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YTL back in the fray for RM3b power plant

Delayed Track 4A, the 1,000MW gas-fired power plant project in Johor, could be back on track

by **ALEXANDER WINIFRED**

YTL Power International Bhd is believed to be back in the fray to develop the RM3 billion Track 4A, the 1,000MW gas-fired power plant project in Johor that has faced numerous delays.

A source with knowledge of the matter told *The Malaysian Reserve (TMR)* that YTL Power and SIPP Energy Sdn Bhd submitted a new proposal for the project this year.

It is believed the YTL Power-SIPP venture has proposed 38 sen/kWh. However, the proposed tariff was higher than the benchmark 34.7 sen/

kWh set by the authority.

YTL Power, SIPP Energy and Tenaga Nasional Bhd (TNB) were part of the initial consortium that clinched the contract to develop the power plant. However, YTL Power pulled out of the consortium about two years ago, leaving the project in limbo.

TNB and SIPP submitted a new proposal for the authority to reconsider last year. However, regulators are believed to have rejected TNB and SIPP's proposed tariff rate, leading the national utility to exit the project.

The government had awarded the Track 4A project directly to YTL, SIPP and TNB because it wanted the 1,000MW gas-fired plant to be completed by 2018 on a fast-track basis.

Track 4A is now expected to only be completed in 2019, just a year off the original 2020 target commission-

ing date.

In October last year, the Energy Commission told *TMR* that it was in talks with SIPP over the future of the project. But no further announcements were made on SIPP's proposal.

Piarapakaran Subramaniam, a prominent energy consultant, said consumers would ultimately pay the price for the Track 4A delays because the operations of older and less efficient gas power plants would need to be extended to compensate for any power generation shortfall.

"Additional fuel costs stemming from Track 4A delays would add an additional RM1.32 billion to RM1.85 billion to the electricity tariff," Piarapakaran told *TMR*.

Energy prices increased this year after the government cut rebates by more than a third in Peninsular Malaysia.