



28 SEP, 2026

TNB navigates rising generation costs under regulated power framework



The Star, Malaysia

TNB navigates rising generation costs under regulated power framework

KUALA LUMPUR: Tenaga Nasional Bhd's (TNB) role at the centre of Peninsular Malaysia's electricity system extends beyond that of a conventional profit-driven business, with tariffs, expenditure and returns governed by a regulated framework while the utility firm maintains critical power infrastructure.

Finance Minister II Datuk Seri Amir Hamzah Azizan, who served as TNB presi-

dent and chief executive officer from 2019 to 2021, said TNB carries a significant responsibility in maintaining the balance within the electricity system.

"TNB carries a large part of the responsibility for getting this balance right, and as we've seen recently from the noise over electric bills, it is a genuinely difficult role," he said in his recent LinkedIn post.

While tariffs and returns are regulated,

the underlying cost of generating electricity remains exposed to movements in global fuel prices.

That exposure is significant given Peninsular Malaysia's generation mix.

In its Annual Regulatory Review 2026 released on April 1, the Energy Commission said coal accounted for 58.5% of electricity generated in 2025, while natural gas contributed 33.5%, bringing their combined

share to 92%.

Movements in the prices of both fuels can, therefore, affect the cost of generating electricity.

Economy Minister Akmal Nasrullah Mohd Nasir said global coal prices rose to US\$130.67 per tonne in August from US\$129.63 in July, before climbing to US\$148 per tonne on Sept 10, directly raising electricity generation costs. — Bernama