

Media Release

RESULTS OF INTERNATIONAL COMPETITIVE BIDDING FOR NEW CAPACITY IN PRAI AND RESTRICTED TENDER FOR RENEWAL OF OPERATING LICENSES OF FIRST GENERATION IPP AND TNB PLANTS

Putrajaya, 9 October 2012 --- The Energy Commission (EC) has successfully completed the international competitive bidding exercise (Track 1) for a new capacity in Prai, and also the restricted tender (Track 2) for the renewal of operating licenses of first generation Independent Power Producers (IPP) and Tenaga Nasional Berhad (TNB) plants. This is to meet the requirement of generation capacity in Peninsular Malaysia for 2016/2017 as submitted by EC to the Government.

Below are the results of both Track 1 and Track 2 evaluations based on the lowest levelised tariff meeting all the bid requirements.

Results of Track 1

Tenaga Nasional Berhad has been offered to build, own and operate a combined cycle power plant of 1,071 MW capacity in Prai, Penang at a levelised tariff of 34.7 sen/kWh to be commissioned by 1st March 2016.

The combined cycle power plant will use 2 units of *Siemens H-class* gas turbines that can achieve plant efficiency of around 60% when commissioned in 2016 compared to the efficiency of *F-class* combined cycle plant in the system of around 55%.

Results of Track 2

Genting Sanyen Power, Segari Energy Ventures and **TNB Pasir Gudang** have been offered a renewal to operate existing plants at capacity, levelised tariff and extension period as follows:

Bidder	Capacity, levelised tariff and period
Genting Sanyen Power	675 MW;levelised tariff 35.3 sen/kWhfor 10 years
Segari Energy Ventures	1,303 MW;levelised tariff 36.3 sen/kWh for 10 years
TNB Pasir Gudang	275 MW;levelised tariff 37.4 sen/kWh for 5 years

The levelised tariff in both bidding exercises is derived at using projected 2016 market gas price of RM42.24/GJ.

The outcome of the bidding also shows that existing combined cycle plants are competitive and are still capable of operating at a high level of reliability.

Through these concurrent bidding exercises EC has successfully secured generation capacities to meet the growing demand of electricity starting in 2016 at the lowest cost of energy and with minimum completion risks.

Successful Track 1 and Track 2 bidders as above will be required to sign a new Power Purchase Agreement (PPA) with terms that have been standardised by EC.

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About Suruhanjaya Tenaga

The Energy Commission of Malaysia is a statutory body responsible for regulating the energy sector particularly the electricity supply and piped gas supply industries in Peninsular Malaysia and Sabah. The Energy Commission ensures that the supply of electricity and piped gas to consumers is secure, reliable, safe and at reasonable prices.