

# TABLE OF CONTENTS

	<u>Page No.</u>
Acknowledgement	i
Abstract	ii.
Abbreviation	iii.
List of Table	vi.
List of Figure	viii.
 <b>CHAPTER 1 – INTRODUCTION</b>	
1.1 Overview	1
1.2 The Objective of the Study	3
1.3 The Scope and Limitation of this Study	3
1.4 The Rationale and Significance of the Study	4
1.4 Organization of the Study	4
 <b>CHAPTER 2 – A REVIEW OF RELATED LITERATURE</b>	
2.1 Overview	6
2.2 Services in the Power Industry	7
2.3 Deregulation of the Power Market	8
2.4 The Structure of Independent Power Producers	11
2.5 The Transition Period During the Deregulation of Power Market	12
2.6 Competition in Power Market	14
2.6.1 Control of the Network	15
2.6.2 Types of Transactions	16
2.6.2.1 Must-run or take-or-pay	17
2.6.2.2 Economic dispatch	18
2.6.2.3 Generator Trading	19
2.6.3 Control of the Network	20
2.7 International Development of the Power Sector	21
2.8 The Power Generation Sector in Malaysia	22
2.9 The Regulation Framework	23
2.10 The Objectives of Privatization in Malaysia	24
2.11 Methods of Privatization in Malaysia	25
2.11 Tenaga Nasional Berhad	28

## **CHAPTER 3 – METHODOLOGY**

3.1	Data Collection	31
3.2	Selection of the Power Plants	31
3.3	Data Analysis	32
3.3.1	Generating Cost	32
3.3.2	Net Present Value per installed capacity	32
3.3.3	Weighted Average Cost of Capital (WACC)	33
3.3.4	The Marginal Cost of Equity	34
3.4	Revenue	35
3.5	Fixed Costs	36
3.6	Variable Costs	36
3.7	Depreciation	36
3.8	Projected Free Cashflow	36

## **CHAPTER 4 – QUALITATIVE ANALYSIS**

4.1	Overview	37
4.2	Serdang Power Station	37
4.3	PD Power	43
4.4	Analysis Result	48

## **CHAPTER 5 – CONCLUSION** 49

## **REFERENCE** 51