BRIEF

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MALAYSIA ENERGY, WATER & CLIMATE CHANGE SUMMIT

IMPLEMENTING INFRASTRUCTURE, RENEWABLE ENERGY AND WATER REFORM FOR A NET ZERO MALAYSIA

9th April 2026, World Trade Centre, Kuala Lumpur

The event highlighted the growing pressures from carbon pricing, reporting requirements, and global standards, particularly on SMEs and supply chains. Whilst frameworks and regulations are necessary, their rollout must be equitable, phased, and clearly communicated to avoid disproportionate burdens. A recurring concern was the complexity and inconsistency of ESG reporting, alongside governance gaps—especially at board level—where aligning incentives, accountability, and ESG integration remains a work in progress. At the same time, the conversation underscored a critical shift from viewing sustainability as a compliance exercise to recognizing it as a driver of innovation and long-term value creation.

The future energy system will be decentralised, digital, and hybrid

The discussion points toward a future energy model that is far more integrated and flexible than today's system. Concepts such as virtual power plants, prosumers (consumers who also produce energy), distributed solar, and large-scale storage are becoming central. There is also openness to a diversified mix of technologies, including renewables, gas, and even nuclear options such as small modular reactors. Achieving this future will require deep coordination between government, utilities, technology providers, and the private sector.

Plenary Session 2: Delivering Renewable Energy and Grid Infrastructure - Challenges, Opportunities and Risks.

Speakers: Mr Arshad Nuval Othman, Head of Sustainable Finance, CIMB Islamic Bank Berhad**; Mr Ravindran Devagunam,** Senior Vice President, Business Development, Dhaya Maju, Infrastructure (Asia) Sdn Bhd**; Prof. Dr. Norasikin Ahmad Ludin,** Director, UKM Solar Energy Research Institute**; Mr Victor Soosai,** Managing Director, Peterson Solutions Malaysia
Moderator: Ms Firoz Abdul Hamid, Strategic Transformation and Communication, Consultant

Energy Transition as Security & Resilience Priority

The discussion emphasized that Malaysia's energy transition is no longer just a climate agenda but a critical issue of national security and economic resilience, shaped by geopolitical tensions, supply chain disruptions, and rising electricity demand—particularly from data centres

Financing & Policy Constraints Slowing Progress

Key barriers include risk perceptions favoring fossil fuels, banking limitations such as lending caps, and the need to update financing frameworks to accommodate rapid demand growth. Clear, consistent policy signals and long-term commitments are essential to unlock investment.

Infrastructure Gaps: Grid, Storage & Distribution

While renewable capacity is expanding, grid readiness, energy storage, and distribution networks lag behind. Battery storage is identified as an immediate solution, while hydrogen and nuclear remain longer-term options requiring further development and policy support.

Data Centres Driving Demand & Strategic Opportunity

The rapid growth of data centres is significantly increasing energy demand, presenting Malaysia with an opportunity to attract high-value digital investments. However, this requires reliable, sustainable energy systems and stronger policy coordination to move beyond spillover investments.

Need for Coordinated, System-Wide Transformation

The central challenge is not just increasing renewable energy capacity but building an integrated, flexible energy system. This includes aligning policy, financing, infrastructure, and private sector participation to ensure timely and effective delivery of energy transition goals.

Plenary Session 3: Transforming The Water Industry - Economic and Commercial Realities and Opportunities

Speakers: **Dato' Ir. Pathmanathan A/L Krishnan Kutty Raman Nair**, Chief Executive Officer, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd; **Mr Lim Yeong-Chuan,** General Manager, Intelligent Technology Solutions, George Kent (Malaysia) Berhad; **Dr Wan Asiah Nurjannah Wan Ahmad Tajuddin**, Deputy Director – Policy Solutions, APPGM-SDG
Moderator: **Mr Charles Santiago**, Former Chairman, National Water Services Commission (SPAN)

Non-Revenue Water, Infrastructure Decay, and System Losses

A major focus of the session was the scale and persistence of non-revenue water (NRW) in Malaysia's water system. Speakers highlighted that a significant proportion of treated water is lost through leaks, ageing pipelines, and system inefficiencies before reaching consumers. Much of the infrastructure is decades old, with large sections exceeding their intended lifespan and requiring urgent replacement. The financial implication is substantial, with billions required for rehabilitation and continuous maintenance.

Governance, Accountability, and Institutional Complexity

The discussion repeatedly returned to governance as a central constraint in improving water outcomes. Participants emphasized that fragmentation between federal, state, and operational responsibilities often weakens accountability and slows decision-making. Even when funding or data exists, unclear mandates and limited coordination reduce effectiveness in implementation. Stronger governance systems were framed as essential to ensure transparency, prioritization, and execution of water policies.

Financial Sustainability and Water Pricing Reform

Another key theme was the difficulty of achieving financial sustainability in the water sector without revisiting tariff structures. While water services are heavily subsidized, this limits the ability of operators to fully recover costs and reinvest in infrastructure. Speakers noted that energy costs, operational expenses, and capital needs for pipe replacement are rising significantly. However, water pricing reforms remain politically sensitive, creating a tension between affordability and long-term system viability.

Technology, Data, and Operational Innovation

The session also explored how technology can help address systemic inefficiencies, particularly in reducing NRW. Solutions such as smart monitoring systems, performance-based operations, and improved data integration were discussed as key enablers of better decision-making. However, it was noted that data is often fragmented across agencies, limiting its usefulness for coordinated action. Innovation in digital tools and engineering approaches was seen as critical to improving efficiency and reducing losses.

Demand Management, Public Awareness, and Long-Term Sustainability

Speakers stressed that long-term water security depends not only on supply-side solutions but also on managing demand and changing public behaviour. Education and awareness

campaigns were highlighted as necessary to shift perceptions that water is an unlimited or free resource. Climate variability and growing consumption pressures were identified as additional risks that will intensify future challenges. Ultimately, the session called for an integrated, whole-of-society approach combining policy reform, citizen responsibility, and long-term planning.

Opening Remarks
Tan Sri Michael Yeoh, President, KSI Strategic Institute for Asia Pacific

Energy and Sustainability Transition Vision

Tan Sri Michael Yeoh emphasized Malaysia's urgent need to accelerate its energy transition, particularly through expanding renewable energy and strengthening long-term sustainability planning. He framed energy, water, and climate challenges as interconnected national priorities that require coordinated action.

Collaboration and Governance for Transformation

He called for stronger collaboration between government, private sector, and stakeholders to drive effective implementation of reforms. He stressed that good governance and shared responsibility are essential to achieving resilience in both the energy and water sectors.

Opening Keynote Address
YAB Datuk Amar Haji Fadillah bin Haji Yusof, Deputy Prime Minister & Minister of Energy Transition and Water Transformation, Malaysia
"Commitment to Delivery: Governing Malaysia's Water and Energy Transition to 2030"

Delivery Over Promise: A Shift to Execution-Driven Governance

The keynote emphasized that Malaysia has moved from ambition to accountability, where success is no longer defined by policy intentions but by actual delivery. The Deputy Prime Minister stressed that national progress depends on execution—turning commitments such as net zero emissions by 2050 and a 70% renewable energy target into real, measurable outcomes. He warned that without delivery, even the strongest policies remain ineffective, highlighting that credibility is earned through results, not announcements.

Energy Transition as Strategic Necessity and Security Priority

He underscored that Malaysia's energy transition is not merely a climate obligation but a strategic necessity tied to national security and economic resilience. Rising electricity demand from digitalisation and industrial growth, alongside global energy volatility, requires urgent grid upgrades and system reform. The speech highlighted that renewable energy expansion strengthens sovereignty by reducing dependence on external energy shocks, especially amid geopolitical instability.

Structural Reform: Grid, Tariffs, and Investment Readiness

A key focus was the need for structural reforms in the energy system, particularly grid expansion, tariff rationalisation, and stronger private sector participation. He noted that

current infrastructure is not designed to meet rising demand and that subsidies distort long-term sustainability. Investors, he stressed, require clarity, stable regulation, and bankable frameworks, while Malaysia must accelerate approvals and reduce fragmentation to unlock capital at scale.

Water Crisis, NRW, and the Urgency of Reform

It was highlighted that water was an under-addressed but critical national challenge, citing losses of over 30–40% of treated water in some states due to non-revenue water. He stressed that this reflects systemic inefficiency that cannot be solved by technology alone without tariff reform and stronger governance. Water was framed as even more fundamental than energy, as it determines long-term societal and economic sustainability.

Governance, Accountability, and Integrated National Transformation

He concluded by stressing that the energy-water transition is fundamentally a governance challenge requiring unity between federal and state actors. The speech called for shifting focus from planning to execution, with clear ownership, timelines, and measurable outcomes. He emphasized that energy and water systems are deeply interconnected and must be managed holistically, with PETRA driving outcome-based accountability and national coordination.

Plenary Session 4: Climate Governance, Carbon Markets and Sustainability - The Next Steps

Speakers: Mr. Chong Kok Wai, Regional Director of Sustainability, Boardroom Limited; Council Member, Climate Governance Malaysia and Lead Secretariat, CEO Action Network; **Dr Renard Siew,** Group Head of Corporate Sustainability, Yinson Holdings Berhad & President, Malaysia Carbon Market Association (MCMA); **Prof. Major (H) Dato' Dr. Ir. Ts. Br. Chin Yew Sin, JP,** Chief Sustainability Officer, Silver Ridge Holdings Berhad; **Prof. Dr. Hamed Faghiri,** Founder & CEO, Dorod Group Berhad and Council Member, ESG Association of Malaysia; **Dr. Christina SS Ooi,** Board Member Chartered Management Institute UK and Author of "Surviving the War for Talent in Asia: How Innovation Can Help" and "Tough As Nails"; **Mr. Edey Suresh,** Board Director at Large, UN Global Compact Network Malaysia & Brunei

Moderator: **Ms. Phang Oy Cheng,** Executive Director – Head of Sustainability Advisory, KPMG in Malaysia

Balancing Fairness and Policy Implementation

Discussions highlighted concerns over equitable implementation of carbon pricing, taxes, and ESG-related regulations—particularly their disproportionate impact on SMEs and smaller players. A phased, well-communicated approach is needed to ensure fairness while maintaining policy effectiveness.

From Compliance to Business Opportunity

A key theme was shifting the ESG narrative from compliance to value creation. Examples showed how companies, when faced with carbon costs, innovated—developing recycled products, improving energy efficiency, and unlocking new markets—demonstrating that sustainability can drive profitability.

Building a Strong Business Case for Sustainability

Speakers emphasized the importance of translating technical ESG concepts into clear business language. Companies must move beyond generic claims (e.g., "we recycle") and instead articulate tangible outcomes—new revenue streams, cost savings, and innovation—to engage stakeholders effectively.

Governance, Culture, and Leadership Challenges

Embedding ESG into corporate structures remains difficult, particularly at board level. Challenges include lack of ESG-linked KPIs for directors, limited incentives, and varying levels of understanding. Strengthening governance frameworks, board accountability, and leadership commitment is critical.

Capacity Building, Education, and Practical Learning

Continuous training and internal capacity building were identified as essential. Organizations are investing in academies, structured learning, and hands-on exposure (e.g., site visits, operational engagement) to move beyond theory and foster genuine understanding and cultural adoption of sustainability practices.

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