

MALAYSIAN GOVERNMENT OPENS FIFTH LARGE SCALE SOLAR (LSS5) COMPETITIVE BIDDING PROCESS

2 April 2024



Malaysia’s Energy Commission has kicked off the second quarter of 2024 with an announcement that Malaysia’s fifth Large Scale Solar competitive bidding process is open¹. Known as ‘LSS-Peralihan Tenaga SuRia’ or ‘LSS PETRA’, this round of competitive bidding process sees a total capacity of 2,000MW being offered – more than double of the capacity that was offered under the previous round of the Large Scale Solar competitive bidding process.

FOUR SEPARATE PACKAGES UNDER LSS PETRA

There are four packages available under LSS PETRA. It has been reported in the media² that the key features and criteria in relation to these packages will be as follows:

| PACKAGE | KEY FEATURES | KEY BIDDER CRITERIA |
|------------------|---|---|
| Package 1 | <ul style="list-style-type: none"> • For rooftop or ground-mounted solar projects. • Quota of 250MW. • Permitted generation capacity is between 1MW – 10MW. | <ul style="list-style-type: none"> • Company or consortium incorporated in Malaysia. • 100% Bumiputera equity. • Bumiputera company rating with the Ministry of Finance. • Registered as a Small and Medium Enterprise (SME) with SME Corporation Malaysia. |
| Package 2 | <ul style="list-style-type: none"> • For rooftop or ground-mounted solar projects. • Quota of 250MW. • Permitted generation capacity is between 10MW – 30MW. | <ul style="list-style-type: none"> • Company or consortium incorporated in Malaysia. • Minimum 51% Bumiputera equity. • Bumiputera company rating with the Ministry of Finance. • 100% local Malaysian equity. |

¹ The notice issued by the Energy Commission on LSS PETRA is available [here](#).

² “*Energy Commission opens LSS5 up for bidding, targets 2,000MW of solar generation*”, The Edge Malaysia, 1 April 2024.

| | | |
|------------------|--|--|
| Package 3 | <ul style="list-style-type: none"> • For rooftop or ground-mounted solar projects. • Quota of 1,000MW. • Permitted generation capacity is between 30MW – 500MW. | <ul style="list-style-type: none"> • Company incorporated in Malaysia with minimum 51% local Malaysian equity. • Consortium with at least one member being a company incorporated in Malaysia and with minimum 51% local Malaysian equity. |
| Package 4 | <ul style="list-style-type: none"> • For floating solar projects. • Quota of 500MW. • Permitted generation capacity is between 10MW – 500MW. | |

All solar projects under LSS PETRA are scheduled to commence operations by year 2026.

SUBMISSION OF PROPOSAL FOR LSS PETRA

The Request for Proposal for LSS 5 is available for purchase from 1 April 2024 until 5:00 p.m. on 15 April 2024. Such purchase can be made online via the Energy Commission’s website³ and at the price of RM3,000.

Submissions of proposals should be made physically to the Energy Commission no later than 5:00 p.m. on 25 July 2024. The criteria in relation to the bidder, participation in LSS PETRA and the contents of the proposal are set out in detail in the Request for Proposal.

SUNNY DAYS AHEAD FOR THE RENEWABLE ENERGY SECTOR

LSS PETRA is part of the Government’s ongoing efforts to achieve 70% RE installed capacity and carbon neutrality by 2050. The large capacity being offered is a significant step for the adoption of solar energy in the country and will no doubt contribute towards Malaysia’s clean energy transition.

In addition, it is pertinent to note that LSS 5 stipulates minimum Bumiputera and local Malaysian equity requirements, evidencing the Malaysian Government’s intention to increase local participation in the RE sector. This will be a particularly good opportunity for SMEs to venture into the RE sector.

Given the above, and taking into account that the maximum aggregated capacity for each bidder will be increased from 50MW to 500MW⁴, it is expected that the response to LSS PETRA will be very positive. It has been three years since the last Large Scale Solar competitive bidding process, and it would seem that it could have been worth the wait.

For enquiries on matters in relation to Malaysia’s Large Scale Solar (LSS) programme, please contact:



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³ The Energy Commission has published a brief guide on how to purchase the Request for Proposal for LSS PETRA, which is available [here](#).

⁴ Our previous Alert on the earlier announcement by the Malaysian Government in relation to LSS PETRA (then known as LSS5) is available [here](#).



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