

Headline	TNB expects reserve margin to stay at 30%		
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TNB expects reserve margin to stay at 30%

BY WONG EE LIN

KUALA LUMPUR: Utility giant Tenaga Nasional Bhd (TNB) expects its reserve margin or back-up power supply to remain sustainable at about 30% going forward to meet any sudden demand peak, with the addition of new power plants in the country.

"There will be new plants, with additional capacity ... and over time, there will be existing older capacity that will expire, [which is expected to offset the additional capacity]," TNB chief financial officer Datuk Fazlur Rahman Zainuddin told reporters at a press conference after the group's annual general meeting (AGM) here yesterday. Fazlur opined that the reserve margin will be kept at around the said level.

He also said the Jimah East Power Plant is on track to begin operations in 2019 and will generate 2,000MW of electricity. According to TNB, this new plant will raise TNB's share of power generation capacity to 53.2%, from the present 51.8%.

Meanwhile, TNB chairman Tan Sri Leo Moggie said the electricity tariff would be the same until June 2018.

"We have not reached [the month of] June, so the Imbalance Cost Pass-Through (ICPT) formula is still there. We will wait and see what happens when June comes," said Moggie, adding that the current tariff is based on the ICPT for January 2018 to June 2018.

Taking digitisation very "seriously", its president and chief executive officer Datuk Seri Azman Mohd said

for its grid operation, TNB would continue to invest in digitisation and automation as well as improve its performance and reliability.

Fazlur added that a capital investment of RM18.8 billion has been allocated for the transmission and distribution grid secured under the second regulatory period from 2018 to 2020.

From the RM18.8 billion, RM2.7 billion will be invested in "Grid of the Future" technologies that help improve TNB's grid reliability and efficiency.

These include the scheduled deployment of 340,000 smart meters in Melaka and the subsequent deployment of an additional 1.2 million smart meters in the Klang Valley.

"A lot of the digitalisation investments that we are doing are

over the three years. This relates to advanced metering infrastructure such as our smart meters, distribution automation and others, to ensure the domestic grid is future-proof, meaning to be ready for new technologies," Fazlur added.

At the AGM, Moggie said two of the company's directors — senior independent non-executive director Datuk Abdul Manaf Hashim and independent non-executive director Datuk Sakthivel Alagappan — have decided not to offer themselves for re-election. Moggie said this is because they feel they may be seen as politically-linked.

TNB shares closed eight sen or 0.5% lower at RM15.92, after 20.25 million shares were traded, with a market capitalisation of RM90.4 billion.