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Increased 800kWh threshold will be in effect until Dec 31

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KUALA LUMPUR: Almost 90% of domestic electricity users in Peninsular Malaysia are set to benefit from the higher 800kWh monthly subsidy threshold, shielding more than eight million domestic users from higher bills, says Tenaga Nasional Bhd (TNB).

TNB president and chief executive officer Datuk Shamsul Ahmad (pic) said this amounts to an additional one million domestic users shielded from higher electricity bills, taking into account the previous 600kWh threshold.

Shamsul said those who use less than 800kWh monthly will be exempt from the Automatic Fuel Cost Adjustment (AFA), Retail Charges, and Sales and Service Tax (SST).

He added that an estimated RM120mil to RM150mil is expected to be spent on absorbing the AFA price differences up to Dec 31 this year.

"Along the way, whatever actual charges incurred will be absorbed by TNB and perhaps some assis-

tance from the government.

"We made a commitment, and we will honour it," he said.

On what happens after December, Shamsul said further engagements will be held with the government on the best methodologies or approaches that can be employed to minimise any impact on consumers.

He added that the 800kWh threshold is effective Sept 1 this year.

"It will be backdated. The impact can be seen in the October bill. Whatever has been charged will be rebated in the October bill, and a significant reduction can be seen then.

"We understand the grievances voiced by people regarding their bills, and we welcome this move to shield domestic consumers.

"As a national utility supply company, our priority is ensuring the rakyat continues receiving safe and sustainable electricity supplies.

"TNB will continue playing a



proactive role to assist consumers in managing their electricity consumption more effectively," he said yesterday.

On households that use about 700kWh monthly, TNB chief regulatory and stakeholder management officer Shahannom Izham said domestic consumers can expect a bill reduction of about 13% due to the increased subsidy threshold.

"If their usage exceeds 800kWh however, charges for the AFA, Retail Charges and Sales and Service Tax will be incurred," she said.

She also attributed the higher electricity bills experienced in recent months to factors including hotter weather and El Nino, festive seasons and increased instances of working from home, among others.

"This resulted in more users exceeding the then 600kWh threshold," she said.

Shannanom added that consumers can monitor their daily and monthly electricity usage through the MyTNB app.

Other measures that can be taken to reduce electricity consumption, she said, are using energy-efficient appliances, utilising the Time of Use scheme and considering installing solar panels.

This follows Prime Minister Datuk Seri Anwar Ibrahim's announcement that domestic consumers will enjoy electricity bill subsidies for usage of up to 800kWh a month, up from 600kWh, until Dec 31.

Anwar said the measure was an immediate step to ease cost-of-living pressures faced by households.

Under the earlier electricity tariff structure, domestic consumers using 600kWh or less a month are exempt from the AFA and the retail charge.

The AFA mechanism adjusts electricity generation charges monthly based on changes in fuel prices, power purchase costs and other generation-related costs.

Earlier, consumers had lamented a sharp increase in their electricity bills over the last few months and urged the government to address the matter.