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KAB acquires 9.6MW hydropower plant in Kedah

IN A move to fortify its presence in the renewable energy (RE) sector, Kinergy Advancement Bhd (KAB) is set to acquire a 9.6MW mini-hydropower plant in Kedah.

The strategic investment is made through KAB Energy Holdings Sdn Bhd, a wholly owned subsidiary of KAB, and involves acquiring a 100% stake in Tunjang Tenaga Sdn Bhd, which holds an 80% stake in SDF Hydro Sdn Bhd.

The Pedu Dam plant, run by SDF Hydro, highlights KAB's dedication to environmental sustainability in the Asean region. With a total approved capacity of 9.6MW, it has a net export capacity of 8.0MW approved by the Tenaga Nasional Bhd (TNB) substation.

The remaining 20% ownership is held by Menteri Besar Inc (MBI) Kedah, a Kedah state investment arm.

The project is granted a 21-year concession period, starting from the Feed-in Tariff (FiT) commencement date scheduled on April 30, 2027.

This investment followed KAB's recent acquisition of an 11MW mini-hydropower plant in North Sumatera, Indonesia, in August 2023.

KAB executive deputy chairman Datuk Lai Keng On highlighted the strategic importance of these acquisitions in realising the company's vision of leading sustainable energy development in the region.

"By harnessing the untapped

potential of Pedu Dam, KAB anticipates making substantial advancements in RE generation, furthering Malaysia's environmental sustainability objectives.

"Hydropower plants, known for their capacity to deliver stable energy outputs, play a crucial role in consistent RE production," Lai stated.

Emphasising the minimal environment, social and governance (ESG) concerns associated with the Pedu Dam hydropower plant, Lai pointed out its completion in 1969. It serves as a cornerstone for agricultural growth in Kedah and Perlis, covering 96,558 hectares of land.

The strategic location of the dam in the Padang Terap district highlights its role in water management and its potential for RE generation.

"The addition of this new mini-hydropower plant into our RE portfolio strengthens our position as a holistic one-stop energy and engineering solutions provider, further expanding our footprint in sustainable energy across Asean," Lai added.

With the completion of these renewable projects in North Sumatera and Kedah, KAB's total installed capacity for mini-hydropower reaches 20.6MW.

Lai highlighted that this increase reflects a beneficial elevation in KAB's long-term recurring income, supported by established power purchase agreements (PPAs) in Malaysia and Indonesia. — TMR