NEWS HIGHLIGHTS

Electricity

January – June 2025

Observing Electricity Trend and Progress in First Half of 2025

Renewable Power Capacity

ASEAN is integrating more **renewable energy** into its power capacity despite continued reliance on fossil fuels

Reliable Power Interconnection

Integrate national grids through the **ASEAN Power Grid** to enhance power supply reliability

Fluctuated Electricity Price

Electricity price hikes in ASEAN reflect vulnerability to economic shocks

Electricity Resiliency

Heatwaves and disaster elevated the electricity prices and jeopardise the **electricity resiliency**

Pushing Clean Energy Source in Installed Capacity

In the first half of 2025, solar energy became the main contributor to renewable capacity growth. ASEAN pushed **renewable energy (RE) growth in installed capacity** through new and updated regulations.

Natural Gas as a Transitional Fuel

Malaysia's 1,200 MW Pulau Indah combined cycle power plant has commenced operations and is expected to supply electricity to around 2.5 million homes.

Vietnam's first LNG-fired power project, Nhon Trach 3, began 50 MW grid connection. Once fully operational, Nhon Trach 3 and 4 will have a combined capacity of 1,600 MW.

Thailand has completed a 74 MW combined cycle power plant that replaces an existing facility, reducing natural gas consumption by 15%.

Singapore's electricity retailer has launched a 100 MW fast-start CCGT power plant to boost power grid reliability.

Spotlight on Renewable Capacity

Philippines awarded 30.9 MW to geothermal projects under its 3rd Green Energy Auction.

Lao PDR has signed a project development agreement for a 1,200 MW wind power plant in Savannakhet to export electricity to Vietnam.

Malaysia has commenced operations of a 7.5 MW solar power plant in Tawau, the first ground-mounted facility in the area with solar tracking technology.

Myanmar successfully commissioned a 50kW solar-plus-storage system, marking a significant milestone in the country energy transition efforts.

Brunei Darussalam announced the development of a 30 MW solar power plant, aimed at boosting the nation's renewable energy capacity.

RE in Electricity Policy

Indonesia issued regulation to standardise renewable energy Power Purchase Agreements (PPA), including the utilisation of Domestic Component Level (TKDN).
Indonesia released 2025–2034 Electricity Supply Business Plan targets 69.5 GW new capacity, with 61% from renewables, alongside battery and pumped hydro.

Thailand launched the 2025 Energy Regulatory Commission (ERC) Roadmap for Clean Energy Transition introducing Utility Green Tariffs and direct power purchase agreements.

Vietnam approved a revised Power Development Plan (PDP8), increasing the total installed capacity target by 50% and allocating USD 136.3 billion by 2030 to expand renewable energy.

Accelerating Regional Power Interconnection

ASEAN member states are actively pursuing the development of the **regional power interconnection** and national grid to accelerate energy transition and **enhance power supply reliability** across the region.

Power Interconnection

Singapore signed a new subsea cable deal with **Indonesia** and launched a government-linked company specialised in cross-border power infrastructure.

Vietnam successfully energized its section of the Monsoon-Thanh My 500kV line, enabling 600 MW of power imports from **Lao PDR** ahead of schedule.

Malaysia is committed to establishing the Sarawak–**Brunei Darussalam** power interconnection by 2030.

Malaysia, Vietnam, and Singapore announced Tripartite Industry Alliance to Advance Cross-Border Renewable Energy Supply.

Malaysia confirmed that Sabah-Sarawak power interconnection is expected to be completed by the end of 2025.

Asian Development Bank (ADB) has expressed its readiness to allocate up to USD 10 billion for the **ASEAN** Power Grid (APG) initiative.

The 43rd **ASEAN** Senior Officials Meeting on Energy (SOME) concluded with the finalisation of major agendas, including the Enhanced APG memorandum of understanding (MoU).

APG was receiving significant attention and support from high-level officials of AMS beyond the energy sector, as reflected in:

- 58th **ASEAN** Foreign Ministers' Meeting (AMM).
- Joint Statement of the 12th **ASEAN** Finance Ministers' and Central Bank Governors' Meeting (AFMGM).

National and Local Grid

Malaysia has committed 43 billion ringgit (USD 10.1 billion) to upgrade its national grid infrastructure.

Singapore is developing virtual power plants to link and manage small power sources as a single and coordinated system to help meet its 40% renewable energy target by 2035.

Indonesia planned to build a 47,000 circuit kilometres transmission cable network as written in the 2025-2034 Electricity Supply Business Plan.

Philippines private power grid operator (NGCP) updated the Transmission Development Plan (TDP) to include PhP 485.2 billion (USD 8.6 billion) worth of projects.

Fluctuated Electricity Price Amidst Strong Demand

The **electricity prices exhibited fluctuations** with an overall upward trend, reflecting vulnerability to global economic shocks. In response, **pricing mechanism** reconstructions and subsidies were given to **alleviate the impact.**

Electricity Price Dynamics

Lao PDR raised electricity prices due to rising demand and a weakening currency. In February, the government announced a gradual tariff hikes until 2029.

Vietnam established a new framework for average retail electricity prices, with rates set to rise by 4.8% to 2,204 VND (USD 0.084)/kWh, marking the fourth increase since early 2023.

Malaysia maintained electricity tariffs until June 2025, with RM5.96 billion (USD 1.4 billion) in subsidies to alleviate the impact of rising fuel costs and plans to introduce a new tariff from July.

Thailand's government will maintain electricity tariffs at 3.99 baht (0.12 USD)/kWh until the end of 2025, including areduction of 0.17 baht (USD 0.0052)/kWh from the current electricity price.

Philippines' major private electricity distributor raised its electricity rate due to higher transmission charges and an increase in the feed-in tariff allowance.

Philippines' private electricity distributor cut its January 2025 electricity rates due to lower generation charges, saving households around PHP44 (USD 0.75) for 200 kWh of usage.

Singapore's electricity and gas tariffs for July to September will decrease by 2.3% due to lower energy costs.

Strengthening Policy Measures

Malaysia restructured its electricity tariff under Regulatory Period 4, introducing Time-of-Use pricing for domestic users, which offers lower rates during off-peak hours.

Malaysia plans to implement an Automatic Fuel Adjustment (AFA) for electricity pricing, adjusting rates monthly based on fuel costs and exchange rates, capped at 3 sen (0.024 USD) per kWh.

Vietnam proposes new electricity price for electric vehicle charging stations both under industrial and commercial prices to ensure fairness.

Vietnam revisited its Power Development Plan 8 to include pricing mechanisms and guaranteed minimum electricity purchases in LNG power projects.

Electricity Resilience to Power Grid Disruptions

ASEAN was hit by heat waves that resulted in elevated electricity prices and **threatened the adequacy of power supply,** along with disasters that caused widespread outages. It prompted the region to take action **to strengthen energy security.**

Supply Disruptions

Myanmar was struck by 8.2 maginute earthquake, resulting in widespread power outages across the country.

Philippines' electricity spot prices nearly doubled in March, driven by extreme heat and reduced power supply due to plant forced outages and derations.

Vietnamese households in Ho Chi Minh City and nearby provinces saw a 20–40% spike in electricity bills in March, driven by hot weather and ongoing heatwaves.

Indonesia faced rolling blackouts in Bali following a major outage caused by undersea cable failure.

Government Plan

Vietnam's power usage hit a record high due to extreme heatwaves. Prime minister urged urgent action to stabilise the national grid and prevent electricity shortage.

Thailand confirmed that the earthquake in Myanmar did not affect power plants or dam operations, attributing this to comprehensive monitoring and safety measures.

Lao PDR launched a new infrastructure project aimed to relocate low-voltage electricity cables underground to reduce frequent power outages caused by overloaded poles and storm-damaged infrastructure.

Philippines accelerated plans to connect Siquijor Island to the main power grid to ease the power crisis caused by a supply gap.

Cambodia assured sufficient electricity supply to power the border communities despite the border tension, while maintaining national grid security.

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