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# SEB in fuel negotiations

## Company in talks with local miners for supply of coal

By JACK WONG

starbiz@thestar.com.my

**KUCHING:** Sarawak Energy Bhd (SEB) is negotiating the supply of fuel resources to its 600MW Balingian coal-fired power plant project in Mukah with local coal mining companies.

Concurrently, it is evaluating tenders for the construction of the proposed RM3bil plant, according to SEB chief executive officer Datuk Torstein Dale Sjøtveit (*pic*).

Sjøtveit could not say how long the negotiations would take due to the complexity of the talks and related issues in its bid to ensure an uninterrupted supply of coal to the 680ha plant project. Sjøtveit did not indicate when the project's contract would be awarded either.

Sarawak is endowed with more than one billion tonnes of inferred coal reserves, according to estimates, with some 550 million tonnes in the Mukah/Balingian belt.

Another 470 million tonnes are found in the Merit-Pila area in the Kapit Division, where SEB has a long-term plan to build another coal-fired power plant.

The fuel resource for the Balingian coal-fired power plant will be lignite coal to be sourced from Buroi Mining Sdn Bhd and Sarawak Coal Resources Sdn Bhd, according to the project's detailed environmental impact assessment report.

The plant is expected to consume 5.2 million tonnes of coal annually. From the coal mines, the coal is expected to be transferred by semi-closed overland conveyors to the plant's crusher house.

The Balingian plant, which is to accelerate the next round of SEB's power-generation capacity expansion, will be the third coal-fired power station to be developed by SEB.

SEB owns and operates the 270MW power station in Mukah and the 210MW power plant in Sejingkat near here.

The Balingian power plant will help beef up electricity supply to energy-intensive indus-

tries in Bintulu's Samalaju Industrial Park set up under the Sarawak Corridor of Renewable Energy initiative. It will supplement the power supply from the 2,400MW Bakun and 944MW Murum hydroelectric dams.

According to Sjøtveit, the impoundment of the RM4bil Murum dam, located upstream of the Federal Government-owned Bakun dam in the upper Rejang Basin, had commenced more than a month ago.

The flooding of the dam reservoir is expected to take between 12 and 14 months for the water level to reach the minimum level for the turbines to operate. It will take 18 to 20 months to fill up the reservoir.

Murum will be powered by four turbines with a capacity of 236MW each.

Sjøtveit expects Murum's first power to be channelled into the state transmission system in third quarter-2014.

He said four of the eight turbines in Bakun dam were producing power, while two others were currently under testing before commercial production. The last two turbines are being installed and are expected to be commissioned in mid-2014.

The Bakun and Murum dams are expected to generate firm outputs of 1,771MW and 635MW, respectively, when fully operational. SEB has sold 1,700MW under six power purchase agreements (PPAs) signed with multinational corporations, including aluminium and manganese ferroalloy smelting plants in the Samalaju Industrial Park.

In addition, SEB has committed 230MW under an agreement with Indonesian state-owned electricity company PT Perusahaan Listrik Negara Persero to export the power to west Kalimantan, Indonesia from Jan 1, 2015.

Sjøtveit expects the seventh PPA to be sealed with another investor before the end of the year.

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