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Msia's largest power plant project to begin ops in 2021

KUALA LUMPUR: Malaysia's largest combined cycle gas turbine power plant in Alor Gajah, Melaka is expected to begin operations in 2021.

Edra Power Holdings Sdn Bhd Chief Operations Officer, Datuk Mohamad Nor Ali, said the 2,242-megawatt (MW) combined cycle gas turbine power plant project was on track.

He said the company commenced the preliminary work back in March this year and today, the site was ready for construction so it was well on track and that's basically one month ahead of scheduled.

As for financing of the project, he confirmed that Edra Power has hired three domestic banks to raise RM5.28 billion through a sukuk programme for the project.

"CIMB Investment Bank is the sole principal adviser and financial adviser while Maybank Investment Bank and RHB Investment Bank are joint lead managers for the debt programme," he told Bernama.

He said the project would be funded via the 80 per cent debt financing raising exercise and 20 per cent via Edra Power shareholders' funds.

"In total the project cost would be approximately RM6.5 billion," he said.

The site is about 90 per cent ready for construction.

Edra Power, Malaysia's second largest independent power producer, is a leading clean energy group in South-East Asia focusing on gas power generation.



The location of combined cycle gas turbine to be built in Malacca.

It is wholly-owned by China Solar Energy Investment Ltd, a subsidiary of China General Nuclear Power Corp Ltd.

Mohamad Nor said: "The next critical milestone for us is to achieve financial close for the project by year-end and also issue the full notice to proceed for our APC (Assessment of Professional Competence) contractors so that they can go full scale and work towards achieving our commercial operation date of 2021."

He also lauded the support from the Melaka State Government for the project which potentially has immense spillover effects to the local economy, via the generation of some 1,000 job opportunities particularly for the local community.

He said 30 per cent of the project would comprise local contents, whereby a significant amount would actually ben-

efit contractors in Melaka.

The main contractor for this project is a consortium comprising Hyundai Engineering & Construction Co Ltd, Hyundai Engineering Co Ltd and Hyundai Engineering Malaysia Sdn Bhd.

He said they were well-established contractors in power plant construction, with the main equipment coming American firm General Electric, using its latest technology in the gas turbine sector.

He said all the power generated from the plant would be supplied to the national grid.

"Basically, we only have one customer, Tenaga Nasional Bhd, from whom we have secured a long-term power purchase agreement for 21 years from our commercial operation date of 2021," he said. - Bernama