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Most electricity consumers could see tariff rebate for coming months on low fuel prices

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KUALA LUMPUR (July 29): Peninsular Malaysia’s electricity tariffs will see a fuel rebate of 1.45 sen/kWh in August, Parliament heard, while Tenaga Nasional Bhd (KL:TENAGA) also projected bigger rebates in September-November due to lower-than-projected fuel costs.

On Tuesday, Deputy Prime Minister Datuk Seri Fadillah Yusof said the rebate comes as fuel costs — gas and coal prices — have declined.

“For August, due to the drop in fuel and gas prices, from Aug 1 to 31, a rebate will be given for electricity at 1.45 sen/kWh,” Fadillah, who is also the minister of energy transition and water transformation, said in Parliament. There was no fuel surcharge or rebate in July.

In 2025-2027, electricity tariffs under-

| YTD electricity tariff fuel rebate/surcharge and forecasts (sen/kWh) | | | | | | | |
|--|----------------|-------------------------------|--------------|-------|----------------|-------|-------|
| User category | | RP3 ICPT Jan-June, 2025 | RP4 | | | | |
| | | | AFA* | | AFA forecast** | | |
| | | | July | Aug | Sept | Oct | Nov |
| Domestic users (households) | ≤600kWh | -2 | Exempted (0) | | | | |
| | 601-1,500kWh | 0 | 0 | -1.45 | -1.23 | -2.65 | -1.95 |
| | ≥1,501kWh | 10 | 0 | -1.45 | -1.23 | -2.65 | -1.95 |
| Non-domestic users | Low voltage | 2.7 | 0 | -1.45 | -1.23 | -2.65 | -1.95 |
| | Medium voltage | 16 | 0 | -1.45 | -1.23 | -2.65 | -1.95 |
| | High voltage | 16 | 0 | -1.45 | -1.23 | -2.65 | -1.95 |

*Automatic Fuel Adjustment (AFA) is applied in a blanket manner
**AFA forecast published on myTNB Portal
Note: A new base tariff structure was implemented in July under the fourth regulatory period (RP4)
Source: Single Buyer, Tenaga Nasional Bhd, Ministry of Energy Transition and Water Transformation

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go a monthly review called the AFA or automatic fuel adjustment — compared to every six months in the previous tariff regime — depending on whether the fuel cost is higher or lower than the medium-term estimate.

Separately on Tuesday, Tenaga debuted a three-month AFA forecast “to help customers better manage their electricity usage and budget” with rebates for September (1.23 sen/kWh), October (2.65 sen/kWh), and November (1.95 sen/kWh).

For now, the monthly AFA adjustment is imposed on all customers at a flat rate.

This is different to the previous fuel adjustment called imbalance cost pass-through (ICPT), which had different rates for different customer categories, particularly higher surcharges for high-consumption consumers.

The AFA is not imposed on low con-

sumption households (600kWh and below a month).

Looking at data published by the Single Buyer, the entity authorised to conduct electricity planning and manage electricity procurement services for the peninsula, coal prices have been on a decline since late 2024 and are expected to remain muted for the remainder of the year.

Meanwhile, regulated gas prices have been relatively steady, but are forecasted to decline in the second half of 2025.

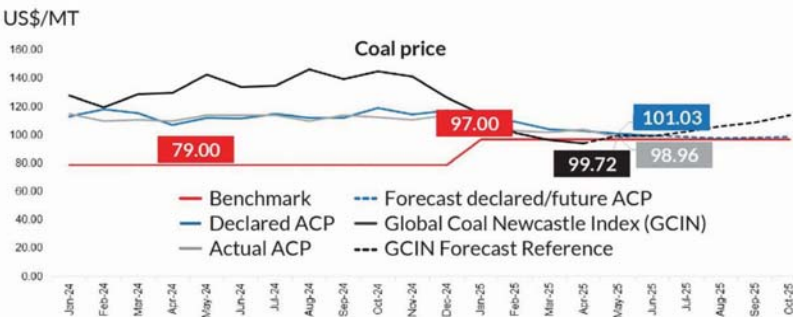
In terms of generation mix, coal constituted 57.9% of electricity generated, followed by gas (34.9%), hydro (4.7%), and solar (2.5%), according to the Single Buyer on Monday, July 28.

Under the 2025-2027 regulatory period 4 (RP4), coal prices have been benchmarked at US\$97 per metric ton (MT), up from US\$79/MT under the RP3 (2022-2024).

The regulated piped gas price — which is below international market prices — for up to 800 mmscfd in volume is set at RM24-RM35 per MMBtu, from RM26/MMBtu in the RP3.

For additional gas consumed beyond 800 mmscfd, the price is benchmarked at RM46/MMBtu, from RM33/MMBtu in 2022-2024.

Coal price expected to remain muted (US\$/MT)



Sources: Single Buyer, Tenaga Nasional Bhd

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