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ST securing supply of electricity generation feedstock



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PUTRAJAYA: The Energy Commission (ST) has taken steps to ensure the continued supply of feedstock, particularly gas and coal for electricity generation, as it monitors developments in West Asia with the conflict in the region entering its second month.

“For example, we have secured a full stock of coal to ensure a stable supply. We are also ensuring that all our power plants are operationally ready and available as needed throughout the year,” its chief executive officer, Siti Safinah Salleh, said on Wednesday. However, measures are primarily on the supply side, she told reporters at the ST Annual Regulatory Review 2026 here.

Apart from that, ST also works with the finance ministry and other agencies to explore other measures that can be taken collectively, she said.

While the ST and government units have all hands on deck, it is worth acknowledging that Malaysia is not fully insulated from the fallout of the West Asia conflict.

She said cost implications would kick in as soon as June.

At the moment, Malaysia is importing 65 per cent of its coal from Indonesia, 20 per cent from Australia, and the remaining from all over. For gas, only 20 per cent is sourced from outside, largely from Australia, while 80 per cent is sourced domestically.

On the Automatic Fuel Adjustment (AFA), Siti Safinah said, despite the ongoing conflicts, the AFA adjustment is projected to continue reflecting rebates up until June or July onwards. However, she added that, given the current situation, the cost of energy will increase.

“Natural gas and coal prices are linked to energy market indices, which are under pressure currently, from global supply disruption arising from the ongoing developments and crisis in West Asia. Nevertheless, our electricity and gas energy rates adjustments in tariff will be made periodically based on the cost to supply those fuels,” she said.

When asked whether ST is looking at an adjustment reflecting the current situation, Siti Safinah said that currently, the AFA forecast is still below the current threshold of 10 per cent of the prevailing

month cost generation. She said if it goes beyond the threshold, ST will go back to the government for the decision on whether to partially pass through the cost to consumers.

Meanwhile, she emphasised the importance of managing demand, noting that energy security depends not only on supply but also on consumer awareness and responsible usage. “So that’s why we need the word to get out there that at the end of the day, everyone has to play their part,” she added.

On Tuesday, TNB announced that the AFA for April would result in consumers receiving a slightly lower rebate of 0.47 sen per kilowatt hour (kWh). The utility firm also said the three-month AFA rate forecast for May (-39 sen kWh), June (-91 sen kWh), and July (+8.0 sen kWh).

The AFA, a mechanism that adjusts based on the market cost of fuel (gas, coal, etc) and foreign exchange rates, has replaced the previous Imbalance Cost Pass-Through (ICPT), which is used as a mechanism to calculate the electricity bill. —Bernama