



04 APR, 2023

Ranhill consortium wins bid for 100MW Sabah power plant project

The Edge CEO Morning Brief, Malaysia



KUALA LUMPUR (April 3): Ranhill Utilities Bhd's unit Ranhill Capital Sdn Bhd (RCSB) has been notified by the Energy Commission (EC) that its consortium with Sabah Energy Corporation Sdn Bhd (SEC) has won the bid for a 100MW power plant at the West Coast of Sabah.

The project involves the design, construction, ownership, operation and maintenance of a 100MW gas-fired combined-cycle gas turbine (CCGT) power plant on a build, own, operate and transfer basis.

Ranhill in a Bursa Malaysia filing on Monday (April 3) said a letter of notification (LON) was issued to the unincorporated consortium subject to a few conditions, including fixing the nominal net capacity of the plant at 100MW and commercial operation date (COD) by March 1, 2026.

The LON also stipulated that a special purpose vehicle (project company) has to be incorporated, and company registration and associated documents have to be submitted to the EC within two months from the date of the LON.

The consortium also has to maintain its effective shareholding in the project company for a period of 10 years from the date of the LON.

The project company is expected to execute a power purchase agreement (PPA) and gas sales agreement with Sabah Elec-

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tricity Sdn Bhd no later than seven days after the EC's approval of the final draft or two months from the date of the LON, whichever is later. The concession term under the PPA spans 21 years.

The project company is also required to achieve the financial closing date no later than five months from the date of the LON.

In addition, the original signed copies of the Successful Bidder's Declaration has to be executed and submitted to EC within seven days from the date of the LON.

The LON also stated that the consortium has to submit the substitute bond to the EC within 14 days and shall be valid from the date of the LON up to and until one month after the financial closing date.

Meanwhile, all technical and commercial aspects remain unchanged, save as otherwise collectively agreed in writing by the Sabah state government, the EC and Sabah Electricity.

On Feb 28, 2022, the EC issued a request for proposal (RFP) to RCSB and SEC for the proposed development of the project. In response to the RFP, the parties entered into a memorandum of understanding (MOU) dated April 28, 2022 to form the consortium Ranhill-SEC and submitted the bid on April 29, 2022.

Upon completion of the 100MW gas-fired CCGT project in March 2026, this new plant will be added to the existing gas-fired CCGT power plants totalling 380MW, currently operated by Ranhill-SEC in Sabah. Ranhill-SEC will continue its dominance as the largest independent power producer in Sabah with a total generating capacity of 480MW.