



PRESS RELEASE

S.A. 2022/08/17_60 (HQ)

TNB TO INVEST RM20 BILLION CAPEX PER ANNUM IN DRIVING RESPONSIBLE ENERGY TRANSITION JOURNEY UP TO 2050

- Responsible Energy Transition journey to decarbonise with the potential to more than double its EBIT
- Regional Interconnection will enable wider RE resources, and help decarbonise ASEAN power system
- The grid will provide TNB with potential earnings of RM7 billion by 2050

Tenaga Nasional Berhad (TNB) will invest around RM20 billion per year over the next 28 years as capital expenditure (CAPEX) for initiatives to fast-track TNB's Energy Transition Plan that aspires to reduce its emissions intensity to net zero by 2050.

"The investment will pave the way for TNB's journey towards its net zero aspiration and will open opportunities in more than doubling its EBIT, " said TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din.

"This Responsible Energy Transition journey will bring positive business growth to the Group, even as we accelerate our efforts to decarbonise," he said at TNB's Energy Transition Plan 2050 Gallery Walk in Kuala Lumpur yesterday.

The one-day event was attended by the senior leaders of TNB's major shareholders including Khazanah Nasional, Employees Provident Fund (EPF), Permodalan Nasional Berhad (PNB), Retirement Fund Inc (KWAP) and Social Security Organisation (SOCSO) as well as fund managers and analysts. It was held to shed more details on TNB's initiatives to fast-track the pursuit of its sustainability aspiration. Earlier this month, TNB announced initiatives to accelerate its sustainability agenda (initially announced in August last year) and shared progress on its Energy Transition (ET) plan.

Baharin told the forum that as TNB continues to invest in the Grid of the Future, the company will grow its Regulated Asset base to RM100 billion by 2050.

"We will pursue Regional Interconnection that will allow for a wider reallocation of renewable energy resources that will help decarbonise the ASEAN power system as well as strengthen the security of supply. The grid will provide the Group with potential earnings of RM7 billion by 2050."

With a strong, interconnected and resilient ASEAN Power Grid, ASEAN countries can transfer energy from areas with abundant energy generation at a time when other parts face a shortage. This would enable the region to integrate different sources of RE with complementary supply profiles, facilitating the decarbonisation of ASEAN power systems.

Malaysia's significant RE potential capacity can provide a pathway for wider economic benefits, allowing it to export excess RE to its regional neighbours in times of surplus.

Baharin also said that TNB is accelerating its sustainability agenda and this requires the Group to undertake major shifts across the value chain in meeting its ESG commitment while ensuring sustainable business growth.

“Backed by a stable domestic market, our Energy Transition aspiration will provide us with the added capabilities, technologies and capital that are vital for a sustainable future. Our fast-tracked initiatives along this transition are driven by a deep sense of responsibility given TNB’s footprint in the country’s energy landscape, as well as a sense of urgency to ensure the sustainability of our business.”

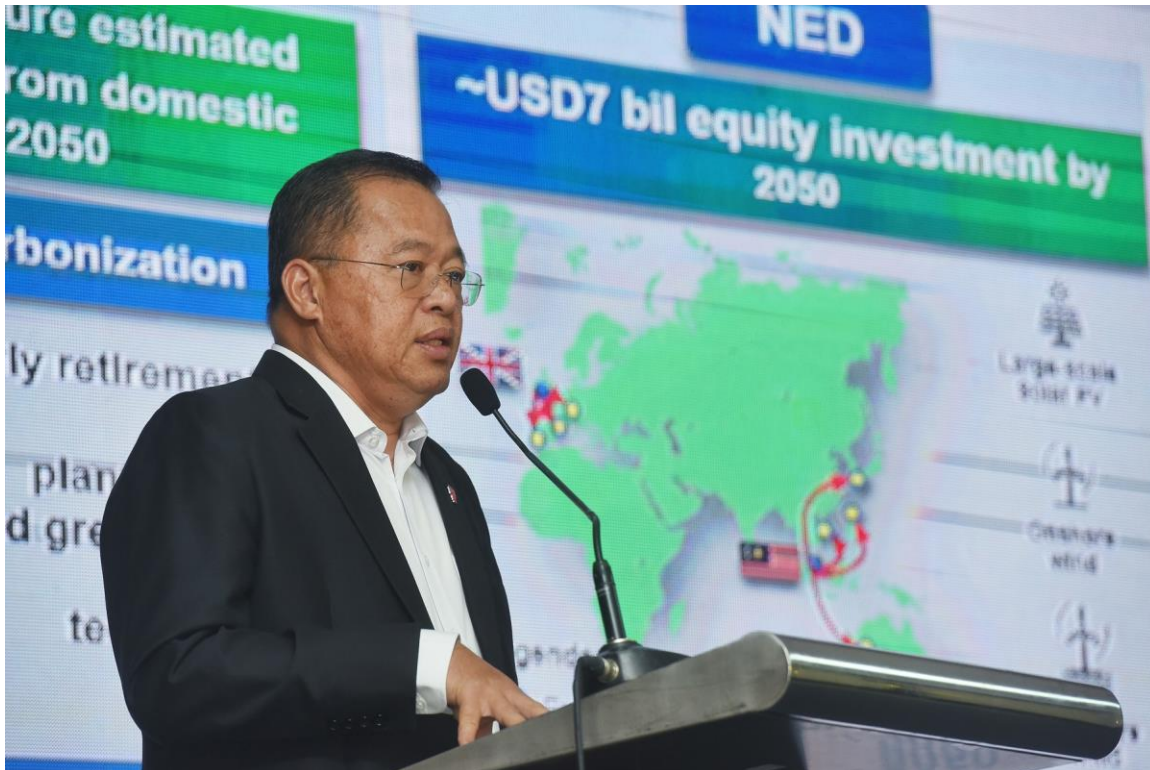
Baharin disclosed that apart from the National Grid, TNB is taking three other initiatives to fast-track its sustainability agenda involving. These involve its wholly owned TNB Power Generation Sdn Bhd (TNB Genco), TNB’s New Energy Division (NED), and Electric Vehicles (EV) under its Project Management Office (PMO).

On TNB Genco, he said the acceleration of TNB’s decarbonisation plan will increase the enterprise value of Genco for the possibility of an Initial Public Offering (IPO). TNB Genco aims to capture an estimated RM40 billion in revenue from the domestic generation market by 2050. In addition, TNB is exploring gas and hydropower projects in ASEAN with a target share of approximately 800 megawatts (MW) capacity by 2050.

In expanding its RE portfolio, NED is targeting 14.3 gigawatts (GW) capacity by 2050 with an estimated equity investment of US\$ 7 billion. NED’s strategy is to increase investments in large-scale solar as well as the onshore and offshore wind with a focus on existing markets in Malaysia and the United Kingdom, and new markets in Spain, Ireland, France, Thailand, Philippines, Vietnam, Australia, Taiwan and Korea.

Baharin added that on EV, TNB’s focus is on “developing the EV Ecosystem as part of efforts to bring consumers along the Energy Transition journey. We are committing to invest RM90 million over the next three years in order to spur the adoption of EV’s, reaching 500,000 cars by 2030 that will contribute RM1.25 billion in annual electricity revenue. “

Released in Kuala Lumpur on 17 August 2022 at 1:00 pm
Kindly forward all press enquiries to Hanim Idris at 019-2617617 /
Grace Tan 016-6626229 / Faiq Haikal 013-3889606
or email us at media@tnb.com.my



TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din presents TNB's Energy Transition Plan at its Energy Transition Plan 2050 Gallery Walk in Kuala Lumpur yesterday (16 August 2022). The one-day event was attended by the senior leaders of TNB's major shareholders including Khazanah Nasional, Employees Provident Fund (EPF), Permodalan Nasional Berhad (PNB), Retirement Fund Inc (KWAP) and Social Security Organisation (SOCSO) as well as fund managers and analysts.