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# FAIRER ELECTRICITY RATES FOR 23.6 MILLION IN PENINSULAR MALAYSIA

The Star, Malaysia



The new rates are expected to provide greater cost efficiency for everyday Malaysian households.

OVER 23.6 million domestic users in Peninsular Malaysia will benefit from fairer and more progressive electricity rates with the implementation of the new electricity tariff schedule approved by the government.

This tariff will take effect from July 1 to Dec 31, 2027 under the Incentive-Based Regulation (IBR) framework, in line with the provisions under Section 26 of the Electricity Supply Act 1990.

The electricity tariff revision for the Fourth Regulatory Period (RP4) involves the restructuring of the following three (3) components:

- > average base tariff rates;
- > new tariff schedule; and
- > fuel costs adjustment mechanisms.

## Adjustment of the average base tariff rate

The average base tariff is adjusted based on the estimated cost of electricity supply for the RP4 period and set at 45.40 sen/kWh compared with 45.62 sen/kWh approved in December 2024.

With this adjustment, the overall average electricity tariff cost is reduced by up to 19% compared with the Third Regulatory Period (RP3).

Electricity tariff structure changes cover customer categories, charges and incentives.

The introduction of the new tariff schedule covers the following:

- > a revision of customer categories, divided into domestic and non-domestic, based on voltage usage, whether low, medium or high voltage; and
- > the setting of charges for the energy, capacity, network and retail components, based on their respective costs.

The Energy Efficiency Incentive

## FAIRER ELECTRICITY RATES FOR 23.6 MILLION IN PENINSULAR MALAYSIA



Automatic Fuel Adjustment (AFA) will replace the ICPT mechanism, enabling monthly updates to electricity charges based on market fuel prices and forex rates, according to the Energy Commission.

will be introduced to encourage 23.6 million domestic users to adopt prudent electricity consumption practices.

Through this incentive, domestic users with electricity consumption of 1,000 kWh and below are not expected to be affected by the implementation of the new tariff schedule.

In addition, non-domestic low voltage users with electricity consumption of 200 kWh and below will also benefit from this incentive.

In addition, the Time of Use (ToU) scheme has been streamlined and expanded to offer a longer off-peak period, covering the entire Saturdays and Sundays, as well as from 10pm to 2pm on

weekdays from Monday to Friday.

This is to encourage more efficient consumption management based on demand periods, in line with efforts towards a more efficient and sustainable energy system.

By shifting their usage to off-peak periods, consumers can reduce their electricity bills compared to using electricity during peak periods.

To ensure that social and welfare needs continue to be looked after, the government has agreed to:

- > apply specific tariffs for the agriculture, water and sewerage services, as well as rail operators or traction;
- > a 10% rebate will be provided

for registered institutions of higher learning, schools, charitable homes and places of worship; and > continue the RM40 Electricity Bill Rebate Programme, which provides a monthly subsidy of up to RM40 for Heads of Households (KIR) categorised as hardcore poor and registered with the e-Kasih system under the Prime Minister's Department (PMD).

Overall, this approach is intended to encourage energy efficiency initiatives and the use of renewable energy, delivering shared benefits through a more efficient and sustainable energy system.

To support this, all users will receive their electricity bills in a new, more detailed format (itemised billing).

Following the implementation of this new tariff schedule, the majority of users are expected to remain unaffected.

In fact, users who practise efficient energy consumption will enjoy greater savings through the Energy Efficiency Incentive.

## Refinement of the cost adjustment mechanism

For the energy charges component, a new and more dynamic fuel cost adjustment mechanism, the Automatic Fuel Adjustment (AFA), will replace the Imbalance Cost Pass-Through (ICPT) mechanism.

This mechanism enables automatic adjustments to generation costs based on current market fuel prices and foreign exchange rates. These details will be

reported monthly on the Energy Commission's website.

## Implementation and user support services

The new tariff schedule will take effect from July 1 and this will be reflected in electricity bills based on usage from July 2025 onwards.

Details of the rates and new categories (where applicable) can be checked through the following channels:

- > The tariff schedule will be published on the website <https://www.mytnb.com.my/tariff> from June 21, at 12.00pm;
- > An estimate of future monthly electricity bills can be calculated using the electricity tariff calculator, which will be accessible from July 2025 via the abovementioned website, earliest by June 23.

For further enquiries, users are encouraged to contact TNB CareLine at 1-300-88-5454, email [tnbcareline@tnb.com.my](mailto:tnbcareline@tnb.com.my), or reach out through other official TNB platforms.

Eligibility status can also be verified at the nearest electricity utility office or by scanning the QR code.

