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Reneuco faces RM45 mil liability as TNB terminates solar PPA

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KUALA LUMPUR (Jan 21): Reneuco Bhd (KL:RENEUCO) said Tenaga Nasional Bhd (KL:TENAGA) has terminated the power purchase agreement (PPA) between the two companies, with the Practice Note 17 company liable to pay a delay penalty of RM45 million to the national electricity utility.

In a bourse filing on Wednesday, Reneuco said the termination notice stated that the group's 95%-owned subsidiary PKNP Reneuco Suria Sdn Bhd (PRSSB) — operator of a 50MWac solar farm project in Pekan, Pahang — had failed to achieve commercial operation within 180 days of the extended deadline of Sept 29, 2024.

The PPA, signed on Aug 19, 2021, was intended to run for 21 years from the project's commercial operation date.

TNB also pointed to the appointment of a receiver over the project's assets and PRSSB's failure to provide or renew a RM45

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million delay payment bank guarantee.

As a result, PRSSB remains liable to TNB for RM45 million, corresponding to the delay payment tied to the extended deadline.

Reneuco added that it has submitted an appeal to TNB, seeking reconsideration and withdrawal of the termination notice.

The development comes shortly after Sunview Group Bhd (KL:SUNVIEW) announced

in late December that it is acquiring the stalled solar farm in Pekan for RM70 million cash.

Reneuco — formerly known as Kumpulan Powernet Bhd — was initially shortlisted to develop the 50MWac solar project in collaboration with Perbadanan Kemajuan Negeri Pahang. However, construction was halted following financial difficulties after Reneuco was classified as an affected listed issuer.

In June 2025, KPMG Corporate Restructuring PLT was appointed by Bank Kerjasama Rakyat Malaysia Bhd as a receiver and manager over PRSSB's charged assets after a payment default.

At the last traded price of 3.5 sen, Reneuco's market capitalisation stood at RM39.99 million.