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Blazing the Trail: Championing Solar Energy in Malaysia

The Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), together with the Sustainable Energy Development Authority (SEDA) and the Energy Commission (EC), have been proactive in its efforts to provide sustainable, reliable and affordable solar energy for Malaysians. MESTECC has introduced new policies and incentives, which took effect on 1 January 2019, in line with its aim for 20% of Malaysia's electricity to be generated from renewable resources by 2025.

NEM Scheme

The Net Energy Metering (NEM) Scheme is a mechanism that allows eligible consumers to export excess energy generated by the solar photovoltaic (PV) system of such consumers back to the grid, which will then be offset against the consumer's electricity bill for energy provided by Tenaga Nasional Berhad (TNB) during the applicable billing period. The NEM Scheme was given a makeover by the introduction of more attractive returns for the consumers. Previously, excess electricity generated was sold to TNB at the displaced cost of 31 sen/kWh.^[1] Under the newly improved Scheme, every 1kWh excess electricity that is exported to the grid will be offset against 1kWh consumed from the grid, which will be deducted and reflected in the consumer's electricity bill.

The SEDA Guidelines on the NEM Scheme may be viewed [here](#).

SARE Programme

The Supply Agreement for Renewable Energy (SARE) Programme, which complements the NEM Scheme, introduces a solar leasing concept where consumers will be able to install solar PV systems in their homes with zero upfront costs. This programme allows investors, mainly solar power companies, to finance the capital outlay for the installation of the solar PV systems for the consumers. Under this programme, TNB oversees the billing, collection and remittance of payment by consumers to the investors in return for a service fee.^[2] Monthly payments for solar power or repayments to the investors will now be done through the monthly TNB electricity bill.^[3]

Third round of LSS3 procurement process

