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Power bills feel the heat of global crises, says Fadillah

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KUALA LUMPUR: The Middle East geopolitical crisis and prolonged hot, dry weather contributed to higher electricity bills in Peninsular Malaysia, says Datuk Seri Fadillah Yusof (*pic*).

The Deputy Prime Minister, who is also Energy Transition and Water Transformation Minister, said in a written reply that the maindriver behind Tenaga Nasional Bhd's Automatic Fuel Adjustment (AFA) surcharge hike was the geopolitical crisis that began in late February, pushing up global fuel prices.

He added that lower hydroelectric generation from prolonged dry weather and scheduled maintenance at coal-fired power plants had increased reliance on costlier imported liquefied natural gas.

Fadillah explained that the AFA mechanism adjusts power bills monthly to reflect market prices for key generation fuels, particularly natural gas and coal.

Under the fourth regulatory period (RP4), covering 2025 to 2027, fuel costs are reviewed monthly based on the difference between prevailing market prices and the established base price.

Following the electricity tariff restructuring in July 2025, consumers enjoyed rebates from August 2025 to April 2026.

The highest rebate was recorded in November 2025 at 8.91sen per kilowatt-hour (kWh), before narrowing to 0.47sen per kWh in April 2026. The rebate was replaced by a surcharge from May 2026.

To cushion households from rising fuel costs and prolonged hot weather, the government expanded electricity bill protection on Sept 18.

The ministry said domestic consumers in Peninsular Malaysia using up to 800kWh of electricity a month, with estimated bills of RM328 or less, are exempt from AFA adjustments, Sales and Service Tax and retail charges from Sept 1 to Dec 31.

The initiative is expected to protect about eight million domestic consumers, or 90% of households in Peninsular Malaysia, from higher bills. He was responding in a written parliamentary reply to Jelebu MP Datuk Seri Jalaluddin Alias who asked what had driven the sharp rise in electricity bills over recent months.

In another written parliamentary reply dated Nov 17 to Labis MP Pang Hok Liong, the ministry said it and the Energy Commission had begun examining proposals to improve the AFA mechanism.

"The government is constantly monitoring the implementation of the AFA mechanism and the existing tariff structure," the ministry said, adding that it would also finalise a new base electricity tariff next year under the Fifth Regulatory Period (2028 to 2032).

"Any decision made will take into account the interests of consumers while ensuring a reliable, affordable and sustainable national electricity supply," it said, adding that an AFA adjustment beyond 10% would also require ministerial approval.

Pang had asked whether the government was prepared to review the AFA and tariff if costs continued to rise, particularly for low- and middle-income households.

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