

ESG ALERTS

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REGISTRATION COMMENCES FOR THE LOW CARBON ENERGY GENERATION PROGRAMME

The Ministry of Energy Transition and Water Transformation recently introduced the Low Carbon Energy Generation Programme (“Programme”) with a total quota allocation of 400MW. The Programme is available for power generation projects that utilise resources (other than solar) such as wind, biogas, biomass, hydrogen, and small-scale hydro, and have been registered under the New Enhanced Dispatch Arrangement (NEDA) mechanism.

The Programme allows power generators to sell energy to the Single Buyer, the entity authorised by the Ministry pursuant to the Electricity Supply Act 1990 to conduct electricity planning and manage electricity procurement services for Peninsular Malaysia.

Applicants for the Programme may select any of the following categories under NEDA based on the plant’s capacity:

Category	Large Merchant Generator (30MW and above)	Price Taker (Below 30MW)
Bidding Mechanism	Submission of bid price and quantity	No bid required, only submission of planned generation schedule

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Settlement	Actual System Marginal Price [1]	Actual System Marginal Price *The Single Buyer will disregard any metered output below the higher of 100kW or 1% of the Price Taker's installed capacity
Failure to meet declared MW	Penalty of RM150 per MW shortfall per event	No penalty

The participation in this programme operates on a first-come, first-served basis and applications can be made on the Single Buyer's [website](#). As of 28 February 2024, 0.4 MW has been applied.

The introduction of the Programme is another indication to the public that the government is taking steps to implement its commitment to achieve the targets set out for the country's energy transition.

Our earlier updates on the National Energy Transition Roadmap can be viewed [here](#) and [here](#).

If you have any queries, please contact the author, **Joyce Ong Kar Yee** (oky@lh-ag.com).

[1] "Actual System Marginal Price" means the energy price of the most expensive thermal generator dispatched to meet actual demand in a half-hour period.