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Renewable energy partnership for G Capital, TNB

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PETALING JAYA: G Capital Bhd's 74.64%-owned subsidiary, Kundur Hydro RE Sdn Bhd (KHRE) is in a renewable energy power purchase agreement (Reppa) with Tenaga Nasional Bhd (TNB).

In a statement, G Capital said the feed-in approval, in respect of the 2.0 MW high-head mini-hydropower plant situated on Sungai Geroh in the vicinity of Kampar District, Perak, was only granted by the Sustainable Energy Development Authority Malaysia to KHRE in May this year.

In spite of this, KHRE has succeeded in entering into the Reppa with TNB ahead of the due date of Feb 11, 2023.

The agreement will be for a period of 21 years from the date of commercial operation, whereby G Capital envisages the plant to start operating on or before May 11, 2027. Under the Reppa, TNB will purchase electricity from KHRE at a feed-in-tariff rate of RM0.2461 per kilowatt-hour (kWh).

Based on the estimated annual production of 10.27 gigawatt hours of electricity, the plant could potentially generate RM53.1mil revenue over 21 years from the commissioning date, G Capital said.

G Capital's executive director Datuk Yap Yee Ping said the Reppa marked yet another milestone for the group as we manoeuvre towards becoming one of the leading renewable energy players in Malaysia.

"To date, G Capital has interests in three mini-hydropower plants with 29 megawatts of generation capacity. With the government's goals to increase the use of renewable energy to 31% in 2025 and 40% in 2035, we are optimistic that the renewable energy sector has a promising prospect in the long run," he said.