

Headline	Why the exclusive rights to electrify ECRL track?		
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Why the exclusive rights to electrify ECRL track?

Citaglobal Reneuco Energy Solution Sdn Bhd (CREES) has been awarded a 30-year concession to exclusively supply electricity and renewable energy to the East Coast Rail Link (ECRL) network by Malaysia Rail Link Sdn Bhd (MRL).

CREES, which will build a power generation facility, is required to provide conventional electricity and green energy of up to 100MW to both traction and non-traction of the ECRL network. MRL's entitlement to a 30% mix of

green energy from the total supply is subject to the demand load of the ECRL network, Citaglobal Bhd said in a bourse filing last week.

The concession includes the development of power transmission and interconnection facilities valued at RM600 million, which are expected to be commissioned in stages by mid-2026, the two companies said in separate statements.

There is an option for MRL to renew the concession for an additional 30 years, the filing said.

Citaglobal owns a 60% stake in CREES, while Reneuco Bhd, which is currently a Practice Note 17 status company, holds the remaining 40% equity interest.

The concession is different from that of other independent power producers, which have power purchase agreements with Tenaga Nasional Bhd — the single buyer.

CREES has been granted the exclusive right to supply conventional electricity and green energy to electrify the 640km railway linking three East Coast states — Kelantan, Terengganu and Pahang — to the Klang Valley.

This begs the question why ECRL is not electrifying its rail track with power from the national grid. Given the high reserve margin of more than 30%, there should be sufficient supply of electricity.

What is the justification for granting CREES the exclusive rights?