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Majority unaffected by new TNB billing structure

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EIGHTY-FIVE percent of the population in Peninsular Malaysia will not be impacted by the new electricity tariff structure that came into effect on July 1, says Deputy Prime Minister Datuk Seri Fadillah Yusof (pic).

Fadillah, who is also the Energy Transition and Water Transformation Minister, said this is because a significant portion of domestic users, as well as micro, small and medium enterprises (MSMEs), are eligible for rebates.

"The key focus now is to promote efficient energy use. Those who consume energy more efficiently will be eligible for rebates," he said during the oral question-and-answer session.

Announced on June 20, the new tariff is designed to reflect actual supply costs and ensure fairer cost distribution.

Unlike the previous system, it introduces multiple components such as capacity charges, network charges and retail charges, and shifts billing from an economic sector-based rate to one based on voltage connection levels.



"This approach enhances transparency. The government has put in place safeguards so the impact on domestic users remains minimal. In fact, domestic users consuming 600kWh or less monthly will be exempt from paying retail charges," he said.

Those consuming up to 1,000kWh will also receive energy efficiency incentives, while MSMEs using less than 200kWh monthly will benefit from similar assistance.

These measures, he said, are intended to help businesses manage operational costs without passing them on to consumers.

Fadillah stressed that the role of Tenaga Nasional Bhd (TNB) as a

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public listed company includes maintaining investor confidence while reinvesting profits into critical upgrades, especially in accommodating the growing share of renewable energy.

"Much of this profit will go back into upgrading the grid system to ensure reliable and affordable electricity. If the grid isn't improved, it won't be able to receive renewable energy, affecting energy security," he said.

He also assured that the government will continue the RM40 Electricity Bill Rebate Programme for hardcore poor households registered under the e-Kasih system, with RM55mil allocated for this year.

In addition, the government is offering rebates for the purchase of energy-efficient appliances such as four- or five-star-rated air

conditioners and refrigerators.

"When people choose energy-saving devices, they'll be rewarded with rebates at the point of purchase," he said.

Fadillah also encouraged eligible consumers to sign up for the "time of use" electricity pricing scheme, where rates are cheaper during off-peak hours. However, this requires a smart meter to be installed and activated by TNB.

To support this, the government is fast-tracking the rollout of smart meters nationwide.

"Whether in urban or rural areas, those who use energy wisely – particularly households that stay within 600kWh – can benefit from various incentives," he said.

Separately, the Cabinet has approved the implementation of an Automatic Fuel Adjustment (AFA) mechanism to replace the existing Imbalance Cost Pass-Through (ICPT).

Unlike the ICPT, which adjusted fuel costs every six months, AFA will be revised monthly, with increases above 10% from the previous month requiring ministerial approval.