

Infrastructure, Energy & Resources

Low Carbon Energy Generation Programme

Introduction

On 26 January 2024, the Ministry of Energy Transition and Water Transformation (PETRA) has introduced the new Low Carbon Energy Generation Programme ("LCEGP") as one of the Government's initiatives in achieving the goals outlined in National Energy Transition Roadmap (NETR). The LCEGP is available to power generation projects that utilise low-carbon power generation such as small hydro, biogas, biomass and hydrogen. Such projects will have to be registered under the New Enhanced Dispatch Arrangement ("NEDA") mechanism.

Implementation of the Low Carbon Energy Generation Programme

Starting from 5 February 2024, applications to participate in the LCEGP have been made available to the public on the official website of the Single Buyer¹. The participation will be on a 'first come, first served' basis and only 400 megawatt ("MW") total quota has been allocated for this programme. As of 22 March 2024, 0.4 MW has been applied.

The LCEGP enables power generators to supply electricity to the Single Buyer to oversee electricity planning and administer electricity procurement services in Peninsular Malaysia.

Subject to the capacity of the plant, the applicant may select any of the following categories in the participation under NEDA:

Category	Large Merchant Generator (30 MW and above)	Price Taker (<30 MW)
Bidding Mechanism	<ul style="list-style-type: none">Submission of Bid Price and Quantity	<ul style="list-style-type: none">Not subject to bidding mechanism (Applicant is only required to submit Planned Generation Schedule (PGS))
Settlement	<ul style="list-style-type: none">Actual System Marginal Price (SMP)	<ul style="list-style-type: none">Actual System Marginal Price

¹ <https://www.singlebuyer.com.my/>

Infrastructure, Energy & Resources

Category	Large Merchant Generator (30 MW and above)	Price Taker (<30 MW)
		(*Any Metered Output below 100 kW or 1% of the Price Taker's Installed Capacity (whichever higher) shall be disregarded by the Single Buyer)
Failure to meet declared MW	<ul style="list-style-type: none">Penalty of RM150 for each MW shortfall per event	<ul style="list-style-type: none">No penalty

Concluding Words

The implementation of LCEGP will enhance energy security and reliability within Malaysia, while allowing new economic prospects through the establishment of power generation projects that utilise non-solar renewable resources.

To view our previous Update on other energy transition programmes and initiatives for 2024, please refer to the following:

- [Malaysia Announces Renewable Energy Programmes in line with the National Energy Transition Roadmap](#)

Should you require further information or any advice on the above or any other matters pertaining to projects, energy and infrastructure, please feel free to reach out to any member of our team listed below.

Contacts



Lim Siaw Wan
Partner

T +603 2273 1919
M +601 7312 2517
siawwan.lim@christopherleeong.com



Chor Jack
Partner

T +603 2267 2729
M +601 2216 0199
jack.chor@christopherleeong.com

Contribution Note

This Client Update is contributed by the Contact Partners listed above, with the assistance of **Chris Tan** (Senior Associate, Christopher & Lee Ong) and **Vanessa Khoo** (Associate, Christopher & Lee Ong).

Regional Contacts

RAJAH & TANN SOK & HENG | *Cambodia*
Rajah & Tann Sok & Heng Law Office
T +855 23 963 112 / 113
F +855 23 963 116
kh.rajahtannasia.com

RAJAH & TANN 立杰上海
SHANGHAI REPRESENTATIVE OFFICE | *China*
**Rajah & Tann Singapore LLP
Shanghai Representative Office**
T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*
Assegaf Hamzah & Partners
Jakarta Office
T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office
T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

RAJAH & TANN | *Lao PDR*
Rajah & Tann (Laos) Co., Ltd.
T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*
Christopher & Lee Ong
T +60 3 2273 1919
F +60 3 2273 8310
www.christopherleeong.com

RAJAH & TANN | *Myanmar*
Rajah & Tann Myanmar Company Limited
T +95 1 9345 343 / +95 1 9345 346
F +95 1 9345 348
mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL
GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*
Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)
T +632 8894 0377 to 79 / +632 8894 4931 to 32
F +632 8552 1977 to 78
www.cagatlaw.com

RAJAH & TANN | *Singapore*
Rajah & Tann Singapore LLP
T +65 6535 3600
sg.rajahtannasia.com

RAJAH & TANN | *Thailand*
R&T Asia (Thailand) Limited
T +66 2 656 1991
F +66 2 656 0833
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*
Rajah & Tann LCT Lawyers
Ho Chi Minh City Office
T +84 28 3821 2382 / +84 28 3821 2673
F +84 28 3520 8206

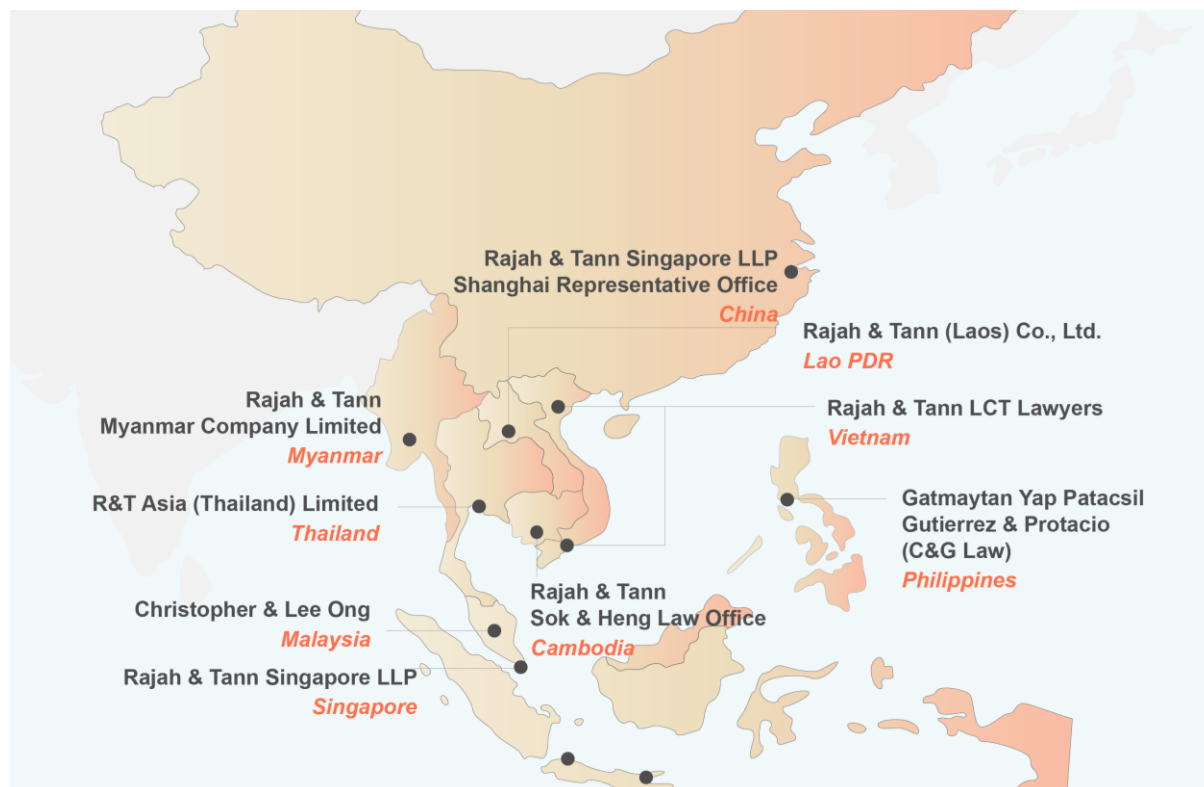
Hanoi Office
T +84 24 3267 6127
F +84 24 3267 6128
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

Our Regional Presence



Christopher & Lee Ong is a full service Malaysian law firm with offices in Kuala Lumpur. It is strategically positioned to service clients in a range of contentious and non-contentious practice areas. The partners of Christopher & Lee Ong, who are Malaysian-qualified, have accumulated considerable experience over the years in the Malaysian market. They have a profound understanding of the local business culture and the legal system and are able to provide clients with an insightful and dynamic brand of legal advice.

Christopher & Lee Ong is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Christopher & Lee Ong and subject to copyright protection under the laws of Malaysia and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Christopher & Lee Ong.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business or operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Christopher & Lee Ong.
