TNB signs 2 PPAs for PV plants in Gambang, Sepang

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TENAGA Nasional Bhd (TNB) remains active in the renewable energy sector by committing to two power purchasing agreements (PPAs) with UITM Solar Power Sdn Bhd and TNB Sepang Solar Sdn Bhd.

In a filing exchange yesterday, the electric utility company noted that the two special-purpose companies had each been awarded a transmission-connected large-scale solar (LSS) project by the Energy Commission of Malaysia (EC) last year to develop a 50MW LSS photovoltaic (PV) plant in Gambang and Sepang respectively.

This follows three earlier PPAs signed by TNB with a consortium of three companies — ItraMAS Technology Sdn Bhd, Maltech Pro Sdn Bhd and Cam-Lite Sdn Bhd — for the supply of 150MW of solar power from facilities in Malacca, Kedah and Terengganu.

The two new PPAs reflect TNB’s intent to become a regional leader in renewable energy in line with the government’s effort to pursue more energy efficient initiatives by 2020.

The energy company embarked on its first phase of renewable energy projects in 2015 by installing PV panels at selected welfare organisations — which allowed the community to generate supplementary income by reselling the electricity produced to TNB.

The project began with the installation of solar PV panels at the premises of 19 charities, with phase two expected to include 26 additional welfare organisations nationwide.

To date, TNB has entered into joint ventures with plantation giants such as the Federal Land Development Authority and Sime Darby Bhd, to set up a pilot biomass and a biogas plant to deliver most of Malaysia’s renewable energy efforts.

In the company’s 2016 annual report, TNB CEO Datuk Seri Azman Mohd said the firm aims to aggressively expand its global footprint under this key pillar.

“This will be achieved by building our businesses in South East Asia, South Asia and the Middle East to generate healthy returns on international investment. We aspire to have international investments account for 20% of our earnings by 2023 and we have already made headway in our global expansion with an acquisition in Turkey during the year in review,” Azman said.

In addition to advocating renewable energy to its stakeholders, TNB has also placed internal policies to produce cleaner, greener energy this financial year, as stated in its Strategic Plan 2015-2025 in conjunction with the TNB Transformation Programme introduced in 2014.

As part of a wider strategy to strengthen Malaysia’s electricity generation from renewable energy sources, the EC intends to build LSS PV plants across Malaysia — which will be connected to the grid — and will sell energy to TNB or Sabah Electricity Sdn Bhd under Sola PPAs.