ADVOCATES AND SOLICITOR AGAINS INSIGHTS



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Introducing the 5th Round of Competitive Bidding Process for Developing Large-Scale Solar

The bidding process which aims to promote the generation of renewable energy ("RE") and ensure a continuous energy supply within the nation through the Large-Scale Solar Photovoltaic Programme ("LSS") or LSS-Peralihan Tenaga SuRiA ("LSS PETRA"), has resumed. On the 1st of April 2024, the Ministry of Energy Transition and Water Transformation, through the Energy Commission of Malaysia (EC), announced the commencement of the fifth round of competitive bidding for the development of large-scale solar power plants. The targeted capacity for this development is **2,000MWac**.

The capacity is divided into four types of packages for qualified companies or consortia, involving permitted generation capacities between 1MWac to 500MWac. A summary of the packages can be viewed here¹.

These solar-powered projects under LSS PETRA are scheduled to come online in **2026**.

Interested companies may purchase the RFP document online via EC's website at www.st.gov.my starting from 9:00AM on the 1st of April 2024 to 5:00PM on the 16th of April 2024, priced at RM3,000 per RFP document. Bidders are required to physically submit the RFP document to the EC no later than 5:00PM on the 25th of July 2024. Further details on participation in LSS PETRA and the contents of the proposal are set out in the RFP document.

¹ <u>https://theedgemalaysia.com/node/706527?utm_source=Newswav&utm_medium=Website</u>



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Promising Outlook with LSS PETRA

LSS PETRA plays a role in the Government's ongoing initiative aimed at achieving 70% RE installed capacity and carbon neutrality by 2050. LSS PETRA offers a brighter prospective for the renewable energy sector in Malaysia due to its aim of a larger solar power plant capacity and a wider participant range.

Notably, LSS PETRA offers double the solar capacity compared to LSS@MEnTARI back in 2020, which was 1,000MWac. Additionally, the maximum aggregated capacity for each bidder increased from 50MWac to 500MWac. These advancements demonstrate Malaysia's commitment to the clean energy transition. It is anticipated that the response to LSS PETRA will be positive, particularly following the Minister of Natural Resources and Environmental Sustainability, Nik Nazmi Nik Ahmad's announcement at the International Greentech and Eco Product Exhibition & Conference Malaysia (IGEM 2024) regarding efforts to decarbonise energy and empowering cities sustainably.²

Furthermore, LSS PETRA permits foreign participation again in this bidding session for Packages 3 and 4. Previously, LSS@MEnTARI was only open to locally incorporated companies that are 100% owned by Malaysians or companies listed on Bursa Malaysia with at least 75% local shareholding. Foreign participation is expected to stimulate the growth in the local solar market by introducing advanced technology and competitive bidding rates.

The information above is subject to further changes or clarifications in the official request for proposal document issued by the EC. A copy of the notice released by the EC can be viewed here, and a copy of the procedure to purchase the Request for Proposal document can be viewed here.

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

² https://www.malaymail.com/news/money/2024/02/26/igem-2024-targets-rm48b-in-business-leads-48000-visitors-says-minister/120102





