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Govt awards 4 powerhouses to build LSSPV plants

by NG MIN SHEN

TENAGA Nasional Bhd (TNB), Mudajaya Group Bhd, Malakoff Corp Bhd and Integrated Logistics Bhd (ILB) have been awarded separate contracts from the government to construct four large-scale solar photovoltaic (LSSPV) plants in Selangor, Perak and Kedah under a build, own and operate (BOO) arrangement.

TNB said in an exchange filing yesterday that it had received a letter of acceptance of offer from the Energy Commission (EC) dated Dec 15 to develop a 50MW LSSPV plant in Mukim Tanjung Duabelas, Daerah Kuala Langat in Selangor.

It said the letter was received subsequent to a competitive bidding process conducted by the EC.

"The letter of acceptance of offer requires TNB to satisfy

certain obligations, including the completion of negotiations and execution of project documents prior to the EC issuing the formal letter of award for the project," the national electric utility provider said.

Separately, Mudajaya Group said its wholly owned subsidiary, Mudajaya Corp Bhd, had yesterday accepted a conditional letter of acceptance of offer from the EC to develop a 49MW LSSPV plant on a BOO basis at Sungai Siput, Kuala Kangsar in Perak.

The RM270 million contract is expected to be finalised by February 2017. It has a construction period of 18 months from the finalisation date.

"The project is expected to contribute positively to group earnings for the financial year ending 2018 onwards," Mudajaya Group said.

Additionally, Malakoff in a consortium with DRB-Hicom Bhd's fully owned unit, DRB-Hicom Environmental Services Sdn Bhd (DHES), also received a conditional letter of acceptance from the EC on Dec 20, 2016, to build a 50MW LSSPV plant in Tanjung Malim in Perak.

Malakoff holds a 51% stake in the consortium, while the remaining 49% is owned by DHES. The consortium had participated in a competitive bidding exercise for the 200-acre (80.9ha) project.

"The project involves financing, designing, supplying, building, owning, operating and maintaining a 50MW LSSPV plant on a BOO basis with the expected commercial operation date on July 1, 2018, for a term of 21 years under the power purchase agreement," Malakoff said in

a filing yesterday.

It added that the project is not expected to have any material impact on the group's earnings and net assets for the financial year ending Dec 31, 2016.

"However, the LSSPV plant is expected to contribute positively to the group's future earnings," Malakoff said.

ILB also announced that its indirect wholly owned subsidiary, IL Solar Sdn Bhd, had on Dec 15, 2016, received a conditional letter of acceptance from the EC to develop a 10MW LSSPV plant in Bandar Fukit Kayu Hitam, Kedah.

The company said the project will not have any effect on its earnings, net assets, issued and paid-up share capital and substantial shareholders' shareholdings for the financial year ending Dec 31, 2016.