

G Capital powers up Asean

Company in talks with several parties on solar projects

ENERGY

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PETALING JAYA: G Capital Bhd (GCAP) is looking at expanding into the lucrative solar power market in Asean.

According to the renewable energy company, it is in talks with several parties for potential jobs involving the construction and instal-

lation of solar power projects in the region.

Concurrently, GCAP is confident of securing 11 more megawatts peak (MWp) solar power projects in the domestic market this year.

Speaking to *StarBiz*, GCAP executive director Tan Sri Ali Hamsa said: "Besides solar power projects in the country, we are also in discussion with prospective customers for expansion to other Asean countries, particularly Indo-China. We will make the announcements in due course," he said.

According to analysts and industry observ-

ers, the demand for solar power projects is on an uptrend in the region compared with mature markets like Europe and the United States.

Solar power is the best alternative due to the increasing power generation costs from fossil sources, which had led to the higher prices of electricity, said an analyst, adding that there is a great demand for additional power capacity in Asean.

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Based on reports, renewables accounted for 38% of power generation in Europe in 2020, while in Ascan, the figure was less than 20%, with fossil generation from coal, gas, and oil comprising more than 80%.

On the domestic front, Ali said the company is waiting for the e-bidding results from its mini-hydropower division.

"Since GCAP started the solar power business in February last year, we have successfully commissioned three plants, and we are hungry for more projects. We are optimistic of securing at least another 11MWp under the existing power purchase agreement (PPA) model in the coming months from our discussions with prospective customers as well as existing customers whose businesses are expanding at a rapid pace.

"We are attentive to the constant innovation and evolution of green energy solutions across the globe. There will be some collaborations on those aspects, but we're still in the early stages of discussions," he said.

The company, in a recent filing with Bursa Malaysia, said it would ink a 25-year PPA with KSK Group Bhd, following a deal to build and operate solar photovoltaic energy generating systems at two premises of KSK Group's subsidiaries. Its 70%-owned subsidiary Solarcity Malaysia Sdn Bhd had received a letter of award on March 2, from KSK KD Property Sdn Bhd and KCJ Properties Sdn Bhd.

On GCAP's mini-hydropower business, Ali said the company is developing sites based on the PPA. It is also exploring potential river schemes for the expansion of its mini-hydropower division.

On its renewable energy contracts, he said: "For our solar power division, the PPA and letter of award secured have exceeded 30MWp. Upon full deployment, the contracts can potentially generate a revenue of at least RM8mil a year. Our subsidiary, Gunung Hydropower Sdn Bhd, has a 10MW low-head project with a potential revenue of more than RM400mil over 21 years from the commissioning to the completion of the plant."

On the outlook for the renewable energy market in the country this year, he said the commitment made by Malaysia in the 2021 United Nations Climate Change Conference indicated the country's support for actions to mitigate global warming.

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"Hence, it has upgraded the outlook of the renewable energy market for the next 10 years. Being one of the forefront renewable energy solution providers, not only will GCAP benefit from this, but it will also strive to help the nation with its commitment to green energy," Ali said.

The company is confident of returning to the black this year.

Its transportation business would likely be profitable with the world embarking on the endemic phase of the pandemic.

"The solar power division will be the pivot to GCAP's improved financial performance as we will be completing more solar power PV systems soon," he said.