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HeiTech Padu takes on hydro upgrade challenge



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► Sungai Perak Hydroelectric Scheme Life Extension Programme in engineering and design stage, refurbishment works to take up to eight years

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KUALA LUMPUR: HeiTech Padu Bhd's portion of the Sungai Perak Hydroelectric Scheme Life Extension Programme (LEP) has entered the engineering and design stage, with refurbishment works across three ageing hydroelectric power plants expected to take up to eight years.

HeiTech Eco Energy Sdn Bhd CEO Azuar Fariz Adnan said the project presented a complex execution challenge as the power plants could not be shut down entirely while refurbishment works were being carried out as Sungai Perak energy is one of the backbones of Tenaga Nasional Bhd (TNB) in Peninsular Malaysia, supplying the energy.

"This is a long-term project because, by right, it takes about eight years to complete. Since we acquired this project in 2025, now the phase is still in the engineering and design stage," he told *SunBiz* in an exclusive interview.

HeiTech, together with its partner Voith Hydro, is undertaking refurbishment works at the Temegor, Bersia and Kenering hydroelectric power plants, which have been in operation for more than 40 years.

HeiTech's portion of the contract is valued at RM902.96 million.

Azuar Fariz said the works would have to be carried out sequentially, with turbines and generators taken offline one at a time to minimise disruption to electricity generation.

"Since all of these power plants have multiple turbines and generators, we will do the shutdown or outages one by one. Each turbine will take between 12 and 18 months for a full refurbishment.

The group initially entered the sector in 2015 through the construction of substations for TNB before expanding into large-scale solar (LSS), where it provided inter-connection facilities for developers.

"As we progressed, we also helped out in the LSS space, whereby we were doing the interconnection facilities for the developers. It also turned out well. We managed to gain more than RM100 million worth of projects in LSS alone," Azuar Fariz said.

The group subsequently established HeiTech Eco Energy to focus on renewable energy initiatives, including rooftop solar for residential, commercial and industrial customers.



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"We've cemented our presence in the energy business with the LEP Sungai Perak because that project alone is worth about RM900 million," Azuar Fariz said.

While the Sungai Perak project has strengthened HeiTech's credentials as an engineering and EPCC player, the group is also seeking to move further up the renewable energy value chain by developing and owning its own power-generating assets.

A key step in that strategy is its 2.85MW Sungai La hydro plant in Jerneh, Besut, Terengganu, which Azuar Fariz described as HeiTech's first venture as a renewable energy developer.

"It's very, very important for us because this is our first project as developers. With the 2.85MW, this is a good penetration point for us," he said.

The project is being developed by HeiTech's 65%-owned subsidiary Domainedge Sdn Bhd under the Sustainable Energy Development Authority's feed-in tariff programme.

The project was awarded a tariff of 34 sen per kWh for its first 10 years of operation and 27 sen per kWh for the remaining 11 years. It is scheduled to begin operations by July 25, 2030.

Azuar said HeiTech hoped to complete the project ahead of its 2030 deadline. "Once this project is complete, we are able to sell energy to TNB for the next 21 years."

The Sungai La project will serve as an entry point for HeiTech as it seeks to build a larger presence in small hydro, both as a developer and as an engineering and construction player.

Beyond hydro and solar, Azuar said the company was also exploring other renewable energy technologies, including battery energy storage systems, hybrid hydro-solar developments and potentially floating solar.

"We are also looking into the hybrid technology between hydro and solar, probably floating solar. So these are actually exciting spaces that we are looking to venture into."

However, financing remained among the key challenges facing renewable energy developers, particularly as higher construction costs had affected the viability of some small hydro, biomass and biogas projects.

Azuar Fariz said some projects awarded under earlier renewable energy programmes had faced difficulties progressing due to higher construction costs and challenges in securing financing.

He said the higher tariff structure under the latest feed-in tariff programme had, however, improved the economics of such projects and made them more attractive to developers and financiers.

Land availability also remained a challenge for utility-scale solar developments, which require significant tracts of land, although advances in solar technology have enabled panels of the same size to generate more electricity.

Despite these challenges, Azuar Fariz said, HeiTech's experience across substations, LSS, hydroelectric refurbishment and renewable energy development had positioned it to deepen its presence in the sector.