KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	STARBIZ			
TARIKH	:	29/9/2021 (RABU)	MUKA SURAT	:	6
JABATAN	:	TNB			

Starbiz, 29 Sept

TNB's coal-free plan to spur buying interest

2021_6

KUALA LUMPUR: Tenaga Nasional Bhd's (TNB) plan to wean itself of coal-fired plants by 2050 should address the environmental, social and governance issue that has put pressure on its share price over the past year.

There has been growing selling pressure on TNB's shares, said Kenanga Research, which noted that foreign shareholding in the group fell below the 20% mark in early 2019 to slightly below 12% currently.

The lack of interest, it said, stemmed from the coal-based energy-generating issue, which could be alleviated as the group moves away from coal-fired energy.

The research house noted that selling has abated over the past two to three months with foreigners turning net buyers for the first time in 21 months in August.

Over the entire month, foreign investors turned net buyers to the tune of RM154mil in TNB's stock.

While Kenanga concedes that it is still too early to conclude that foreigners are returning to TNB shares, so far in September, foreigners have remained net buyers with a total net purchase of RM94.7mil in the equity.

One reason investors could be taking a renewed interest in TNB shares is its plans to reduce its dependency on coal-fired plants by 50% of capacity by 2035 and being coal-free by 2050.

Not only is Kenanga optimistic about TNB's commitment to rid itself of polluting coal as a fuel source but it believes it is achievable ahead of target.

"We believe this commitment is achievable, given that two TNB-owned coal plants will be retired in 2029 and 2030, which would reduce its coal generation capacity by 46% by 2030.

"Meanwhile, the last coal plant Jimah East Power Sdn Bhd's power purchase agreement will expire by 2044, after which there will be no more coal-fired plant, way ahead of its 2050 coal-free target," it said.

Kenanga said TNB's plans to spend RM6.5bil to grow its renewable energy assets by 4,894MW to 8,300MW by 2025 will not put a dent in its balance sheet.