

TNB signs solar power purchase deal with Redsol

By Tan Xue Ying / theedgemarkets.com

30 Mar 2018, 07:50 pm



KUALA LUMPUR (March 30): Tenaga Nasional Bhd has signed a 21-year large-scale solar (LSS) photovoltaic power purchase agreement (PPA) with Redsol Sdn Bhd, under a bidding exercise organised by the Energy Commission in the first quarter of 2017.

Redsol is a special purpose company (SPC) of successful bidders Fumase (Malaysia) Sdn Bhd and Scatec Solar Malaysia BV.

In a filing today, TNB said Redsol will design, construct, own, operate and maintain a solar photovoltaic energy generating facility of 30MWac to be located in Kerian, Perak.

The PPA, which has an expected commercial operation date of Dec 31, 2019, will govern obligations of the parties involved to sell and purchase energy generated by the facility for a period of 21 years from then on.

The signing of the PPA will have a neutral impact on the earnings of TNB over the term of the agreement, said the utility giant.

Over the past few days, TNB signed a total of seven similar PPAs with SPCs set up by winners of the competitive bidding organised by the Energy Commission, to develop transmission-connected LSS projects amongst others.

The SPCs include KBJ Hecmy Sdn Bhd, Kenyir Gunkul Solar Sdn Bhd, Idiwan Solar Sdn Bhd, Viva Sola Sdn Bhd, Cypark Estuary Solar Sdn Bhd and Cove Suria Sdn Bhd.

TNB's share price closed eight sen or 0.5% higher at RM16.24, with a market capitalisation of RM92.02 billion.