

Power Purchase Agreement For Bakun To Serve As Backbone For SCORE
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PUTRAJAYA -- Prime Minister Najib Tun Razak said the power purchase agreement signed between Sarawak Hidro Sdn Bhd and Sesco Bhd on Wednesday for electricity generated from the Bakun hydroelectric project, will serve as the pillar in charting the success of the Sarawak Corridor of Renewable Energy (SCORE).

He said the SCORE project was a giant transformation plan for Sarawak and a catalyst for rural development and by exploiting the power resource from central Sarawak, it would prompt industrial development in the state.

"I am happy to disclose that the tariff rate of 6.25 sen per kilowatt hour (kWh) fixed for the sale of electricity generated from Bakun, with an annual increase of 1.5 per cent, is reasonable and competitive to attract investors into Malaysia, especially, to SCORE," he said before the signing of the power purchase agreement between Sarawak Hidro Sdn Bhd and Sesco Bhd here.

Sarawak Hidro Sdn Bhd is a wholly-owned by the Minister of Finance Incorporated and Sesco Bhd is owned by Sarawak Energy Bhd and the Sarawak government.

Najib said the Federal government was committed to assist Sarawak achieve sustainable economic development in the future

The 2,400 megawatt (MW) Bakun dam is expected to start commercial production from its first turbine in August followed by subsequent turbines, at an interval of three months, and the eight and last turbine is expected to be fully operational by 2013.

"The Bakun Dam is 98 per cent complete and, as of end-April, was filled with 202 meters of water," Najib added.

Also present was Sarawak Chief Minister Abdul Taib Mahmud.

The Prime Minister said the construction of the Bakun project would clearly benefit the people and the state.

"I am sure all quarters involved in the successful completion of the Bakun project and SCORE, especially the Sarawak government, will seize the opportunity to not only draw foreign investments into Malaysia but also support the objective of the New Economic Model to turn the country into a high-income economy by 2020," he added.

Meanwhile, Syarikat Hidro is forecast to earn a minimum revenue of RM36 million this year and RM112 million in 2012.

In a statement released at the signing ceremony, the company said a water levy of RM7 million and RM21 million would be paid to the state government this year and in 2012, respectively.

Once the Bakun dam is fully operational and the power generated is able to be received by the Sarawak grid system in 2016, the Bakun power station will generate 17,500 gigawatt hours of new capacity every year, which would be equivalent to 15 per cent of overall

capacity in Peninsular Malaysia and three times the hydro electricity power generated in Malaysia.

(Bernama)

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