

Gas Malaysia strengthens commitment towards renewable energy



Thursday, October 10th, 2019 at , News (<https://themalaysianreserve.com/category/news/>)

The agreement is part of its long-term sustainable strategy, which is to have an alternative renewable and sustainable source of gas supply

by TMR

GUIDED by its vision to be an innovative value-added energy solutions provider, Gas Malaysia Bhd, a member of MMC Corp Bhd, continues its aim to foster long-term sustainable development in its business activities.

On Oct 8, Gas Malaysia's wholly owned subsidiary – Gas Malaysia Virtual Pipeline Sdn Bhd (GMVP) signed a gas purchase agreement with Kulim Green Energy Ventures Sdn Bhd – a joint-venture company between Kulim (M) Bhd (a wholly owned subsidiary of Johor Corp), O'Rec Ind Sdn Bhd and MTC Engineering Sdn Bhd.

Resulting from this partnership, GMVP will procure biomethane from Kulim Green Energy for injection into Gas Malaysia's Natural Gas Distribution System (NGDS) network.

From Gas Malaysia's perspective, this business venture is part of its long-term sustainable strategy, which is to have an alternative renewable and sustainable source of gas supply.

Biomethane is produced from palm oil mill effluent and upgraded to a specification similar to natural gas available in the NGDS network.

For the business undertaking, the biomethane will be upgraded and supplied from Kulim's palm oil mill located in Sedenak in Kulai district, Johor.

This business arrangement complements the government's effort to increase the nation's target of renewable energy (RE) generation to 20% by 2025, as announced recently by Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin.

This business arrangement complements the government's effort to increase the nation's target of renewable energy (RE) generation to 20% by 2025, as announced recently by Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin.

This business arrangement shall also reduce the emission of greenhouse gases, where if the methane is released into the atmosphere, it becomes 25 times more hazardous than carbon dioxide (CO₂) in posing greenhouse effect.

Therefore, this business arrangement should save more than 90,000 metric tonnes of CO₂ emission equivalent per annum.

Commenting on the new business arrangement, the GMVP CEO and chairman Ahmad Hashimi Abdul Manap (*picture*) said: "We are delighted to work closely with our business partner, Kulim Green Energy. We firmly believe that the future lies in RE.

"As we observe several foreign countries, RE plays an important and growing role in their energy management system and in recent years, certain countries are actively driving the deployment of renewable technologies."

Meanwhile, Kulim's ED Zulkifly Zakariah said: "Though Kulim was keen to concentrate on its core plantation business, the group is also focusing on exploring untapped opportunities in relation to environment-friendly and value-adding applications such as palm oil by-product.

"The conversion of biogas into biomethane is part of a circular economy and also viewed as a part of Kulim's long-term commitment to sustainable practices along the entire chain of oil palm plantation business.

"The successful attainment of Sustainable Palm Oil (SPO) certification has enhanced Kulim's reputation globally with regard to its awareness on environmental issues and has also helped in being the front runner in the global supply chain."

Zulkifly added: "The new business arrangement with Gas Malaysia for commercialisation of biomethane at Sedenak (Palm Oil) Mill is due to it being strategically located within the proximity of Gas Malaysia's pipelines.

"This business arrangement is also in line with Kulim business direction to continuously identify, evaluate and expand its potential in green business and is expected to contribute positively to the group's earnings as a new income stream, enabling us to grow on a well-diversified basis."

"As a responsible business entity, we will lay emphasis on the importance of ensuring that we develop in a sustainable manner. This is more pertinent given our role as a total energy solutions provider. True to our mission, we will continue converging sustainability initiatives into our business activities," Ahmad Hashimi concluded.