Government may review PPA to keep electricity tariff affordable

THE Government is studying the proposal to review the Power Purchase Agreements (PPA) with the first generation independent power producers involving an amount of RM1.57bil in order to help the people cope with the increasing electricity tariff, the House heard.

“Based on the Imbalance Cost Pass Through (ICPT) mechanism, the fuel cost will be reviewed every six months and any changes or fluctuations, will be passed-through in the end-user tariff,” said Energy, Green Technology and Water Minister Datuk Seri Dr Maximus Ongkili.

Maximus said despite Tenaga Nasional Bhd recording a nett profit of RM4.58bil for the financial year ending Aug 31 last year, the amount was still insufficient to cover the cost for new projects to beef up the electricity delivery and distribution infrastructure estimated to cost anything from RM6bil to RM7bil.