



KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	STARBIZ		
TARIKH	:	9/9/2021 (KHAMIS)	MUKA SURAT	:
JABATAN	:	ST		6

More renewable energy seen to join grid this year

Several LSS4 jobs have already been rolled out

Starbiz, 9 Sept 2021_6

ENERGY

PETALING JAYA: More large-scale solar phase four (LSS4) engineering, procurement, construction and commissioning (EPCC) works are expected to be rolled out in the coming months, as discussions with shortlisted bidders are said to be ongoing.

RHB Investment Bank in a report yesterday said several LSS4 EPCC works had already been rolled out so far this year.

"Last week, Solarvest Holdings Bhd was awarded the EPCC works for the 50-megawatt (MW) solar farm in Chuping, Perlis. This is Solarvest's fourth win in two months.

"We expect more LSS4 EPCC contract flows in the coming months, as discussions with other shortlisted LSS4 bidders are still ongoing."

Apart from Solarvest, RHB said other players such as Samaiden Group Bhd, Pekat Group Bhd and Uzma Bhd are also targeting a share of the pie.

"With the completion of Founder Energy Sdn Bhd's 51% equity stake acquisition, Reservoir Link is also eyeing sub-contractor jobs from these solar EPCC contractors."

RHB, however, noted that progress for LSS works this year had been hindered by the various movement restrictions imposed to curb the country's Covid-19 crisis.

"Prior to LSS4, the Energy Commission (EC) had awarded a total of 1,634MW in capacity to different players in the past few years.

"However, only 54% or 875MW of these solar capacities were operational as of the first quarter of 2021, which included new



Winning streak: Solarvest engineers inspecting solar panels at the company's office in Penang. The company was awarded the EPCC works for the 50MW solar farm in Chuping, Perlis recently.

capacity of 19MW as compared to the fourth quarter of 2020.

"While the EC has yet to update on the latest numbers, we expect progress for the new LSS capacity in operations to remain slow due to the enhanced movement restrictions."

RHB said many of the LSS2 and LSS3 projects were facing the risk of missing the scheduled commercial operation dates.

"As such, the total renewable energy addition into the grid in 2021 could be lower than the EC's earlier expectation of 860MW."

In March, the EC announced the list of 30 shortlisted bidders for the LSS4, totalling 823.06MW out of the offered 1,000MW.

A total of 20 parties have secured 323.06MW under Package P1, with plant capacities from 10MW to under 30MW at a tariff range of 18.50 sen to 24.81 sen per kWh.

Another 10 parties won the remaining 500MW under Package P2, at a price range of 17.68 to 19.70 sen per kWh.

These players will then sign a 21-year power purchase agreement with Tenaga Nasional Bhd.

These plants are expected to commence operations in 2022 to 2023.

Following the announcement of the LSS4 contract awards to the 30 players in March, RHB noted that there has been no word on the next round of LSS tenders.

"We expect the solar capacity to further expand with more capacity rolled out at the soonest by the end of this year.

"Tariff rates may also continue to be under pressure, with more new players venturing into this space and intensifying competition within this segment," it said.

Watch the video
TheStarTV.com

