

## **TNB gets nod for takeover of 1MDB power plant**

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**By Kow Gah Chie**

The cabinet has given Tenaga Nasional Bhd (TNB) the approval to take over the Project 3B power plant from debt-laden 1Malaysia Development Bhd (1MDB), Energy, Green Technology and Water Minister Maximus Ongkili said today.

"The cabinet has approved this request of TNB to take over that one (Project 3B)," Ongkili told a press conference at Parliament lobby.

However, he said, the takeover was not being done on an open tender basis.

"We have considered all the factors, we could have gone for open tender, but the project needed to go ahead, as the project is late.

"So, there is a need to give priority to TNB because it can do it at a rate that is acceptable and it can do it fast," he said.

### **High rates**

TNB also requested a slight increase in the tariff rate, Ongkili said.

"They have requested a small revision to the tariff because it's six months late and the exchange rate has changed since then," he said.

"But, the rate is between TNB and the government and that is yet to be finalised," he added.

1MDB won a keenly contested tender to build the 2,000 megawatt coal-fired power plant in Jimah, Negeri Sembilan, in March last year. The concession period is 25 years.

Putrajaya had earlier confirmed that 1MDB was struggling to raise the needed RM8 billion to complete the project.

Jinmah East Power Sdn Bhd, in which 1MDB has a 70 percent stake, was supposed to undertake the project.

1MDB is already RM42 billion in debt and has to pay between RM2.4 billion to RM2.7 billion in interest annually.

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