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TNB, Malakoff front runners for Malaysia's first new gas power plant tender in nine years - CGS International

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KUALA LUMPUR (May 14): Tenaga Nasional Bhd or TNB (KL:TENAGA) and Malakoff Corp Bhd (KL:MALAKOF) are expected to benefit most from Malaysia's first new gas power plant tender in nine years, as demand rises sharply due to data centres.

Malaysia hasn't had a thermal plant tender since 2016, but TNB has already signed 5.9 gigawatt (GW) in power deals with data centre operators, with demand projected to grow 5% a year.

The last award was in August 2016 — a 1.2GW gas facility in Pulau Indah, Klang — which started operating in the first quarter of 2025.

The Energy Commission recently launched a request for proposal (RFP) for new baseload capacity — the minimum amount of electricity that must be constantly supplied to meet everyday demand. It includes two categories:

- Category 1: Existing facilities or added capacity
- Category 2: New power generation projects

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TNB and Malakoff are front runners for Category 1, as both have about 2GW of gas-fired capacity with expiring power purchase agreements. Edra Power, with 1GW capacity, is also a contender, according to

CGS International in a note on Wednesday.

For Category 2, likely participants include TNB, Malakoff, YTL Power International Bhd (KL:YTLPOWER), and Edra, due to their strong track records and financial strength, said CGS. Petronas Gas Bhd (KL:PETGAS) may also join, as it plans to expand its power business.

With about 9GW of existing capacity set to expire by 2030 and limited new projects, Malaysia could face a 5GW shortfall. Nevertheless, CGS maintained its 'overweight' view on the utilities sector, calling the RFP a key growth opportunity under the National Energy Transition Roadmap.

At the time of writing on Wednesday, TNB shares were down four sen or 0.28% at RM14.30, with a market capitalisation of RM83.36 billion. Malakoff was half a sen or 0.60% lower at 83.5 sen, with a market cap of RM4.18 billion.



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