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Fitters unit starts selling renewable electricity to TNB

KUALA LUMPUR: Fitters Diversified Bhd's green palm oil mill in Baling, Kedah has started selling renewable electricity to Tenaga Nasional Bhd (TNB) under a 16-year contract.

It said its unit Future Biomass Gasification Sdn Bhd's (FBG) renewable energy power purchase agreement with TNB, signed in 2015, has a feed-in tariff rate of 47 sen per kilowatt hour.

Fitters said FBG has just received approval from the Sustainable Energy Development Authority of Malaysia to start the feed-in tariff to the national grid for 16 years starting from March 31, 2018.

Up to 2MW of renewable electricity will be produced at the Baling green palm oil mill. Biogas will be generated from palm oil mill effluent in a biogas capture plant and converted into electricity using highly efficient biogas engine generators.

The contract is expected to contribute immediately to the group's financial performance for the financial years ending

December 2018 to December 2033.

Fitters managing director Datuk Richard Wong said the group wanted its green mill to be a practical showcase for all palm oil mills, not only in proactively participating in the renewable energy initiative, but also enhancing its economic viability beyond the supply of downstream products.

"Connecting to the national grid effectively supports the government's endeavour to champion electricity generation from sustainable sources. This marks a new beginning for our renewable energy segment, and opens up the opportunity for us to replicate this model to other mills nationwide," Wong said.

The 2MW biogas capture plant was set up at an estimated cost of RM24mil equipped with state-of-the-art generators of German-technology. The biogas capture plant received the pioneer status approval from the Malaysian Investment Development Authority, which allows FBG to enjoy 100% tax exemption for 10 years for the sale of renewable electricity generated from biogas.



Practical showcase: Wong says group wants its green mill to be a practical showcase for all palm oil mills.