



Policy Insight

Malaysia: Corporate Renewable Energy Supply Scheme (CRESS)

Corporate Access to Green Electricity
First Edition (September 2024)





Background of Corporate Renewable Energy Supply Scheme (CRESS)

On 20 September 2024, the Ministry of Energy Transition and Water Transformation (PETRA) under the Corporate Green Power Programme (CGPP) published the "Corporate Renewable Energy Supply Scheme (CRESS) Official Guidelines". The CRESS Guidelines set out the regulatory framework and requirements that offers broader green electricity supply options to help eligible Renewable Energy Developer (RED) and green Consumer meet their ESG goals through **Third Party Access (TPA)**. The participation of CRESS operates only in Peninsular Malaysia based on the Electricity Supply Act 1990 ('ESA').

How does CRESS contribute to Malaysia's Net Zero target?

This scheme is an effort to fulfil Malaysia's Net Zero aspiration to achieve 70% RE in the capacity mix by 2050, enabling business and corporate organisations to source their green electricity through a physical power purchase agreement and Open Access to the Grid System.



PETRA introduce the Corporate Renewable Energy Supply Scheme (CRESS) first edition on 20th September 2024 in Peninsular, Malaysia.

This guidelines can be accessed [here](#).

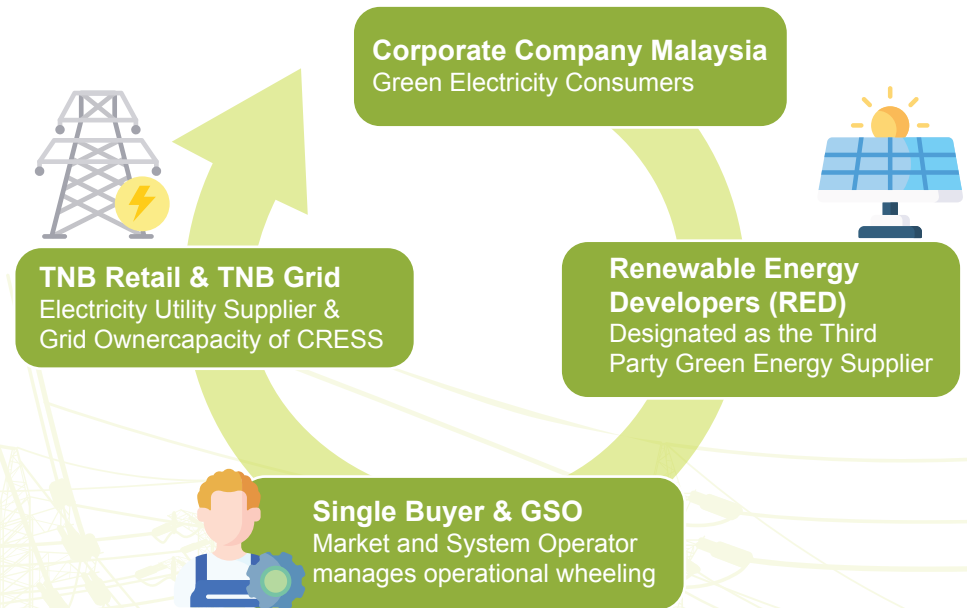
How does the CRESS framework function in Corporate Malaysia?

The CRESS, regulated by the Energy Commission under the Electricity Supply Act 1990 (Act 447), functionate as a platform that enables Green Consumers to directly procure green electricity from Renewable Energy Developers (RED) via Open Access/Third-Party Access (TPA) to the Peninsular Malaysia Electricity Supply Network (TNB/GSO).

Benefits of CRESS

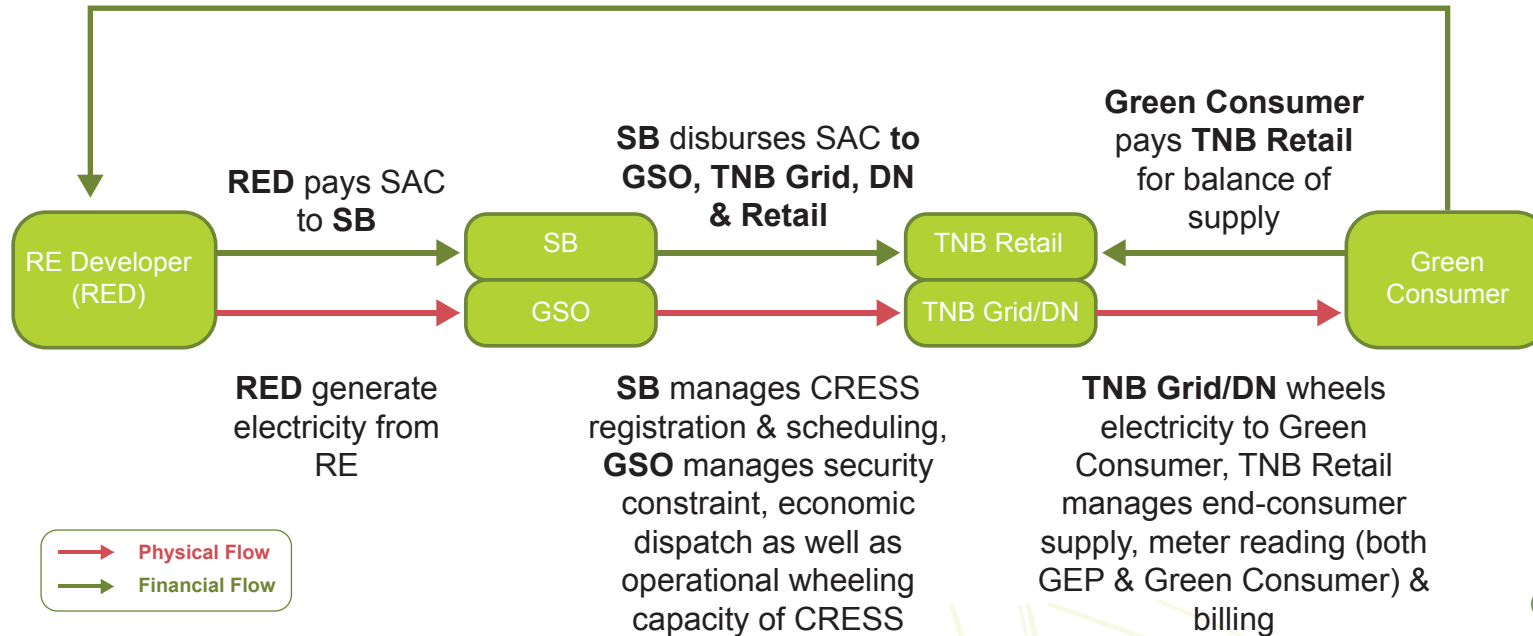
- 01** Facilitate direct sourcing of renewable energy by Green Consumers from RE Developers through Third-Party Access (TPA).
- 02** Enhance grid access for RE Developers and corporate companies through the TNB grid network in accordance with NEDA guidelines.
- 03** Promote the growth and development of renewable energy capacity and generation within the region.
- 04** Promote sustainability and support Malaysia's renewable energy transition.

Parties involved in CRESS



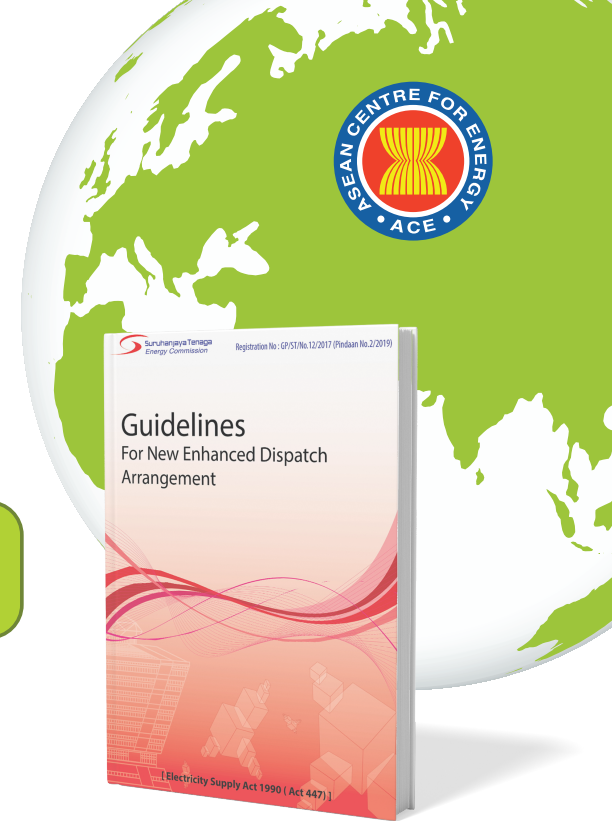
The CRESS Physical and Financial Framework

Green Consumer pays agreed energy price to RED



Note:

- The RED shall develop, own and operate new Green Energy Plant(s) with direct connection to the Electricity Supply Network in accordance with **NEDA Guidelines** and relevant codes and agreements.
- The energy produced by RED shall be wheeled to the Green Consumer using the Electricity Supply Network and subject to the System Access Charges (SAC). The wheeling availability shall be declared by the GSO.
- CRESS will be implemented using the **NEDA framework** and involve several parties such as RED, Green Consumer, Single Buyer, GSO, Grid Owner and the EUC.
- **New Enhanced Dispatch Arrangement (NEDA)** Provide guidelines and principles of NEDA operation including bidding rules, information publication, scheduling and dispatch, settlement and dispute resolution



Guidelines for NEDA
(Version 2.2 GP/ST/No.12/2017 (Pindaan No. 2/2019))
This guideline is accessible only through singlebuyer.com.my

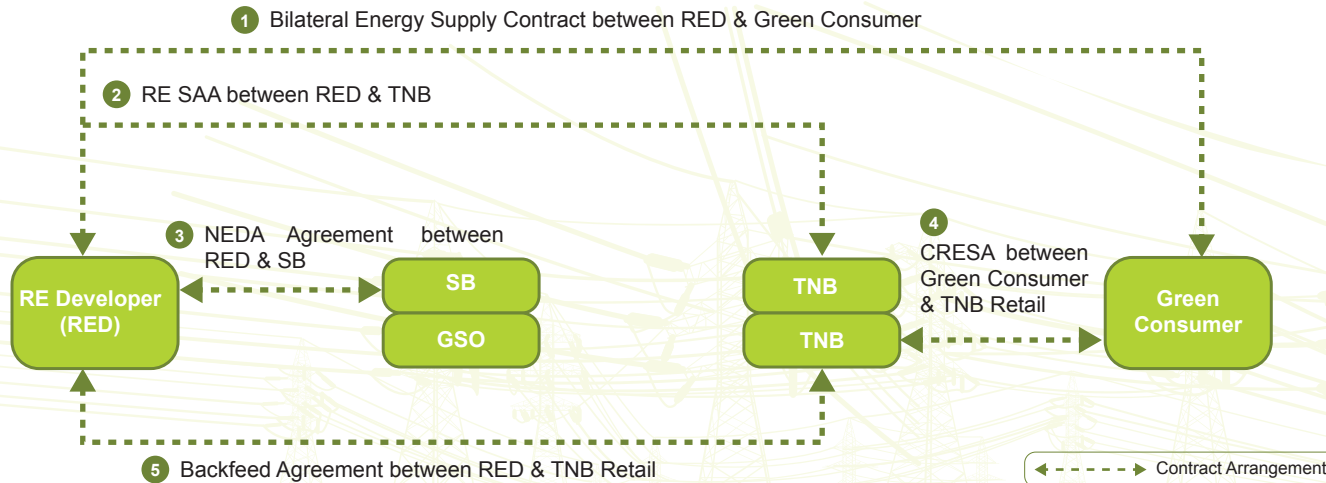
Contractual Framework

The CRESS Guidelines outline the necessity of at least five distinct agreements for the procurement of green electricity under the CRESS framework:

CRESS Agreements	Signing Parties	Purpose
1 Bilateral Energy Supply Contract	RED Developer and Green Consumer	Sales and purchase of green electricity
2 NEDA CRESS Deed of Accession (click here to download the agreement template)	SB (TNB) and RE Developer	<ul style="list-style-type: none"> Compliance to NEDA Guidelines Invoice and collection SAC Excess Energy Payment
3 Renewable Energy System Access Agreement (RE SAA)	TNB and RE Developer	Connection to the Grid
4 Renewable Energy System Access Agreement (RE SAA)	TNB and Green Consumer	Sale and purchase of electricity from TNB
5 Back-feed Agreement (BFA)	TNB and RE Developer	Sale and purchase of electricity from TNB

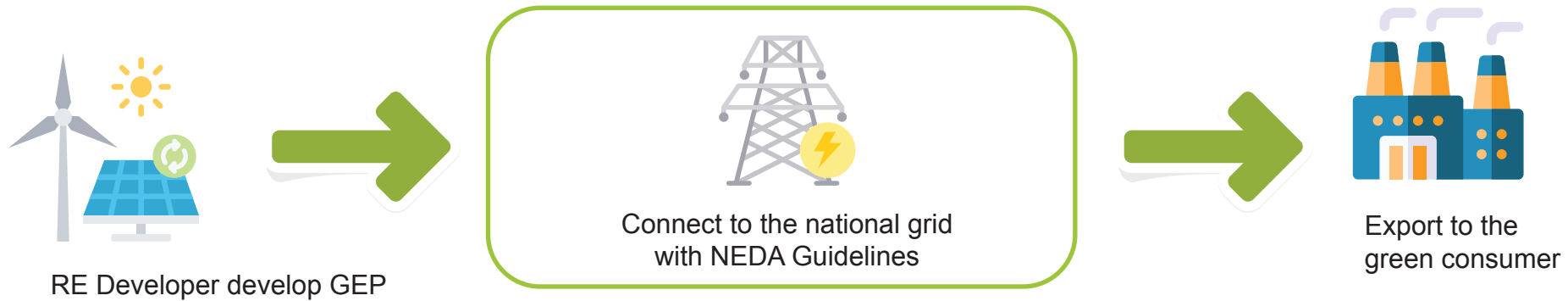


This framework enables renewable energy developers to supply corporate consumers through the national grid while ensuring system reliability through backup power arrangements and excess energy management through NEDA. The agreements are as illustrated in the diagram.

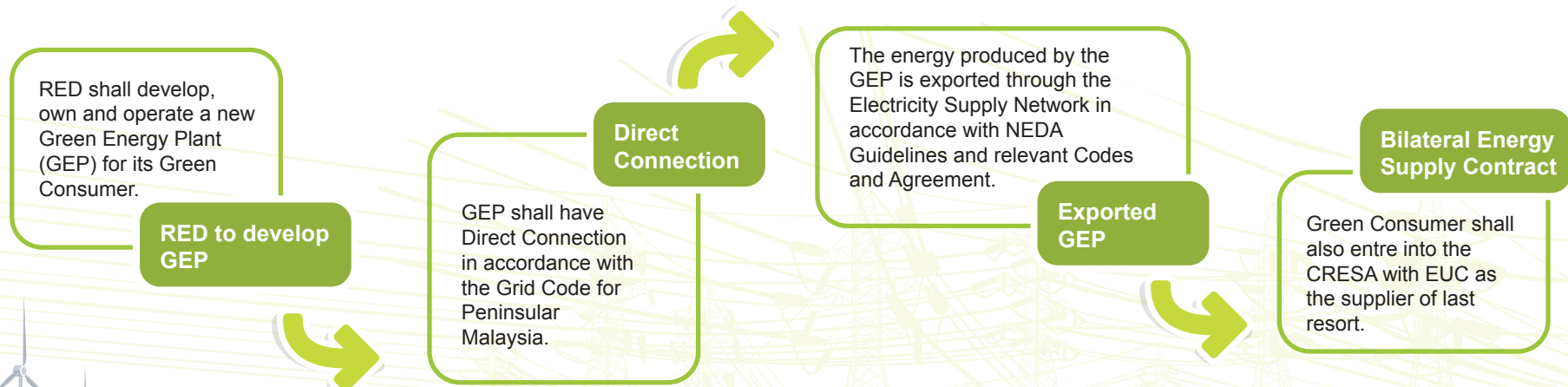


CRESS Application, Decommissioning, and Regulation

The application process for participation in the CRESS, details the decommissioning process of Green Energy Plants, and highlights the rights of the Energy Commission in regulating and ensuring compliance with CRESS guidelines.



Flow of Mechanism



Submission of Application for Participation in CRESS

In order to participate in CRESS as either a RED or a Consumer, the applicant must fulfil the relevant requirements and pre-requisites as set out below.

The submission of application shall be made through the Single Buyer's website at www.singlebuyer.com.my start from 30th September 2024. ***RED is responsible to submit the application for participation on behalf of its Green Consumer**



The interested CRESS participants shall agree to waive its right to commence any legal actions against the Commission, Single Buyer, GSO and EUC at all time and for any reason whatsoever for matters arising from or in connection to these Guidelines.



The submission of application by the RED shall include, but not limited to, the Following information:

Company Profiles and Supporting Documents

Includes profiles for RED and Green Consumer, authorisation, bank statements, and supporting documents.

Power Plant Details

Project costs, technical specifications, drawings, schedule, and selection of supply category (firm or non-firm output).

Energy and Contractual Information

Monthly export energy allocation, Bilateral Energy Supply Contract, and Letter of Undertaking for CRESS.

Legal and Technical Documentation

Power system study report, approval letter, land lease/sale agreement, and decommissioning plan.

Company Profiles and Supporting Documents

Any other documents required by the Single Buyer.

Key Aspects of CRESS Implementation and Compliance

The essential requirements from the CRESS guidelines such as for Legal & Regulatory, Conditions for Participation, Renewable Energy Certificate (REC), system access charges (SAC), and the Decommissioning of Green Energy Plant required for the successful implementation of the CRESS:

Legal and Regulatory

- CRESS follows existing legal frameworks like the Electricity Supply Act 1990.
- Compliance with the Grid Code, NEDA Guidelines, and other technical regulations is required.



Conditions for Participation

- Green Consumers must be registered medium or high voltage users with EUC.
- GEP shall be ≥ 30 MW, have Direct Connection and operate with at least 51% local ownership.
- EUC handles the billing process based on meter readings at both RED (MRED) and Green Consumer (MGC) premises on a monthly basis.



Renewable Energy Certificate (REC)

- Green attributes, such as RECs, belong to RED and shall be transferred to Green Consumers in accordance with the Bilateral Energy Supply Contract.
- RECs redemption is compliant with international standards.



System Access Charge (SAC)

- RED pays SAC for using the Electricity Supply Network as published in the Energy Commission's website at www.st.gov.my
- The SAC amount shall exclude the excess energy sold to SB through the NEDA mechanism.



Decommissioning of Green Energy Plant

- A decommissioning plan is required for Green Energy Plants (GEP) that cease operations for 12 consecutive months.
- The plan must include recycling or reuse of components and compliance with local laws and regulations.





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