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HYDROCARBON, CARBON CAPTURE

TNB, PETRONAS TO CARRY OUT STUDIES

Plan to also invest RM6.3b to repower Paka plant using combined-cycle gas turbine

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TENAGA Nasional Bhd (TNB) and Petroliam Nasional Bhd (Petronas) will carry joint feasibility studies on hydrogen and carbon capture to unlock their commercial value of at least RM10 billion up to 2035.

TNB president and chief executive officer Datuk Baharin Din said the studies came under a memorandum of understanding inked by both companies on Aug 19.

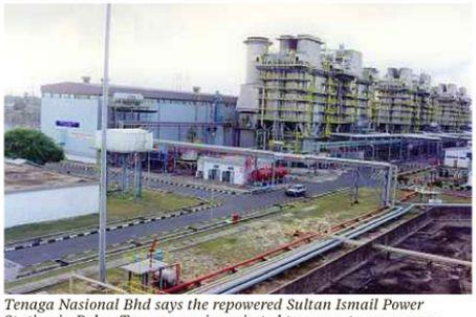
The decarbonisation efforts will be achieved mainly through a collaborative study to develop a green hydrogen ecosystem and carbon capture and storage technology, leveraging both organisations' expertise and resources.

In addition, the two companies will repower the retired Sultan Ismail Power Station (SIPS) combined-cycle gas-fired power plant in Paka, Terengganu by using gas with hydrogen-ready technology.

TNB will invest RM6.3 billion to repower SIPS using high-efficient combined-cycle gas turbine (CCGT) for cleaner energy production. This brownfield project will start with the demolition of the existing plant next year, and will take two years.

"Construction of the project will commence in 2025 and the entire complex is scheduled to be ready in 2030," he said in a statement yesterday.

Baharin said upon commercial operation of the repowered Paka plant in 2030, the plant was projected to generate an average RM250 million per year in earnings before interest and taxes.



Tenaga Nasional Bhd says the repowered Sultan Ismail Power Station in Paka, Terengganu is projected to generate an average RM250 million per year in earnings before interest and taxes.

"The repowering of Paka, with a capacity of 1,400 megawatts, will prevent 3.2 million tonnes of carbon dioxide (CO_2) equivalent emission per annum, which is equivalent to the CO_2 emitted by about 700,000 cars each year."

Baharin added that Paka's transition to be hydrogen-ready was a prime example of the company's commitment to a long-term investment to decarbonise its generation ecosystem and in creating ripple economic effects for better lives.

He noted that the repowering strategy of TNB's generation arm, TNB Power Generation Sdn Bhd, hinged on the type of green technology and the expiration of power purchase agreements (PPAs) before 2030 and after 2030.

"For PPAs expiring before 2030, TNB is phasing out its coal and gas plants and will repower them to CCGT with the option of hydrogen co-firing and new green technology.

"For the group's power stations with PPAs expiring after 2030, they are in a better position for transitioning to new green technologies such as co-firing and carbon capture, utilisation and storage technology," he added.