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## TNB weighs US\$1 bil renewable unit stake sale

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**PETALING JAYA:** Tenaga Nasional Bhd (TNB), Malaysia's state-owned electric utility, is exploring selling a minority stake in a planned renewable energy unit to help fund its expansion into the sector, according to people with knowledge of the matter.

The Kuala Lumpur-listed power firm has asked banks to submit proposals and could raise US\$300mil to US\$1bil (RM1.42bil to RM4.74bil) from potential investors, the people said.

TNB hasn't picked a financial adviser yet, said the people, who asked not to be identified as the process is private.

Deliberations are ongoing and there is no guarantee that TNB will proceed with the stake sale, the people said.

TNB's renewable energy growth strategy involves establishing a pure-play entity, Mohd Zarihi Mohd Hashim, its chief new energy officer, said in response to a *Bloomberg News* query.

It is still at an early stage of developing its capital strategy, and expects the entity would attract investors aligned with its strategic goals, he said.

The company aims to achieve net-zero emissions by 2050 and to be coal-free by the early 2040s, according to its latest analyst presentation notes.

It is currently focusing on renewable energy markets in the United Kingdom, Malaysia, Thailand, the Philippines and Vietnam.

It expects to have 0.7 gigawatts (GW) of

installed renewable capacity by the end of this year, and plans to increase that to 14.3 GW by 2050, the notes showed.

The utility, which is looking to expand its renewables business to other markets in Europe and Asia, will invest US\$7bil (RM33.2bil) of equity in the space by 2050.

TNB, which has a market value of about RM48bil, signed a 30-year power purchase agreement, expected to begin in 2027, for a 300 megawatt (MW) hydro plant in Malaysia, according to the notes.

It has bought several wind assets in the UK including a 97.3MW onshore wind portfolio earlier this year, and a 49% stake in offshore wind farm company Blyth Onshore Demonstrator Ltd in 2021. — Bloomberg