KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	STAR BIZ			
TARIKH	:	15/11/2021 (ISNIN)	MUKA SURAT	:	4
JABATAN	:	TNB			

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Plain speaking

Tenaga Nasional plans energy transition



Ramping up investments: TNB is hoping to increase its renewable energy capacity to 8,300MW locally and internationally by 2025.

TENAGA Nasional Bhd (TNB) is preparing infrastructure support for energy transition and hopes the government and regulator will ensure fair returns in their base tariff review.

It is investing into sources of future generation, smart grid technology and enhancing of customer experience.

Moving forward, TNB's focus will be on renewable energy (RE); its recent increase in its stake in the British RE assets sets the tone for its international RE investments.

As a major shareholder, TNB has the opportunity to build on its RE operational expertise and bring it back to Malaysia.

"Increased RE generation capacity allows our customers to access a higher proportion of green energy.

"This can help us meet an anticipated steady increase in demand for energy, along with population growth and economic development," said TNB president and and chief executive officer Datuk Baharin Din.

TNB will continue to participate in upcoming large scale solar (LSS) projects; since 2016, it has invested substantially in RE initiatives to contribute towards low-carbon generation through its participation in local LSS programmes (LSS Sepang 50 megawatt or MW and LSS Bukit Selambau 30MW).

It has also launched myGreen+ and mGATS to respectively enable subscription to green energy from the grid, and create an RE marketplace based on RE certificates which generators can sell to customers.

In recent times, the group has seen utility scale solar (large scale generation of electricity through concentrated solar power) reach cost parity with natural gas.

"As a utility player, we are pressing ahead with plans to increase our RE capacity to 8,300MW locally and internationally, by 2025, from 3,400MW currently.

Beyond 2025, TNB plans to ramp up its investments in RE capacity to reduce its emissions intensity towards its goal of 35% by 2035.

This is stated in its sustainability pathway towards its net zero aspirations by 2050.

Moving ahead to 2025, more investments will be made into new green technologies such as energy storage, hydrogen as an energy generation source and carbon capture technologies as well as others that may become feasible by then.

"As the nature of its investments has long payback periods, TNB will be very disciplined in ensuring that billions of ringgit spent on investments will achieve the appropriate returns as a portfolio," said Baharin.

This includes investments in the regulated businesses too.

TNB is increasing its focus on digitalisation of its solutions and service delivery, while engaging more closely with its customers on energy efficiency.

It will provide them with the tools to manage their consumption while generating or simply opting to purchase green energy.

Beyond the meter are products and services such as:

> solar rooftop solutions GSPARX Sdn Bhd

> home energy management systems called MAEVI

> electric charging infrastructure and energy efficient solutions by TNB Energy Services Sdn Bhd, and

> nationwide fiberisation in support of Jalinan Digital Negara (Jendela) through Allo Technology Sdn Bhd.

Energy transition will create value to the energy ecosystem that includes the economy, shareholders' confidence, investment and opportunities for small and medium scale enterprises.

Energy policies should promote the development and financing/investment in a low carbon economy.

Policies need to encourage players to develop and invest, with appropriate returns, in clean, efficient and sustainable power generation technologies, grid infrastructure and electricity retail sectors.

Besides its efforts to reduce 35% of its emissions intensity, the group also aspires to reduce 50% of its coal portfolio by 2035 to become coal free by 2050.

An inflection point between 2035 and 2040 will determine the speed at which its ambition for net zero emissions can be achieved.

TNB's goal is to have zero fatalities and lost time injury frequency rate of less than 1.0.

It is committed to embedding Tenaga safety culture by promoting a cultural shift to achieve generative safety culture, progressive roll-out of its Health, Safety and Environment (HSE) Management System and bolstering digital integration.

This will be done through utilising data analytics and automating high risk and hazardous jobs.

The group intends to set aside 1% of its profit-after-tax towards community-related programs.

In developing its corporate social responsibility (CSR) policy, TNB has come up with an outcomes measurement framework that monitors outcomes of its CSR programmes.

TNB will enhance its governance structure to embed sustainability considerations in decision-making across the group.

These include:

> A 'fit-for-TNB' governance structure with key enhancements on membership and terms of reference (TORS) of key committees;

> Enhancements of TORS of the board risk committee as well as board nomination and remuneration committee to include sustainability risks.

This is as part of its enterprise risk management process, and alignment of board/senior management remuneration to key performance indicators (KPI) respectively;

> Strategic planning and performance cycle to include sustainability elements in KPI setting, budgeting as well as the performance management and monitoring process.

As TNB charts the transition pathway for the next 30 years, it will continually update its stakeholders and the market on its action plan on sustainability commitment, and initiatives.

Marching ahead to create these new catalysts, TNB will need to engage with various stakeholders to ensure alignment of objectives and the way forward.

As demand for electricity grows, the group must make adequate re-investment into the electricity supply system without running the risk of loss of load and poor quality supply.

The impact from under-investment can take a substantial period of time to correct and customers will be the ones who suffer.

Yap Leng Kuen is a former StarBiz editor. The views expressed here are the writer's own.