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REPORT OF 14pc HIKE

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KUALA LUMPUR: Any announcement on electricity tariffs in Peninsular Malaysia will be made only by the government, said Deputy Prime Minister Datuk Seri Fadillah Yusof.

Fadillah, who is also energy transition and water transformation minister, gave his assurance that the determination of electricity tariffs in the peninsula, including the implementation of the new tariff schedule under the Regulatory Period 4 (RP4) from Jan 1, 2025, to Dec 31, 2027, would take into account all aspects, in-

cluding public welfare and well-being,” he said in a written reply in Parliament.

He said the largest component in the calculation of the base tariff was the projected fuel price, specifically coal and gas, for electricity generation.

“The increase in global fuel prices over the past three years has resulted in a higher projection for the RP4 period to reflect the current actual fuel prices.

“The projected prices of coal and gas were significantly lower when setting the average base

electricity tariff for RP3 from 2022 to 2024, which led to a substantial tariff surcharge adjustment under the Imbalance Cost Pass-Through (ICPT) mechanism.

“Therefore, the new projections for RP4 will further narrow the gap between current fuel prices, allowing ICPT adjustments, which are reviewed every six months, to be managed more efficiently and effectively.”

He was responding to a question from Datuk Abdul Khalib Abdullah (PN-Rompin), who asked about the rationale behind

Tenaga Nasional Bhd’s (TNB) intention to raise electricity tariffs, despite neighbouring countries planning otherwise.

It was reported last month that the government had approved a 14.2 per cent increase in the base tariff for the 2025–2027 period.

However, this was later denied by Prime Minister Datuk Seri Anwar Ibrahim.

Fadillah said the proposed tariff schedule, set to take effect on July 1, would reflect actual electricity supply cost in a more competitive and sustainable manner.

He said the government had allocated RM5.96 billion to continue targeted subsidies, ensuring 85 per cent of domestic consumers in Peninsular Malaysia remained protected from any tariff increases during the period.

“The ministry, through the Energy Commission, has engaged with industry players and the business community on Jan 13 and Feb 5 regarding this matter.

“The ministry will refine the feedback received to be used as input for the finalisation of the new tariff schedule,” he added.