Edra Energy to build 2,242MW power plant

by P PREM KUMAR

EDRA Energy Sdn Bhd, a former subsidiary of 1Malaysia Development Bhd (1MDB), has secured a power purchase agreement (PPA) that will enable it to proceed with the construction of its greenfield 2,242MW power plant in Malacca.

The contract will also see Edra Energy operating and maintaining the gas-fired combined cycle electricity generating facility with a capacity of 2,242.13MW at a proposed location in Alor Gajah.

Tenaga Nasional Bhd (TNB) announced the PPA with Edra Energy in a filing to Bursa Malaysia yesterday.

Edra Energy is a wholly owned unit of Edra Power Holdings Sdn Bhd, which was sold to China General Nuclear Power Corp (CGN) and its subsidiaries for RM9.83 billion in November 2015.

TNB said Edra Energy’s proposed facility would comprise three generating blocks, with each generating block having a capacity of 747.38MW and an expected commercial operation date of Jan 1, 2021, for the first generating block.

That would be followed by the second and third blocks in March 2021 and May 2021 respectively.

“The PPA governs the obligations of the parties to sell and purchase the generating capacity, and to the extent despatched, the electrical energy generated by the facility,” TNB’s filing stated.

It added that the PPA will be for a period of 21 years from the commercial operation date of the first generating block.

The utility company also said the signing of the PPA will only have a neutral impact on the earnings of TNB over the 21-year term of the agreement.

To recap, 1MDB entered into a share sale and purchase agreement with China-based CGN on Nov 23, 2015, to acquire 100% of
CGN to assume all debt, cash of Edra firms

CGN is an international energy group which focuses on clean energy. It has developed projects relating to solar energy, wind power, biomass and gas worldwide — including in the US, Australia, Singapore, South Korea, the UK and France.