

Headline	Data centres to drive demand for Tenaga		
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Data centres to drive demand for Tenaga



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KUCHING: Tenaga Nasional Bhd (Tenaga) guided for electricity demand growth of 2.5 to three per cent in financial year 2024 (FY24), higher than the 1.7 per cent embedded in Incentive-Based Regulation (IBR), underpinned largely by new data centres.

The higher demand should entail a higher base under Regulatory Period 4, boosting Tenaga's earnings from FY25.

The research team with Kenanga Investment Bank Bhd (Kenanga Research) saw that Tenaga's actual FY23 demand growth came in higher than the 1.7 per cent embedded in IBR, led by commercial (7.6 per cent) and domestic segments (6.7 per cent).

"Tenaga guided for electricity demand growth in FY24, underpinned largely by new data centres. In FY23, nine data centre projects with circa 635MW capacity were completed which will bring annual sales of

circa RM350 million to Tenaga," Kenanga Research explained.

"Of these projects, two projects completed ahead of time, which are the GDS Data Centre (with total maximum demand of 85.5MW) completed three months ahead of time in September 2023; and SIPP YTL Data Centre Park (with total maximum demand of 300MW) completed two months ahead of time in October 2023.

"At the same time, Tenaga has signed electricity supply agreements (ESA) with nine projects for a total potential demand of 2,300MW of electricity."

In FY24, nine more data centre projects with circa 700MW are expected to be completed while 10 new ESA are expected to be concluded with potential energy demand of 2,000MW.

As such, this will result in a total potential maximum demand of more than 5,000MW of electricity from data centres by 2035.

For supply side (energy sources), Tenaga is transitioning

into green entity with a circa 7,700MW green energy development pipeline. This includes hydro plants, hybrid hydro-floating solar PV, hydrogen-ready combined cycle power plant, corporate green power program and large-scale solar parks.

So far, the budgeted RM2.76 billion for FY23 energy transition (ET) capex was fully utilised while the ET capex for FY24 is RM3.33 billion. To recap, the Regulatory Period (RP) 3 approved ET capex is RM8.2 billion, to be used over FY22 to FY24.

For energy usage, it aims to proliferate the number of battery electric vehicles (BEV) by installing EV charge points at strategic locations across Peninsular Malaysia.

In FY23, it completed five projects with 32 charge points installed. In FY24, one electron station is to be installed by 1QFY24, and five electron stations by 2QFY24. In total, these charging stations support a total of 112MW electricity demand.