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Malaysia

From 2010, the installed base of energy generation capacity in Malaysia has increased from 24 GW to 26 GW in 2013, or a CAGR of 2%. The chart below shows Malaysia's generation capacity fuel mix as of year-end 2013:

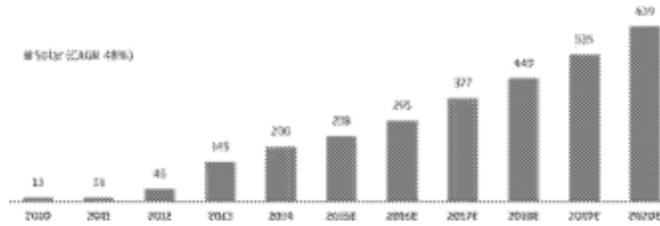
Fuel type	Percentage
Gas	52.4%
Coal	33.0
Hydro-electric	12.8
Other	0.9
Solar	0.6
Biomass	0.4
Total	100.0%

Retail electricity prices in Malaysia rose 15% last year, and we expect retail electricity prices in Malaysia to continue to rise due primarily to increasing costs of conventional sources of energy and overall demand for energy and the removal of government subsidies available to conventional energy sources.

The growth of Malaysia's power market has been driven primarily by renewable energy. The cumulative installed capacity of renewable energy sources in Malaysia grew from 2.2 GW in 2010 to 3.5 GW in 2013, or a CAGR of 17%.

The cumulative installed capacity of solar energy generation in Malaysia grew from 13 MW in 2010 to 200 MW in 2014, or a CAGR of 98%. Malaysia does not have any installed wind capacity, and no meaningful wind market is expected to develop in the near future given that the feed-in tariff program for renewable energy does not currently cover wind. In 2013, SEDA began conducting a study of wind resources for the potential inclusion of wind as another renewable resource under the feed-in tariff program. No public announcement has been made on the outcome of this study. The following chart reflects actual and projected growth in Malaysia's cumulative solar energy generation capacity from 2010 to 2020.

Malaysia cumulative solar and wind energy generation capacity (in MW), 2010–2020



Source: Bloomberg New Energy Finance

Key drivers of renewable energy growth in Malaysia

Malaysia is the third largest consumer of energy in Southeast Asia. The demand for energy is expected to continue to increase due to ongoing industrialization and population growth.