

OTHERS TNB ACHIEVES FINANCIAL CLOSE FOR LSS4 TOWARDS A SUSTAINABLE FUTURE

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	TNB ACHIEVES FINANCIAL CLOSE FOR LSS4 TOWARDS A SUSTAINABLE FUTURE

Tenaga Nasional Berhad is pleased to attach its press release in respect of the above matter.

This announcement is dated 14 October 2022.

Please refer to the attachment below.

Please refer attachment below.

Attachments



TNB Achieves Financial Close For LSS4 Towards A Sustainable Future.pdf
211.9 kB

Announcement Info

Company Name	TENAGA NASIONAL BHD
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PRESS RELEASE

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TNB ACHIEVES FINANCIAL CLOSE FOR LSS4 TOWARDS A SUSTAINABLE FUTURE

Tenaga Nasional Berhad (TNB) through its wholly-owned Special Purpose Vehicle company, TNB Bukit Selambau Solar Dua Sdn Bhd (TBSS2) has secured financing up to RM185 million for Large Scale Solar Mentari (LSS4) or its third Large Scale Solar (LSS) project in Bukit Selambau, Kuala Muda, Kedah under the government's Large Scale Solar@Mentari or Large Scale Solar 4 (LSS4) program.

TBSS2 has successfully completed the Financial Close on 30 September 2022 as scheduled. The solar project capacity is 50MWac (75MWdc). TBSS2 is expected to achieve its commercial operations in December 2023. The solar farm is being developed on an area of 175 acres, next to TNB's second LSS in Bukit Selambau. A financing amount of up to RM185 million is secured for the development.

With the prevailing challenging market conditions, it is a significant achievement that the project has achieved its Financial Close, enabling financing for the LSS project. This success has been partly attributed to the Energy Commission's support in approving a 4-year extension of the PPA from 21 years to 25 years. CIMB Islamic Bank Berhad will be providing debt funding for the project for up to RM185.0 million.

TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din described the LSS project as a step forward towards achieving its sustainability pathway and ESG targets, as well as ensuring continued business growth for the national utility company.

"The LSS project will contribute to the energy transition that will also open up new opportunities for TNB's business growth and long-term sustainability, as well as spur new economic catalysts for Malaysia," he said.

He added, TNB aims to grow its overall Renewable Energy (RE) portfolio to 7,000MW by 2030 excluding large hydro, in line with TNB's aspiration to achieve Net Zero & Coal-Free by 2050.

On 19th August 2021, TBSS2 signed a 21-year Power Purchase Agreement (PPA) for the development of the LSS facility.

TNB Chief New Energy Officer, Zarihi Hashim, said, "With a proven track record in managing more than 600MW RE assets of both solar and wind in domestic and international markets, TNB has the capability of developing large scale solar projects. TNB will continue to support the Malaysia Renewable Energy Roadmap (MyRER) targets and explore investment opportunities in Malaysia's RE sector."

This project is expected to further drive growth in clean and green energy demand within the region in the coming years and it reflects TNB's latest milestone in its continuous support of the nation's aspiration of achieving 31% installed RE capacity by 2025 and 40% by 2035. TNB's RE gross portfolio currently is 2844MW in Malaysia and 993MW across the UK, Turkey and India; comprising mainly solar, wind and hydro energy generation assets.

TNB's first LSS in Sepang, Selangor with a capacity of 50MWac (78MWdc) has been operating since November 2018 while its second LSS in Bukit Selambau with 30MWac (45MWdc) in September 2020. These two projects were obtained through LSS1 and LSS2 bids respectively. The total carbon dioxide emission mitigated is up to approximately 85,016.56 tCO₂e equivalents to carbon sequestered by 2,125,414 trees per year, or by taking 18,318 gasoline-powered passenger vehicles off the road for 1 year.

Released in Kuala Lumpur on 14 October 2022

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Tenaga Nasional Berhad

Tenaga Nasional Berhad (www.tnb.com.my) is a leading Malaysian utility company in Asia with an international presence in the United Kingdom, Kuwait, Turkey, Saudi Arabia and India. Within the renewable energy space, as of June 2022, TNB has a total gross portfolio of 2844MW in Malaysia (including 2,536.1MW of large hydro) and 993MW across the UK, Turkey and India comprising mainly solar, wind and hydro energy generation assets.

CIMB Islamic Bank Berhad

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