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Dual tariff, smart metering may roll out by year-end

by LINDA ARCHIBALD

MALAYSIA is entering the tail-end of its discussion on the adoption of the proposed enhanced time of use (ETOU) scheme and smart metering programme, and is setting its sights on a possible roll-out in phases in Peninsular Malaysia and Sabah by year-end.

Energy, Green Technology and Water Ministry (KeTTHA) Deputy Secretary General Datuk Nadzri Yahaya said if implemented, ETOU will feature a dual tariff scheme for peak and off-peak periods starting with the industrial sector within the high- and medium-voltage range as well as the commercial sector within the medium voltage range.

The system, similar to that practised in Japan, is said to help commercial, industrial and residential consumers alike to better manage their energy consumption.

"Studies are still being done for this mechanism but the concept is the same as in Japan. We plan to maintain electricity rates during the day and lower them at night.

"In Japan, the consumers understand the mechanism better, whether it is day or night and which they can capitalise on to carry out their household activities or indus-

tries," he said.

In a presentation by Tenaga Nasional Bhd (TNB) in a consultation session with key stakeholders organised by

Energy Commission in October 2014, customers are said to benefit from the ETOU tariff if they are currently utilising electricity during the mid- and off-peak time zones when rates are cheaper than during peak period.

They will also benefit by shifting usage of electricity to the time of the day when rates are cheaper, hence reducing monthly bills.

Speaking to reporters after the launch of ExxonMobil's Energy Literacy Campaign at a hotel in Kuala Lumpur yesterday, Nadzri said if implemented, the ETOU tariff will apply first to the high- and medium-voltage system in the industrial sector and medium voltage in the commercial sector.

According to a study by the Malaysian Energy Information Hub on the final electricity consumption by various eco-

nomic sectors in Malaysia between 2000 and 2012, the commercial sector's electricity consumption has grown steadily during this time.

While consumption by the

industrial sector has lowered, it may be a reflection of the changing landscape of Malaysia's economic activities from manufacturing to services.

According to the data, consumption by the residential sector had also increased marginally in the past decade.

In its presentation at the consultation session in October, TNB suggested that an industrial company could save up to RM60,905 on its monthly electricity bill under ETOU Tariff compared to its (then) current tariff based on TNB's E3 industrial rate. (The current rates quoted then were prior to the government announcement of 2.25 sen/kWh rebate effective March 1 to June 30, 2015.)

Meanwhile, a source from TNB said they are still awaiting feedback from Federation of Malaysian Manufacturers on the proposed ETOU presented in October 2014 before it finalise its plans and confirmed that they are currently in discussion with the government on the details.

Nadzri also said the data from the smart-meter pilot projects in Putrajaya and Malacca will help the government to decide how to implement the smart metering system across

the Peninsular Malaysia and Sabah.

Once data from the ongoing smart metering pilot projects in Malacca and Putrajaya, which involved replacing 1,000 analogue meters in residential properties including 800 households in Malacca and 200 in Putrajaya, are collated and analysed, the government will

decide by year-end whether to go ahead and replicate its efforts to introduce smart metering in stages in residential projects across Peninsular Malaysia and Sabah.

"We will identify the barriers faced in the implementation and where infrastructure is ready and available for the implementation," he said.

In February, news website *Metering International* said that TNB announced its plans to install 8.5 million residential smart-meters within the next 10 years, quoting its president and CEO Datuk Seri Azman Mohd.

In his speech at the launch, Nadzri said that aside from ETOU and smart metering other government initiatives to ensure sustainability in the field of energy include smart grid, net energy metering and green grid, which capitalises on off-grid and micro-grid.

Time Zone	MD rate (RM/kWh)		Energy (sen/kWh)		MD charge (RM)		Energy Charge (RM)	
	Current	ETOU	Current	ETOU	Current	ETOU	Current	ETOU
Peak	35.50	38.30	33.70	39.00	1,029,003	1,014,510	3,803,352	1,259,322
Mid-peak		35.00		31.00				2,497,798
Off-peak	NA	NA	20.20	20.20			1,611,678	1,611,678
Total Bill							6,444,212	6,383,308

*'Current' denotes the rates accurate as at October 2014 when they presentation was done. In January 2015, the govt announced a 2.25 sen/kWh rebate effective March 1-June 30, 2015. Total Savings: RM60,905 monthly.
Source: TNB's presentation to stakeholders on ETOU Tariff Scheme (October 2014)