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Power tariffs restructure to help reduce utility bills



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KUALA LUMPUR: The recently announced restructuring of electricity tariffs can help reduce utility bills if electricity is used wisely and efficiently.

Private sector worker Rozita Ibrahim, 38, said that electricity consumption based on the Time of Use (TOU) scheme can reduce bills if used during off-peak hours. "If you want to save, you have to follow the 'timing'. For example, we do all household chores like washing and ironing clothes during off-peak hours," the mother of two told Bernama recently.

Last Friday, the Energy Commission (ST) announced that more than 23.6 million domestic consumers in Peninsular Malaysia will benefit from a new, fairer, and more progressive electricity tariff schedule. This new schedule, which takes effect on July 1, 2025, is part of a major reform to the national energy sector and aims to provide more clarity and confidence to investors.

The new tariff will also introduce an Energy Efficiency Incentive for consumers who practice prudent electricity use.

Under the new tariff schedule, 85 per cent of domestic consumers or account holders are expected to enjoy the same, or even lower, provided their monthly usage does not exceed 1,000 kilowatt hours.

In addition, the TOU scheme has been streamlined and extended to longer off-peak periods, namely the entire Saturday and Sunday, and 10 pm to 2 pm from Monday to Friday.

According to ST, this is to encourage more efficient management of consumption according to demand times, in line with efforts towards a more efficient and sustainable energy system.

If users use off-peak hours, they can save on electricity bills compared to peak usage, it said.

Having a large family naturally leads to higher electricity consumption, and a lecturer at a private institution, who requested to be identified only as Joe, believes that the restructuring of electricity tariffs has encouraged him to be more disciplined and mindful in managing his electricity usage.

"I have many children, eight of them. I need to teach them about saving money. I have realised that I can cut down on my monthly utility bills if I manage our utility usage wisely.

"For example, Saturday and Sunday are off-peak hours, and since my wife and I have weekends off, we try to complete most of our household chores then. On regular days, we make a conscious effort to reduce our electricity consumption," added Joe, who allocates nearly RM1,000 a month for electricity bills.

He also plans to install a 'timer system' to help save electricity by automatically turning electrical appliances on and off at scheduled times.

Meanwhile, a lecturer at the Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia, Professor Dr Nuradli Ridzwan Shah Mohd Dali, suggested an alternative to using solar energy in the country to save electricity.

"Perhaps the government, through Tenaga Nasional Berhad (TNB), can consider expanding the use of solar energy to the B40 group, where it can be an affordable material," he said, adding that installing solar panels in homes can save electricity consumption by 50 to 100 per cent.

According to ST, the tariff will be effective from July 1, 2025, to December 31, 2027, according to the Incentive-Based Regulation (IBR) framework, in line with Section 26 of the Electricity Supply Act 1990.