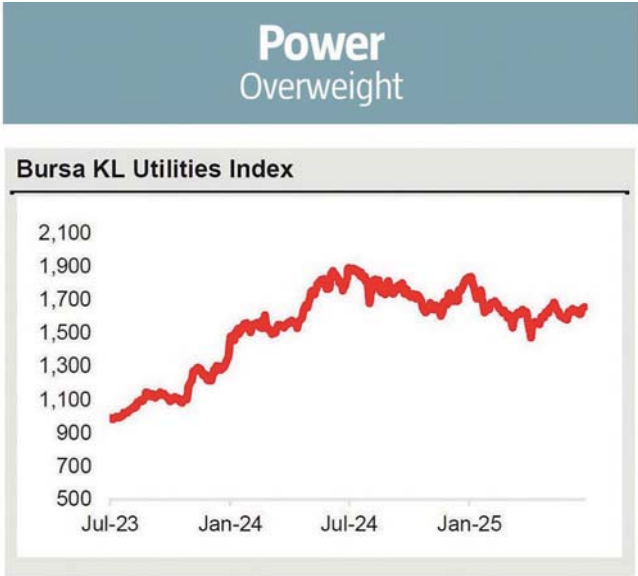




03 JUL, 2025

## Power Overweight

The Sun, Malaysia



Source: PublicInvest Research

**TENAGA Nasional (TNB)** recently held an analyst briefing to provide further clarity on three key components of Regulatory Period 4 (RP4): (i) the base tariff revision, (ii) the Automatic Fuel Adjustment (AFA) mechanism, and (iii) the new tariff schedule structure. The briefing broadly reaffirmed our earlier report dated June 23 with more details on the customer impact across segments. About 23 million users including Domestic with equal or less than 1,000kWh and Low Voltage SMEs with equal or less than 200kWh are eligible for Energy Efficiency Incentive (EEL), which could reduce monthly bills by up to 15%. For non-domestic users, the tariff hike is skewed toward non-energy components i.e. Capacity and Network charges, previously known as Maximum Demand charge, which incentivises users with high load factor efficiency.

However, data centres, falling under the Ultra High Voltage (UHV) category are an exception, as it is expected to incur a 10-15% increase in electricity bills, based on our estimates, due to higher energy charges during off peak period. Nonetheless, we believe Malaysia's data centre prospects remain intact, supported by its regional cost competitiveness, infrastructure resilience, and geographical strength.

The briefing reaffirmed our earlier report dated June 23, confirming that the marginal 0.22 sen/kWh reduction in the RP4 base tariff is primarily attributed to a stronger ringgit assumption, revised from RM4.40 to RM4.307, which lowered generation cost component. – **PublicInvest Research, July 2**