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TNB to offtake electricity from Edra Energy’s new plant in Melaka

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KUALA LUMPUR: Tenaga Nasional Bhd (TNB) has signed a 21-year power purchase agreement (PPA) with Edra Energy Sdn Bhd, which will see the latter construct a gas-fired combined cycle electricity generating facility in Alor Gajah, Melaka.

Edra Energy is a subsidiary of Edra Power Holdings Sdn Bhd, an asset of Edra Global Energy Bhd, which previously belonged to 1Malaysia Development Bhd (1MDB). 1MDB sold Edra Global to China Nuclear Power Corp for RM9.6 billion in November 2015 in a move to monetise its assets to repay debts.

In a stock exchange filing yesterday, TNB said Edra Energy will also own, operate and maintain the facility, which will have three generating blocks, with a combined nominal capacity of 2,242.13MW, or 747.37MW each.

TNB said the PPA governs the obligation of both parties to sell and purchase the generating capacity, and to the extent despatched, the electrical energy generated by the facility.

The PPA’s effective date will kick off from the commercial operation date (COD) of the first generating block, which is expected on Jan 1, 2021. The second- and third-generation blocks’ CODs are set to be March 1 and May 1, 2021 respectively.

The PPA will have a neutral impact on earnings of TNB over the term of the agreement, it added.

TNB closed up two sen or 0.15% at RM13.72 yesterday, valuing it at RM77.44 billion.