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Energy transition

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TENAGA Nasional Bhd's (TNB) energy transition plan aims to fast track the phasing out

the use of coal to generate power and replace it with generation capacity from renewable sources.

The power utility has committed to a 35% reduction in carbon emissions intensity and a 50% reduction of its coal generation capacity by 2035 as it targets net zero emissions by 2050.

Malaysia currently has eight coal-fired power plants which can generate 12GW of electricity.

TNB has not disclosed how many coal plants in total it plans to close early except for the 1,400MW Kapar Energy Ventures which is set to cease generation between 2028 and 2029.

The capacity will be replaced by the greenfield 2,100MW gas fired facility the company intends to build in Kapar through its wholly owned subsidiary, TNB Power Generation Sdn Bhd, and be commissioned in 2031.

Many will have an eye on what TNB's plans are for its largest coal fired facilities at the Janamanjung complex, offshore Manjung, Perak, which has a total generation capacity of 4,100MW.

If and when TNB decides to close this facility will raise the question of how it

intends to replace this capacity and what it intends to do with the Lumut port facilities there.

TNB took Integrax Bhd private in April 2015 for RM761mil or RM3.25 a share (for remaining 77.88%) to secure the coal handling operations there for its power plants on the reclaimed island.

This was done following the boardroom tussle between brothers Harun Halim Rasip and Amin Halim Rasip about the future direction of the Lumut port operations with Amin wanting to expand operations into moving more general cargo as well.

The Lumut Port comprises the Lumut Maritime Terminal (LMT) and Lumut Bulk Terminal (LBT).

LBT is the sole provider of coal handling and delivery services for TNB's Janamanjung power plants while LMT handles dry and liquid bulk. Integrax owns 100% of LBT and some 50% of LMT.

If the coal fired power plant complex is shut down in its path of energy transition, how much could TNB get for the port facilities if it decides to exit the business as handling coal (15 million tonnes annually) was LBT's main business?