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At the "Energy Transition Conference 2026"

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From June 3 to 5, 2026, the Energy Transition Conference 2026 was held in Kuala Lumpur, Malaysia. This conference, hosted by Malaysia's national power utility, Tenaga Nasional Berhad (TNB), marked its second convening following the inaugural meeting in August 2023.

The overarching theme of this year's conference, "Energy & AI: The Synergy for Energy Transition," focused on the transformation of energy markets driven by the rapid expansion of artificial intelligence (AI) and data centers, the resulting surge in electricity demand, and the implications of these trends for energy transition pathways. (For an overview of the first conference, please refer to "Perspectives on International Energy Landscape," No. 652.)

Through a series of sessions titled "Keynote", "Plenary", and "Dialogues"—the conference addressed a number of critical issues: the growing electricity demand associated with expansion in AI and data centers; the potential for AI-driven improvements in energy efficiency; expectations and challenges surrounding renewable energy and nuclear power as means to meet rising demand; and the promotion of a shift away from fossil fuels through the expansion of clean energy sources such as renewables and nuclear energy.

It was also evident throughout the discussions that these issues are not only of paramount importance to the host country, Malaysia, but also constitute a shared challenge across the ASEAN region as it advances energy transition efforts. In this regard, the keynote speech delivered by Malaysian Prime Minister Anwar Ibrahim at the opening session of the second day was particularly impressive, as it strongly emphasized all of these critical dimensions.

The author, having been invited by TNB as in the first conference, participated in the proceedings on June 3–4 and delivered a presentation during the "Plenary" on the second day entitled "ASEAN Fuel and Supply Chain Security in the New Era." The following represents a summary of key impressions drawn from the conference discussions, based on the author's personal observations.

The first notable impression was the exceptionally high level of expectation for energy transition in Malaysia and across ASEAN. Throughout the conference, there was a clear and pervasive recognition

that the time has come to accelerate energy transition efforts. In the author's view, this strong momentum can be attributed to two principal factors.

The first, as explicitly reflected in the conference theme, is the rapid expansion of AI and data centers, which is accelerating electrification and necessitating structural reforms in energy supply and demand. For Malaysia—aspiring to play a central role in ASEAN's energy transition—and for TNB, which is at the forefront of this effort in Malaysia, this issue is of critical importance.

The second factor is, without question, the ongoing crisis in the Strait of Hormuz. This crisis, increasingly severe as a global energy shock, has had particularly serious impacts on emerging and developing economies in Asia, including ASEAN member states.

Given their heavy dependence on Middle Eastern oil and insufficient strategic petroleum reserves, many Asian countries have been compelled to implement stringent oil conservation measures, resulting in significant disruptions to both daily life and economic activity. In response, there has been a rapid increase in electric vehicle (EV) adoption as an alternative to oil, alongside accelerated deployment of renewable energy aimed at enhancing energy independence.

From the author's perspective, the impact of this second factor is especially profound. In effect, the Strait of Hormuz crisis may be viewed as an unfortunate catalyst for strengthening efforts toward energy transition in Asia. Interestingly, however, despite its importance as a driver of energy transition, the crisis itself was seldom discussed in depth during the conference (aside from the author's own presentation). While there were occasional cursory references to "Middle Eastern geopolitical risks" or "rising energy prices," these appeared largely as contextual remarks. It is possible that, given the conference's thematic focus on "Energy & AI," the issue was treated as an implicit background condition rather than an explicit subject of debate.

The second point of particular significance concerns the evolving relationship between decarbonization and energy transition. At the present conference, numerous remarks were made that reflected an awareness of the importance of decarbonization for both Malaysia and the broader ASEAN region. However, it appeared that relatively little discussion explicitly framed decarbonization as the primary objective of energy transition. It must be noted that this observation is based on the author's personal impression.

This shift may reflect a reorientation of priorities, with energy security and affordability now emerging as the dominant driving forces behind transition efforts. Under this logic, energy transition is pursued primarily to strengthen supply security and ensure economic viability, with decarbonization

seen as a beneficial outcome that follows as a consequence.

A third point of interest was the limited discussion of what may become a major consequence of ongoing energy transition. The rapid expansion of EVs, renewable energy, and battery storage technologies will inevitably reinforce China's dominance in the clean energy sector. Furthermore, the growing importance of these technologies highlights the critical role of supply chains for rare earth elements and other strategic minerals—areas in which China already holds overwhelming influence.

In OECD countries, particularly Japan and the United States, these issues are increasingly recognized as central to a new dimension of energy and economic security. From the author's standpoint, it was therefore somewhat striking that these concerns received relatively little attention in the conference discussions. This disparity may reflect differing national perspectives, shaped by each country's specific circumstances and priorities.

Overall, the conference discussions strongly suggested that energy transition in ASEAN—and Asia more broadly—may accelerate in response to the Strait of Hormuz crisis. Given that ASEAN is expected to drive future global energy demand growth, the trajectory of its energy transition holds significant global implications. At the same time, even as transition progresses, the process will inevitably be long-term, and fossil fuels—oil, natural gas, and coal—will continue to play a vital role in the pathway of energy transition. Ensuring a stable energy supply in Asia is of critical importance for Japan, whose integration with the region continues to deepen. In this context, Japan's initiatives, symbolized by "POWERR Asia," represent strategically important, mutually beneficial efforts for both Japan and the broader Asian region. The author looks forward to the continued development and strengthening of these initiatives.

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