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TNB gains advantage in bidding process

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INDEPENDENT power producers (IPPs) believe problems with acquiring a suitable new site and the wayleave for the transmission line required for the proposed 2,000MW (2 x 1,000MW) coal fired power plant tender will limit participation to companies with deep pockets like Tenaga Nasional Bhd (TNB).

“Its going quite difficult to find the right location for the project site and even more challenging to get landowners to sell land for the transmission line — they are going to ask for inflated prices and IPPs don’t have the power to forcefully acquire the land,” said a spokesperson with a local IPP.

The greenfield plant tender under so-termed package 3B has been called by the Energy Commission.

The request for qualifica-

tion (RFQ) requires for the construction of the transmission lines from the proposed site to the nearest nodal point including procurement of all necessary wayleave.

As it stands, the fast track brownfield 1,000MW Package 3A coal fired power plant open tender that required interconnection facility and wayleave attracted two bidders in TNB and 1Malaysia Development Bhd (1MDB) with their respective foreign partners despite 30 companies having RFQ for both the packages.

Under relevant acts, TNB is solely responsible for the construction of all transmission line connectivity from power plant to nearest nodal point and to procure all necessary wayleave associated with it, he added.

The RFQ conditions for

Package 3A and 3B, IPPs say, would give TNB a significant advantage in the bidding process.

The RFQ conditions and 1MDB’s proposed purchase of the 1,400MW coal fired power plant in Jimah, Negri Sembilan, from Jimah Energy Ventures Sdn Bhd’s two shareholders, minus the 20% held by TNB in the independent power producer (IPP), suggest the federal government want more control of the power generation sector.

The industry insider believes 1MDB’s generous offer of a reported RM1.7 billion for the 1MDB stake could encourage other IPP owners to cash out as well in the days to come. Other IPPs were reported to be offering at best RM1 billion for Jimah earlier.

1MDB has already spent RM10.8 billion last year to acquired the generation assets of Genting group and Tanjung Energy Holdings Sdn Bhd from billionaire Tan Sri Ananda Krishnan.

The offer comes as 1MDB has proposed to build the new 1,000MW Package A facility at Jimah’s site near Bukit Pelanduk in Negri Sembilan.

The deal, if concluded, will take its total generation capacity to about 3,600MW in anticipation of a possible listing of the group on the local stock exchange later this year.

Industry players are asking if the 2,400MW Bakun hydroelectric dam will be the next 1MDB target, as both have a common owned in the federal government. — The Malaysian Reserve