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KUALA LUMPUR: Electricity consumers have received rebates totalling RM3.1 billion since the introduction of the Automatic Fuel Adjustment (AFA) mechanism on July 1, 2025, compared to surcharges of RM800 million imposed during the same period, said Tenaga Nasional Bhd (TNB).

In a statement, TNB said the government has allocated an additional RM435 million under the Electricity Industry Fund (KWIE) to mitigate the impact of the AFA surcharge on consumers.

The utility company said AFA was introduced following the restructuring of electricity tariffs to replace the Imbalance Cost Pass-Through (ICPT) mechanism.

"The AFA is not a new additional charge, and it does not channel profits to TNB. It functions as a two-way mechanism to balance fluctuations in fuel costs and foreign exchange rates," said TNB.

TNB stated that when global fuel costs are lower, consumers enjoy rebates, with the resulting savings passed back through their electricity bills.

"Since the implementation of the new electricity tariffs, consumers have enjoyed AFA rebates for nine consecutive months, from August 2025 to April 2026.

"The surcharge was only imposed beginning in May 2026, when generation costs rose following the crisis in West Asia," it said.

The company said that for September 2026, the AFA rate is set at +3.67 sen per kilowatt-hour (kWh), following the rate updated and set monthly by the Energy Commission.

At the same time, TNB said domestic consumers with monthly consumption of 600 kWh or less are fully exempt from the AFA charge, as well as the eight per cent service tax and the retail charge.

It said that under the new tariff structure, the consumer group pays approximately two per cent to 14 per cent less compared to the previous tariff, depending on the level of consumption.

Addressing concerns about rising electricity bills, TNB said the AFA does not cause a sharp rise in billing amount, while explaining that factors such as festive seasons, school holidays, and working from home also influence household electricity consumption patterns.

The company said consumers can monitor their usage via the myTNB app (application), improve energy efficiency, and switch to the time-of-use (TOU) scheme to take advantage of lower tariff rates during off-peak hours. —Bernama