

Top 1pct domestic electricity users will see increased tariffs

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Some 83,000 electricity consumers will experience a minimum monthly increase of RM187, or 25 percent, in electricity bills starting next month.

Natural Resources, Environment, and Climate Change Minister Nik Nazmi Nik Ahmad (above), however, assured the figure accounts for only one percent of total domestic users.

"Domestic consumers using high levels of electricity exceeding 1,500 kWh or equivalent to a minimum monthly electricity bill of RM708 will be subject to a surcharge of 10 sen/kWh.

"...Our measure is based on consumption, not income-based. For now, it is for high usage of RM700 ringgit a month and above.

"Basically, we are encouraging energy conservation and efficient use," he said in a press conference in Putrajaya today.

He said despite the increase; the government was still providing a special subsidy of RM58 million as the Imbalance Cost Pass-Through (ICPT) mechanism had not yet been entirely waived.

"Consumers can see the amount of subsidy provided by the government in their respective monthly electricity bills," he said.

The ICPT is a mechanism under the Incentive-Based Regulation (IBR) framework, which allows Tenaga Nasional Berhad to reflect changes in fuel and other generation-related costs in the electricity tariff every six months.

Meanwhile, Nik Nazmi said 99 percent of domestic consumers in Peninsular Malaysia with a monthly electricity consumption of 1,500 kWh or below will not experience an increase in electricity tariff.

He said this when announcing that the government was allocating electricity subsidies amounting to RM5.2 billion from July 1 to December 31 this year.

Non-domestic consumers, such as small and medium enterprises in the low-voltage tariff category and specific agricultural tariffs, will also not experience an increase in electricity tariffs - where a surcharge rate of 3.7 sen/kWh will be maintained.

A new category of non-domestic consumers, namely water and sanitation operators, will enjoy a reduction in surcharge rates from 20 sen/kWh to 3.7 sen/kWh for the next six months, he added.

He said the decision to include this category was in line with the government's efforts to improve the capacity and capability of water operators to provide treated and clean water to consumers.

He added that non-domestic consumers, specifically medium-voltage (MV) and high-voltage (HV) users from the industrial sector, will enjoy a reduction in surcharge rates from 20 sen/kWh to 17 sen/kWh.

"This means that non-domestic medium-voltage and high-voltage users will enjoy a monthly decrease in electricity bills ranging from 28 percent to 35 percent," he added.

Nik Nazmi expressed hope that with the provision of these subsidies, the cost of living of people will be alleviated while ensuring the country's continued economic development.

He added that the ministry was committed to transitioning towards sustainable energy usage and renewable energy by encouraging the public to install photovoltaic (PV) systems to control their electricity bills.

As such, the government relaxed certain conditions under the Net Energy Metering (NEM) Programme and Self-Consumption for Solar PV Installation (SelCo) Programme.

Meanwhile, in a filing to Bursa Malaysia, TNB said the new ICPT implementation will not affect its operations or financial position.

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