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Tenaga Nasional to ensure reliable supply via RP4

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KUALA LUMPUR: The new tariff schedule with a base tariff of 45.62 sen per kilowatt-hour for Peninsular Malaysia under Regulatory Period 4 (RP4) is proposed to be implemented starting July 1, 2025, Tenaga Nasional Bhd said.

Under Regulatory Period 3 (RP3) between 2022 and 2024, the base tariff was set at 39.95 sen/kWh.

It said any differences from January to June 2025 will be funded through the Electricity Industry Fund (KWIE).

"The current electricity tariff schedule which has been in place since 2014, will continue to be in effect, with no change in the electricity tariff rate and tariff structure until June 30, 2025," TNB said in a filing to Bursa Malaysia.

TNB said the regulatory rate of return has been maintained at 7.3 per cent as per RP3 and this would enable the utility firm to make essential investments in the industry, ensuring a continuous and reliable electricity supply to meet growing demand.

Generation costs remain the largest component of the electricity tariff, with gas and coal continuing to be the primary fuel sources for electricity generation during this period.

TNB said any additional generation costs resulting from higher fuel prices for electricity supply will be passed through via the Imbalance Cost Pass-Through (ICPT) mechanism. "TNB remains neutral in this regard and there will be no impact on the company's



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business operations or financial position," it added.

Recently, the government approved the implementation of RP4 under the Incentive-Based Regulation (IBR) framework from January 2025 to December 2027. The utility firm said the decision was informed via a letter from the Energy Commission (EC) to TNB dated Dec 24, 2024.

It added that the allowed capital expenditure (capex) was RM42.821 billion, which consists of RM26.554 billion base capex and RM16.267 billion contingent

capex.

"The total allowed capex for RP4 is set to bring significant economic benefits towards stimulating the nation's economy and preparing the electricity network to facilitate the nation's energy transition agenda," TNB said.

It added that the allowed operating expenditure was RM20.782 billion, which supports the planning and execution of necessary operational and maintenance activities for all of TNB's electrical infrastructures.

TNB said the decision to implement the RP4 was a testament to the government's commitment to the IBR framework, which has been the pillar of sustainability and stability of the electricity supply industry.

"Through RP4 implementation under IBR, TNB commits to ensure a reliable and continuous supply of electricity to our customers, enhance customer service level and facilitate the nation's energy transition agenda," it added. — Bernama