

MEDIA RELEASE

CREAM : THE GOVERNMENT'S NEW OPTION TO DEMOCRATIZE GREEN ELECTRICITY SUPPLY

The Ministry of Energy Transition and Water Transformation (PETRA) has introduced the Community Renewable Energy Aggregation Mechanism (CREAM) Programme to further increase green electricity access in Malaysia as a lure to attract high value investment. This programme allows the aggregation of residential premises' rooftop spaces for renewable energy generation to supply green electricity to local green consumers.

As a guide and regulatory framework for the industry and relevant stakeholders, the Energy Commission is releasing the Community Renewable Energy Aggregation Mechanism (CREAM) Guidelines. This programme is a continuation to the Corporate Renewable Energy Supply Scheme (CRESS), and it enables local community participation in the energy transition effort through an open grid access concept, as follows:

- a. RE generation and green electricity supply activities will only be conducted within the distribution network, and the supply of green electricity to local green consumers will be carried out through the distribution network system owned by the electricity utility company, Tenaga Nasional Berhad (TNB);
- b. aggregation of building rooftop spaces for solar generation can be undertaken by local RE generators in accordance with existing legislation and guidelines by respective authorities; and
- c. sales of green electricity from local solar generator to commercial and domestic consumers seeking for green electricity supply or those with environmental, social, and governance (ESG) commitments are permitted within a 5km radius.

Taking cognisant that the CREAM programme is Malaysia's first rooftop aggregation initiative for solar PV generation systems, it will be implemented as follows:

- a. Local Energy Generator and Aggregator (LEGA) are required to develop solar PV generation systems on aggregated residential premises' rooftops;
- b. LEGA will bear full responsibility in managing rooftop leasing agreements with homeowners for the aggregation and development of solar PV generation systems;
- c. Local Green Consumers (LGC) are allowed to source green electricity supply from LEGA located within a 5km radius from the generation source;
- d. the supply from LEGA to LGC must be a direct connection through the utility company's distribution network system, to maintain the systematic order of electricity supply and demand, while enabling comprehensive planning for the system; and
- e. to enhance system stability and reduce disruptions caused by increased intermittent solar generation capacity, the electricity utility company will develop localised supply balancing solutions.

The CREAM programme will provide new green electricity supply options for consumers in meeting their ESG commitments, particularly on the use of green electricity. In addition, the implementation of this programme based on the principle of open grid access, will ensure it remains cost-neutral to the electricity supply system and will not result in tariff increase for the electricity consumers.

The implementation details of this program will be outlined in the Community Renewable Energy Aggregation Mechanism Guidelines, which will be available for access and download from <u>28 Mac 2025</u> on the Energy Commission's website at <u>www.st.gov.my</u>.

PETRA is confident that the implementation of the CREAM programme will support and act as the catalyst to the energy transition effort for the electricity supply sector, particularly in increasing the share of renewable energy capacity to 40% by 2035 and 70% by 2050.

MINISTRY OF ENERGY TRANSITION & WATER TRANSFORMATION 28 MAC 2025

Unit Komunikasi Korporat | Kementerian Peralihan Tenaga dan Transformasi Air (PETRA) Tel.: 03-8000 8000 | E-Mel: ukk@petra.gov.my

