PRESS RELEASE
MINISTRY OF ENERGY TRANSITION AND WATER TRANSFORMATION (PETRA)

GOVERNMENT STRENGTHENS CRESS AND INTRODUCES CRESS ACCELERATION PACKAGE TO PROMOTE DIRECT GREEN ELECTRICITY SUPPLY

PUTRAJAYA, 18th SEPTEMBER 2026 – The Ministry of Energy Transition and Water Transformation (PETRA) will strengthen the implementation of the Corporate Renewable Energy Supply Scheme (CRESS) through several enhancements aimed at improving the viability of the programme, providing greater certainty to industry players, and accelerating the development of new renewable energy (RE) capacity in the national electricity system.

CRESS is a Third Party Access (TPA) mechanism that enables Renewable Energy Developers (REDs) to supply green electricity to Green Consumers (GCs) using the existing electricity grid. The programme provides corporate consumers with an additional option to procure green electricity directly from RE developers.

Since its introduction in 2024, 11 REDs and 8 GCs have registered with the Single Buyer, representing a total project capacity of 3,148 megawatts (MW). This development demonstrates strong industry interest in leveraging CRESS as one of the mechanisms for green electricity procurement.

To further strengthen the implementation of the programme, PETRA has reviewed several issues raised by industry stakeholders, particularly those relating to the System Access Charge (SAC), project bankability, technical requirements, contractual arrangements and approval processes.

Feedback was also gathered through the CRESS Strategic Engagement Session 2026, held on 25 May 2026, which brought together nearly 200 participants from financial institutions, RE developers, corporate consumers and industry players. Among the key issues highlighted was the need for greater transparency and predictability of the SAC to support long-term project financing.

Accordingly, the Government has agreed that the enhancement of CRESS will focus on three key areas:

a. simplifying and clarifying CRESS procedures and contractual arrangements, including establishing a minimum contract period of 10 years and streamlining documentation and implementation processes;
b. enhancing technical requirements, including those relating to solar photovoltaic (PV) and Battery Energy Storage System (BESS) configurations, system operations and access to information on available grid connection capacity; and
c. enhancing the principles for determining the SAC from Regulatory Period 5 (RP5) to ensure a more transparent and reasonable charging structure that reflects system costs, without inappropriately shifting costs to other electricity consumers.

CRESS ACCELERATION PACKAGE

As a measure to accelerate CRESS projects with a high level of project readiness, the Government will also introduce the CRESS Acceleration Package.

Under the package, an SAC rate of 14 sen/kWh for firm supply will be introduced. In addition, a 10-year contractual period between the RED and GC will be enforced. This approach is intended to provide long-term cost certainty to REDs, GCs and financial institutions, thereby improving project bankability.

To ensure that the package effectively accelerates the development of new generation capacity, projects seeking to benefit from this SAC rate must achieve their Commercial Operation Date (COD) no later than 31 December 2028.

Should a project fail to achieve COD within the stipulated timeframe, its eligibility under the CRESS Acceleration Package will be revoked, and the project will be subject to the prevailing SAC rates and terms applicable at that time. Requests for extensions to the COD deadline will not be considered.

The package will not only be available to REDs and GCs that are already registered with the Single Buyer, but will also be open to new REDs and GCs that are ready to meet the stipulated requirements.

The Deputy Prime Minister cum Minister of Energy Transition and Water Transformation, YAB Datuk Amar Haji Fadillah bin Haji Yusof, said that the enhancement of CRESS forms part of the Government's efforts to develop an electricity market that is more open, competitive and responsive to consumer needs.

The enhancements to CRESS also take into account the need to ensure that greater RE participation is integrated in an orderly manner without compromising the security and stability of the electricity system. Accordingly, technical requirements relating to solar integration, BESS, firming capability and grid connections will continue to be refined by the Energy Commission in collaboration with the relevant entities.

The Government is of the view that strengthening CRESS will expand green electricity procurement options for the corporate sector, stimulate private investment in RE development, and help meet the country's growing electricity demand.

At the same time, the fundamental principle of CRESS will continue to be upheld: costs associated with the programme should be reasonably allocated to those who benefit from it and should not be inappropriately passed on to other electricity consumers.

The implementation of these measures reflects the Government's commitment to developing a more competitive, transparent and bankable green electricity supply ecosystem, while strengthening electricity supply security and supporting the country's energy transition aspirations.

Further details on the CRESS Acceleration Package will be provided by the Energy Commission. Additional information is available on the Energy Commission's website at https://www.st.gov.my.

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