



MEDIA STATEMENT  
1 APRIL 2026

## **The Energy Commission of Malaysia (ST) Highlights Resilient Energy Sector in 2025 and Challenging Outlook in 2026**

**PUTRAJAYA, 1 April 2026** – The Energy Commission of Malaysia (Suruhanjaya Tenaga – ST) today presented its ST Annual Regulatory Review 2026, reaffirming the resilience and stability of Malaysia’s energy sector under its regulatory oversight while highlighting the increasing global and domestic energy challenges moving forward.

Amid a more complex global energy landscape, driven by rising demand, geopolitical uncertainties and evolving market dynamics, ST continues to ensure that the electricity and piped gas supply in Peninsular Malaysia and the Federal Territory of Labuan remains secure, reliable, safe and sustainable.

The review reflects key developments across the energy sector in 2025, where increasing electricity demand saw a new level of peak demand, influenced by factors such as electrification, data centre growth, industrial expansion, weather conditions and electric vehicle adoption. The energy system continued to operate reliably, supported by effective regulatory planning and timely capacity additions.

Throughout the year, ST maintained a strong focus on practical regulatory implementation, strengthening frameworks, standards and market arrangements to support sector stability and sustainable growth. This includes the enforcement of the Energy Efficiency and Conservation Act (EECA) 2024, improvements in tariff

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### **ABOUT THE ENERGY COMMISSION**

The Energy Commission (Suruhanjaya Tenaga - ST) is a regulatory body responsible for regulating the energy sector, particularly the electricity and piped gas supply industries in Peninsular Malaysia and the Federal Territory of Labuan. The Energy Commission ensures that the provision of electricity and piped gas to consumers is secure, reliable, safe and reasonably priced.

mechanisms and continued expansion of regulatory frameworks to support higher RE development.

The review is anchored on ST's six (6) key regulatory pillars, covering:

- safety and enforcement,
- system reliability and energy security,
- fair and transparent tariffs,
- energy efficiency and sustainability,
- energy transition and market development, and
- governance, stakeholder engagement and institutional strengthening.

Across these pillars, the energy sector recorded tangible progress. Notably, improvements were seen in safety outcomes, with lower electrical and gas-related incidents, while regulatory enhancements and licensing oversight continued to strengthen compliance across the sector.

In supporting energy security, system planning, operations and regulatory oversight remained robust, with a healthy reserve margin of 25% in 2025, enabling the power system to accommodate rising demand while maintaining reliability. Despite a challenging period during the Putra Heights gas pipeline incident, the gas supply disruption risks were largely mitigated through the coordinated efforts of various parties.

At the same time, ST continued to safeguard consumer interests through fair tariff structures and targeted mechanisms to manage cost pressures and incentivise energy efficiency, particularly in the context of global fuel price volatility.

On energy transition, key initiatives including renewable energy programmes, market liberalisation efforts and energy efficiency measures, with carbon reduction under the

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National Energy Efficiency Action Plan (NEEAP) reaching 35,618.31 ktCO<sub>2</sub> (2016–2025), reflecting sustained progress towards a lower-carbon energy future.

Looking ahead, ST anticipates an increasingly challenging energy landscape from geopolitical tensions, supply chain disruptions and volatile energy markets. Electricity demand is expected to continue growing, driven by continued economic expansion and growth in digital infrastructure, while domestic energy supply dynamics will be influenced by changing consumption profile, fuel supply and climate-related factors.

At the institutional level, ST will also intensify efforts to enhance governance, strengthen stakeholder engagement and promote energy industry competency to support a resilient and future-ready energy sector.

The Chief Executive Officer of ST, Puan Siti Safinah Salleh, emphasised that engaging the public and energy consumers remains a key priority moving forward as the overcoming challenges and moving forward on the energy transition agenda requires collaboration and commitment from all parties.

“ST will continue to report our performance on a yearly basis as part of our commitment to transparency, accountability and building public trust in the energy sector,” she said.

“As Malaysia advances its energy transition journey, ST remains committed to ensuring that the sector continues to evolve in a manner that is balanced, inclusive and well-understood, while safeguarding the interests of consumers and supporting national sustainability goals.”

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***For further information, please contact us at [media@st.gov.my](mailto:media@st.gov.my).***

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