



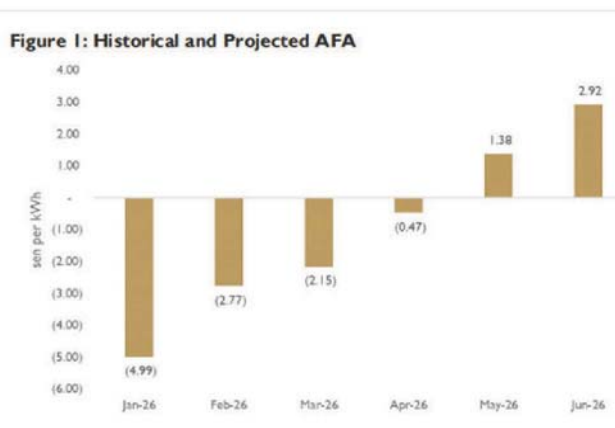
26 MAY, 2026

Power & Utilities Sector Overweight

The Sun, Malaysia



Power & Utilities Sector Overweight



Source: Tenaga, TA Research

THE Ministry of Energy Transition and Water Transformation launched the Sustainable Rebate & Incentive Assistance (SuRIA) Home initiative, which will commence from 1 June 2026. Under the initiative, domestic users who install solar systems under the Solar Accelerated Transition Action Programme (Solar ATAP) by 31 December 2026 are eligible, on a first come first serve basis, to receive a rebate of RM600 for every 1kWac of solar installation up to a maximum of RM3000, or 5kWac.

The SuRIA initiative is expected to benefit up to 250MWac of residential solar installations based on RM600 per kWac rebate and a total allocation of RM150mn for the program. Similar to the previous Solar for Rakyat Incentive Scheme (SolaRIS), we believe SuRIA could accelerate take up of residential rooftop solar, notwithstanding lower rebates under SuRIA compared to SolaRIS' RM1000 per kWac incentive and a maximum cap of RM4000.

Additionally, we believe the SuRIA initiative is timely given rising grid power cost as a result of the Iran War. Based on the latest projections by Tenaga Nasional Bhd (as at April 30, 2026), the Automatic Fuel Adjustment (AFA) rate is expected to turn from a rebate of -0.47sen/kWh in April 2026 to a surcharge of +1.38sen/kWh in May 2026 and +2.92sen/kWh in June 2026 due to rising fuel cost. These mark a significant increase compared to AFA rebate levels of up to -4.99sen/kWh earlier in the year. However, we note that AFA is only applicable to households with over 600kWh monthly consumption.

The potential 250MWac SuRIA-backed residential solar installations translate into EPCC prospects worth an estimated RM875mn-1bn.

We maintain our **OVERWEIGHT** stance on the Utilities sector.
 – **TA Research, May 25**