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POWER SUBSIDY THRESHOLD RAISED FOR HOUSEHOLDS

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SEPTEMBER TO DECEMBER

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This will ease burden on households amid hot weather and haze, says Anwar

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THE government has raised the electricity subsidy threshold for domestic users consuming up to 800 kilowatt-hours (kWh) a month, from 600kWh, from September until Dec 31.

Prime Minister Datuk Seri Anwar Ibrahim said the move was an immediate measure to ease the burden on households facing higher electricity bills amid the hotter weather and haze.

With the increase, domestic users consuming up to 800kWh a month are exempt from the Automatic Fuel Adjustment (AFA), retail charges and Sales and Service Tax.

Anwar said in a statement yes-

terday the higher threshold was necessary as hotter weather and haze had led some households to increase their monthly electricity usage to 600kWh.

The measure was announced following a special meeting on immediate steps to ease the impact of rising electricity bills on households.

Those who attended the meeting included Deputy Prime Minister Datuk Seri Fadillah Yusof, who is energy transition and water transformation minister, and Second Finance Minister Datuk Seri Amir Hamzah Azizan.

The special meeting was called after the government took note of public concerns over higher electricity bills in recent weeks.

Anwar said the government would continue to assess fuel costs and developments in the

energy market to ensure electricity tariff took into account household affordability, supply security and sustainability of the energy sector.

He also expressed appreciation to Tenaga Nasional Bhd (TNB), the Energy Transition and Water Transformation Ministry and the Energy Commission for helping to implement the measure.

Meanwhile, TNB had clarified that AFA did not, by itself, cause sudden increase in electricity bills.

In a statement, the national utility company said AFA was a two-way mechanism that adjusted electricity charges according to changes in fuel costs and foreign exchange rates.

When fuel costs fell, consumers

received a rebate, while increases in fuel costs resulted in a surcharge.

TNB said the surcharge had been imposed since May following the crisis in the Middle East.

The AFA surcharge for September stood at 3.67 sen per kWh, it said.

TNB said since AFA was introduced, consumers had received RM3.1 billion in rebates compared with RM800 million in surcharges.

Previously, consumers using 600kWh or less a month were fully exempt from AFA charges, whether rebates or surcharges applied.

They were also exempt from the eight per cent service tax and retail charges.

INFO BOX

800

kWh a month subsidy threshold until Dec 31

3.67

sen per kWh in Automatic Fuel Adjustment charge for electricity usage above the threshold