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## 12 HYDROPOWER PLANTS

# RENEWABLE ENERGY PUSH ON TRACK

Research firms have 'outperform' call on TNB on back of RM5b Kelantan project

### KUALA LUMPUR

**M**ALAYSIA is working on developing a dozen major hydropower projects, including the newly-announced RM5 billion plant in Kelantan by Tenaga Nasional Bhd (TNB).

Analysts said this would support the country's ambition to increase the share of renewable energy (RE) in its installed capacity to 31 per cent in 2025.

The target is expected to be raised further to 40 per cent by 2035 as the government, through TNB, reduces coal-fuelled power plant capacity by 50 per cent.

Public Investment Bank Bhd

(PublicInvest) said TNB's RM5 billion project in Kelantan was one of the two large-scale hydro projects in Peninsular Malaysia commissioned by the Energy Commission.

The other is the Tekai plant, which has 163MW commissioned.

TNB had announced on Tuesday that its wholly-owned TNB Power Generation Sdn Bhd would develop the RM5 billion power plant with a capacity of 300MW in Gua Musang.

Construction was estimated to take five years and would be completed by June 1, 2027, said TNB in its filing with Bursa Malaysia.

"All in, we understand the com-

mission had committed, in principle, to the development of 12 power generation projects between 2017 and 2023, with most of them located in Sarawak," said PublicInvest.

Sarawak is home to the massive 2,400MW Bakun project, which was commissioned in 2011. The Baleh project, reportedly boasting 1,285MW, is currently under construction, with completion slated for 2026.

Other major hydro projects in the pipeline in Sarawak are Limbang 2 (130MW), Belaga (160MW), Linau (182MW), Trusan 2 (240MW), Baram 3 (300MW) and Pelagus (465MW).

PublicInvest has affirmed its "outperform" call on TNB but with an unchanged target price of RM12.42.

Kenanga Research analyst Teh Kian Yeong said the hydroelectric



Sarawak is home to the massive 2,400MW Bakun project, which was commissioned in 2011.

project was part of TNB's quest to improve its RE portfolio, and would increase its installed capacity to 8,300MW by 2025 from

3,406MW now.

The research firm has maintained its "outperform" call on TNB with a RM11.76 target price.