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## Electricity tariff restructuring offers greater cost transparency, says FMM

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Bernama

KUALA LUMPUR (June 24): The Federation of Malaysian Manufacturing (FMM) has welcomed the electricity tariff restructuring under the Regulatory Period 4 (RP4), describing it as a rebasing exercise that offers greater cost transparency and encourages demand-side management.

In a statement on Tuesday, FMM said the new structure reflects a 19% overall reduction in tariff rates, taking into account current fuel prices.

“FMM would also like to thank the government for the RM5 billion allocated to absorb the fuel cost adjustment during the first half of the year due to the delay in the RP4 implementation,” it said.

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FMM said 70% of medium voltage users are expected to see lower bills, while the remaining 30% may face higher costs and should improve load management and energy efficiency.

“In particular, FMM greatly welcomes the increase in the off-peak hours by 80% from 70 hours to 128 hours per week, including the off-peak rates for weekends which FMM has been advocating for the past decades,” it said.

FMM noted that the new automated fuel adjustment mechanism, which replaces the imbalance cost pass-through system, would provide a more robust and effective way to reflect energy prices in line with market conditions.

FMM also called for a review of the tariff structure for the high-voltage time-of-use category to ensure that the tariff remains competitive and attractive in the long term for the high-voltage users.

The federation said that it also looks forward to further announcements on renewable energy (RE) schemes, including the green electricity tariff, following the restructuring exercise, to support greater adoption of RE in the industrial sector.