

Headline	IMDB's chances for Track 3B at risk		
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1MDB's chances for Track 3B at risk

1MALAYSIA Development Bhd's (1MDB) chances of securing the 2,000 megawatt (MW) coal-fired power plant job could be in doubt, after a possible tube burst incident in one of the Jimah Energy Ventures Holdings Sdn Bhd's coal-fired power plants recently.

According to sources, the plant was forced to shut down on Nov 23 due to a tube leak on its boiler. Sources say over 30 tubes may need to be replaced as a result of the incident. Replacement work is expected to be completed early December.

"It is believed that the Energy Commission (EC) is viewing this incident as something serious.

After all, the boiler that suffered a tube leak is believed to be the same boiler proposed by 1MDB," says an industry source.

It is also believed that IHI Corp, one of the major boiler-makers in Japan, has been summoned to EC to further clarify on this issue. In the bid for the 2,000MW power plant project submitted by 1MDB, it plans to use the IHI boilers and Toshiba steam turbines.

Sources say the EC was expected to decide on the winner of the 2,000MW power plant job, also known as Track 3B, soon. However, the recent incident could mean that the EC would need more time to decide.

Besides the possible boiler issue, there are also other concerns on 1MDB's proposed plant.

"The site 1MDB is proposing is believed to be a site with no ash pond. The ash is harmful, so where will these ash be disposed to?" raised one industry source.

The bidding of the Track 3B, which ended on Sept 30, has attracted four groups of bidders.

Earlier, there was a news report, citing sources, that YTL Power Bhd (via its partnership with SIPP Power Sdn Bhd) submitted the lowest bid for Track 3B. According to sources, its bid was 25.12 sen/kWh.

The second lowest bid was submitted by 1MDB at 25.33 sen/kWh. Malakoff Bhd's bid was 26.67 sen/kWh with Tenaga Nasional Bhd's at 28.07 sen/kWh.

Besides the pricing, the EC is also expected to look at other

factors, including the location of the power plant, the plant's impact to the environment and logistic issues, among others.

It was reported that the 2,000MW coal-fired power plant could cost about RM12 bil to build.

Earlier news report highlighted that YTL Power may be one of the frontrunners for the power plant project.

However, a recent news report suggested that YTL Power's bid

may be under scrutiny, mainly due to compliance issue on the equipment it proposed to use.

Sources revealed that YTL Power and vendors have met up with the EC on Nov 26, and have provided clarification on the matter.

The 2,000MW power plant is to be built on a new site in Peninsular Malaysia and will be commissioned in stages, starting from October 2018.

YTL has proposed that the plant be built in Tanjung Tohor, Johor while 1MDB proposed Jimah, Negeri Sembilan.

Malakoff's proposed location is Pulau Carey, Selangor and TNB's is in Tanjung Hantu-Segari, Perak.