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Monthly rebate kicks in

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Electricity bills to reflect real-time fuel prices from August

DOMESTIC electricity users consuming more than 600 kilowatt hours (kWh) a month will receive a rebate of 1.45sen per kWh throughout August 2025, under the government's newly implemented Automatic Fuel Adjustment (AFA) mechanism, says Deputy Prime Minister Datuk Seri Fadillah Yusof (pic).

Fadillah, who is also Energy Transition and Water Transformation Minister, said the rebate was made possible due to a drop in global fuel prices, including natural gas and coal, which are major components of Malaysia's electricity generation mix.

"This rebate will apply from Aug 1 to 31, 2025, and reflects the actual decrease in input costs.

"Under the AFA system, electricity tariffs are now adjusted every month, providing a more accurate and transparent pricing mechanism for consumers," he said during the Minister's Question Time.

According to Fadillah, the August rebate marks the first time a monthly AFA adjustment has been publicly announced since the new structure was introduced on July 1, following the start of the fourth regulatory period (RP4).



The AFA, which replaces the previous biannual Imbalance Cost Pass-Through (ICPT) system, allows tariffs to be adjusted based on real-time fuel prices and forward projections.

This shift is part of the government's broader push for energy transparency and fiscal sustainability, while encouraging smarter energy consumption habits.

Fadillah added that domestic users consuming 600kWh or less monthly will remain exempt from AFA charges, protecting lower-income and low-usage house-

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holds.

"We want to ensure that the majority of consumers, particularly those who use electricity efficiently, are not burdened by global fuel price fluctuations."

Fadillah also announced updates to the electricity tariff structure for Peninsular Malaysia, introduced by the Energy Commission (ST) on June 20 and implemented on July 1.

The revised structure now includes a detailed cost breakdown and new energy efficiency incentives for micro, small and medium enterprises (MSMEs).

"For the first time, the electricity tariff structure clearly displays the energy charge, capacity charge, network charge and retail charge for each consumer category," he said.

He said this marked a departure from the previous format, which only listed the energy charge and minimum charge.

The improved transparency is part of the government's broader

effort to raise public awareness and encourage smarter energy use in line with the national energy transition agenda, he said.

Fadillah said the government has allocated RM40mil under the NUR@Petra programme (Nikmat Untuk Rakyat), aimed at helping households purchase energy-efficient appliances.

"The NUR@Petra programme currently offers rebates of up to RM400 for the purchase of 4-star or 5-star energy efficient air-conditioners and refrigerators," Fadillah said, adding that the move is part of the broader push to reduce electricity consumption through smarter technology adoption.

He also clarified that the RM40 monthly electricity rebate, which remains targeted at B40 households, is no longer strictly tied to the e-Kasih database.

He said eligibility now also takes into account electricity consumption levels, particularly for households using 600kWh or less per month.

"This rebate system is now partly usage-based, ensuring that support reaches those who genuinely practise prudent energy use, not just those listed under a specific income category."