevalence of cross-border investment projects, it is essential that energy investors have a strong apprehension of the jurisdictions in which they transact. A wise starting point would be to recognise the vital distinctions between common law and civil law systems, covered with precision by **Lim Chee Yong** and **Teh Wai Fung** in their article. A rigorous understanding of the legal nuances of different jurisdictions is imperative to the avoidance of legal pitfalls.

Casting an eye to the not-so-distant future, we turn to look at the use of blockchain technology and “smart contracts” as convenient and cost-effective tools for dealing with unambiguous, straightforward transactions. In their article, **Abang Mohd Iwwan** and **Lee Zhe Ying** discuss both the practicality of smart contracts within the energy and renewables sectors, and the limitations and legal hurdles that may restrict their adaptability and functionality. Even so, their benefits and their potential to become an integral component of the energy sector in the foreseeable future should not be underestimated.

We conclude with a special contribution from **Guy Block**, Partner and Head of the Energy & Infrastructure Department at Janson, one of LHAG’s fellow Interlaw members from Belgium, together with two of his Associates, **Christophe Rolain** and **Elvira Saitova**. In their article, Guy and his team explore some of the ways in which the risk of investor-State arbitral disputes in energy projects can be shrewdly managed through both specific clauses in arbitration agreements and legislative measures by States, so as to support these projects’ success. I wish to record my sincere thanks to Guy, Christophe and Elvira for their informative and enlightening contribution.

Whether you are a regulator, an energy investor, a contractor, an engineer or simply someone with an interest in energy and renewables, I hope this special edition provides a greater perspective on the prevailing legal landscape of this sector and its future direction.

Special thanks to my assistant editor, Wai Fung, and I promise you a captivating read!



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