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New tariffs leave home solar adopters in a quandary

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MEMBERS of the Facebook group Solar Net Energy Metering (NEM) DIY Malaysia have recently been embroiled in a feisty discussion over how the implementation of Tenaga Nasional Bhd's (TNB) new tariff will affect them, as the variable components have been broken down into three sub-components, which they consider as unfair to home solar adopters.

Being a member of the group myself, I wish to bring this issue to public attention.

The sub-components of the variable charges are:

1. Energy generation charges, rated at 27sen per kWH (component A);
2. Capacity charges, rated at 4sen per kWH (component B); and
3. Grid/network charges, rated 13sen per kWH (component C).

The previous framework has been A+B+C taken as a whole unit to offset against what home solar producers give back to the grid. With the new tariff structure, TNB agents have explained that only component A can be used for the offset.

This alone has gone against the initial contractual arrangement, as it is no longer Net Energy Metering but Partial Offset Metering. Furthermore, not allowing home solar installers to offset capacity charges (component B) would put TNB in an unfair advantageous position to collect this charge twice – once from solar producers and another round from the party they sell the energy to.

You cannot have a single unit of product and sell it twice; this is simply bad business practice and lacks integrity.

Let us have a simulated monthly billing cycle as follows:

> Export to grid: 700 kWH;
> Import from grid: 800 kWH; and
> Net consumption is 100 kWH.

It would be fair if the billing is rated at 100 kWH x (A+B+C). However, information obtained from TNB so far reveals that the bill will be [100 kWH x A] + [800 kWH x (B+C)].

As such, every kWH generated and fed back to the grid is now worth only 50% (roughly) of what it used to be.

There are many home solar stakeholders who took loans to pay for the capital-intensive installation. Hence, meeting a projected time frame for return on investment (ROI) is crucial.

From a common five years ROI time frame, it has now become a 10- to 12-year endeavour, even exceeding the contractual duration of NEM 3.0 (10 years).

Since installing a home solar system will no longer be financially feasible and sensible, public adoption will grind to a halt, and so will the national agenda to transition to green renewable energy and becoming a nation with sustainable net-zero emission.

I hope government agencies like the Energy Commission and Sustainable Energy Development Authority, and the Energy Transition and Water Transformation Ministry will take a coordinated approach with TNB and come up with a sensible offset mechanism.

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