

# Pavilion REIT inks an agreement with five renewable energy players to power its malls

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Sharen Kaur

September 6, 2023

By [Sharen Kaur](#) - September 6, 2023 @ 2:05pm



[sharen@nst.com.my](mailto:sharen@nst.com.my)

KUALA LUMPUR: Pavilion Real Estate Investment Trust (Pavilion REIT) plans to explore buying electricity generated by a solar power plant in Pasir Mas, Kelantan, to power its malls, Pavilion KL, Pavilion Bukit Jalil, and Intermark.

The plant is expected to be commercially operational in the third quarter of 2025, according to a stock exchange filing.

Pavilion REIT has signed a memorandum of understanding (MoU) with five renewable energy (RE) companies for the plan on September 5, 2023, through its trustee, MTrustee Bhd.

MTrustee signed an agreement with a consortium consisting of reNIKOLA Holdings Sdn Bhd, Sun Energy Ventures Sdn Bhd, and Syarikat Osmania Logistics Sdn Bhd for the Pavilion KL and Intermark malls.

Another MoU was signed for Pavilion Bukit Jalil with a consortium consisting of 12 Solarpark One Sdn Bhd and Solarcap Sdn Bhd.

The move is in accordance with the framework of the Corporate Green Power Programme (CGPP). The CGPP is a government project that allows businesses to participate in the promotion and usage of renewable energy in their operations.

According to Pavilion REIT, these MoUs allow the consortiums and MTrustee to secure all relevant and required permits from the Ministry of Natural Resources, Environment, and Climate Change (NRECC), Tenaga Nasional Bhd, and other applicable local authorities or agencies in order to participate in the CGPP.

The various consortiums, according to Pavilion REIT, will form a special purpose vehicle for the execution of a corporate green power agreement (CGPA).

The CGPA for both MoUs is to be executed within 60 days following the Energy Commission's approval to participate in the CGPP, it said.

In terms of the key terms of a possible CGPA, Pavilion REIT said that the contract period is 21 years.

"Pavilion REIT has the option to exercise its rights once annually to sell all or part of the RECs back to the consortium if price is deemed as not favourable to Pavilion REIT," it said.