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KUCHING: Tenaga Nasional Bhd (TNB) has terminated a power purchase agreement (PPA) it inked with PKNP Reneuco Suria Sdn Bhd (PRSSB) more than four years ago.

The PPA was related to the development of a 50MWac solar photovoltaic plant in Pahang by PRSSB, a 95 per cent-owned subsidiary of Reneuco Bhd

(formerly known as KPower Bhd).

Pursuant to the solar plant project, PRSSB had on August 19, 2021 executed the PPA with TNB to govern the obligations of both parties in relation to the sale and purchase of the energy generated by the project to TNB for a period of 21 years from the commercial operation date (COD).

On January 19, this year, TNB notified PRSSB of the termination of the PPA because the latter had failed to achieve the COD within 180 days after the extended COD of September 29, 2024 (EOD) and PRSSB had failed to provide and/or renew the delay payment bank guarantee in the required amount of RM45 million. Another reason

was a receiver (manager) has been appointed over the project's assets.

"PRSSB shall remain liable to TNB for an amount of RM45 million which is due and payable, being the corresponding delay payment for the EOD," Reneuco told Bursa Malaysia.

Reneuco said the company had submitted an appeal to TNB to

reconsider the termination and withdraw the notice.

Under the fourth round of large-scale solar programme initiated by the Energy Commission, PKRSS was to design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 50MWac in Mukim Bebar, Pekan, Pahang.