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Fadillah: People's welfare remains protected even if fuel price fluctuates

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KUALA LUMPUR: The government has assured that the welfare and well-being of the people will continue to be protected and will not be directly impacted by any sudden changes in electricity bills resulting from fluctuations in fuel prices.

Deputy Prime Minister Datuk Seri Fadillah Yusof said this is because the Ministry of Energy Transition and Water Transformation (PETRA) has set a threshold that requires the minister's approval for any changes to the Automatic Fuel Adjustment (AFA) rate if the basic energy charge and projected energy costs for the coming month rise by more than 10 per cent compared to the current month.

"This is a proactive measure by the government to ensure continued protection for electricity consumers," he said during a question-and-answer session at the Dewan Rakyat Wednesday.

He was responding to a question from Datuk Seri Takiyuddin Hassan (PN-Kota Bharu), who sought clarification on how the

new Tenaga Nasional Berhad (TNB) electricity billing structure would ensure cost fairness, promote energy efficiency, and maintain targeted subsidies for the B40 and M40 groups.

Fadillah, who is also the Minister of Energy Transition and Water Transformation, said the Cabinet had approved the implementation of the AFA mechanism on June 11, replacing the Imbalance Cost Pass-Through (ICPT) mechanism. Under the new system, fuel cost adjustments will be made monthly instead of every six months.

Explaining further, he said the government is actively encouraging consumers to adopt energy-efficient systems and renewable energy to help reduce the nation's overall energy consumption.

To ease the impact of electricity bills while promoting energy efficiency, Fadillah said the government has introduced energy efficiency incentives. These incentives are provided directly to domestic consumers with electricity usage of 1,000 kilowatt hours (kWh) or less,

as well as to micro, small and medium enterprises (MSMEs) consuming 200 kWh or less.

"This incentive is designed to encourage the target group to practice smarter energy management, while ensuring that MSME businesses do not need to raise the prices of goods and services due to the new tariff rate.

"In addition, domestic consumers with electricity usage of 600 kWh and below will be exempted from paying retail charges. This is part of the government's effort to ensure that this group continues to be protected and is not burdened by the implementation of the new schedule," he said.

Fadillah added that, with the incentives and assistance offered alongside the new electricity tariff structure, the government expects minimal impact on electricity bills for domestic users and MSMEs. He noted that 85 per cent of domestic consumers will not be affected and will continue to be protected, in line with the aspirations of Prime Minister Datuk Seri Anwar Ibrahim. — Bernama