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Jimah Power in RM5b plant deal

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JIMAH Power Holdings Sdn Bhd, the newest of Malaysia's 12 independent power producers (IPPs), will today sign a RM5 billion deal with a co-developer to build a 1,400MW power plant.

Details of the pact, including the identity of the partner and location of the proposed plant, are however not immediately available.

The move is in line with the Government's plan for IPPs to help meet a targeted installed capacity of 12,000MW in Peninsular Malaysia and 24,000MW nationwide by the end of the decade.

The additional power is required to meet future needs while maintaining a reserve margin, or excess power over peak demands, of between 25 and 40 per cent.

A low reserve margin poses the threat of power failures. For example, it is believed that the margin had fallen to 18 per cent prior to the nationwide blackout on August 3 1996.

The Government started issuing IPP licences in 1992 at a time when the country was facing an acute shortage of electricity. At the last count, 12 of these licences for IPPs have been issued - seven in the peninsula, four in Sabah and one in Sarawak.

Jimah Power, previously known as Automan Sdn Bhd, was awarded its licence in 1993 to build and commission a 1,200MW coal-fired plant in Negri Sembilan by 2007.

Antah Group owns 65 per cent of Jimah Power, Tenaga Nasional Bhd 20 per cent and Negri Sembilan State Government 15 per cent.

Automan was formed following the signing of a memorandum of understanding between Syarikat Pesaka Antah and North China United Power Group during Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to China in 1993.

Pesaka Antah is a listed subsidiary of Antah Holdings.

Jimah Power's chairman is Tunku Naquiyuddin Tuanku Jaafar, who is also the Antah Group chairman. He is expected to sign the pact on behalf of his company in Kuala Lumpur today.

The other IPPs are YTL Power, PD Power, Powertek, Genting Sanyen, Segari Energy Ventures, Perlis Power, Bakun, ARL Tenaga Sabah, Serudong Power Sabah, Powerton Sabah and Stratavest.

Projected power demand this year is officially expected to grow a slower 11 per cent on account of an anticipated moderation in gross domestic product growth, while the forecasts by private sector analysts range from 7 per cent to 9 per cent.

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