TNB INKS MOU WITH PLN TO DEVELOP A COAL-FIRED POWER PLANT IN KALIMANTAN TO SUPPLY ELECTRICITY TO SABAH ELECTRICITY SDN BHD

Tenaga Nasional Berhad (TNB) today signed a Memorandum of Understanding (MoU) with PT PLN (Persero) (PLN), the Indonesian state-owned utility company for a proposed development of a 2x200MW coal-fired power plant in Kalimantan, Indonesia.

The MoU, among others also include the supply and export of electricity from the proposed power plant to Sabah, Malaysia.

TNB holds 83 percent interest in Sabah Electricity Sdn Bhd (SESB) which provides electricity generation, transmission, and distribution services in Sabah. The remaining 17 percent stake in SESB is owned by the Sabah State government.

The duration of the MoU is for a period of 2 years whereby the parties involved will start exploring and studying the best business models, associated risks and financing options in relation to the project.

The MoU was signed by TNB President/Chief Executive Officer, Datuk Seri Ir. Azman Mohd on behalf of TNB together with PLN President/Chief Executive Officer, Sofyan Basir and SESB Managing Director, Ir. Haji Abdul Razak Salim.

To TNB, the project is in line with its global expansion to secure new overseas generation capacity and its efforts to meet the rising demand for electricity in Sabah.

The project was first mooted by YAB Prime Minister, Datuk Seri Najib Tun Razak and his Indonesian counterpart, President Joko Widodo when both Asean leaders met during their bilateral meeting on the sidelines of the Indian Ocean Rim Association (IORA) summit in Jakarta in March this year.

The signing of the MoU is expected to be a win-win venture for both countries through the enhancement of bilateral cooperation and improvement in power supply stability for Sabah and Kalimantan.

Released in Kuala Lumpur on October 25, 2017 at 5.00 pm