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'New structure will reveal true power cost'

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AUTOMATIC FUEL ADJUSTMENT

'New structure will reveal true power cost'

THE newly revised electricity tariff structure for Peninsular Malaysia now includes clearer cost breakdowns, reflecting the true cost of power supply, said Energy Transition and Water Transformation Minister Datuk Seri Fadillah Yusof.

He said under the new structure, details of energy charges, capacity charges, network charges and retail charges for each user category are listed — unlike the previous structure, which only included energy charges and a minimum charge component.

Fadillah said the revised tariff ensured fair and equitable cost distribution across all users, while causing minimal changes for domestic consumers.

“Previously, we used the imbalance cost pass-through mechanism, based on fuel price evaluations every six months. We’d calculate the average increase in gas and coal prices, as well as other factors.

“But now, we’ve moved to the Automatic Fuel Adjustment, which is evaluated monthly. So, every month we will know the rate and it is projected forward,” he said in his reply to a supplementary question from Datuk Abdul Khalib Abdullah (PN-Rompin) in the Dewan Rakyat yesterday.

Fadillah was also responding to a question from Dr Mohammed Taufiq Johari (PH-Sungai Petani), who asked about the objective of the new tariff schedule in achieving energy transition goals and long-term sustainability.