

Government decides no electricity tariff hike until June 30

By [Azanis Shahila Aman](#) - January 28, 2022

KUALA LUMPUR: The government has decided to maintain the current electricity tariff for all users in Peninsular Malaysia.

The status quo will stay at least until June 30 this year before the next tariff review under the Imbalance Cost Pass-Through (ICPT) framework introduced by the Energy Commission.

The decision means that the tariff remains at 39.45 sen per kiloWatt hour (kWh), while consumers will continue to enjoy a rebate of two sen per kWh without any surcharge.

But non-domestic users from the commercial and industrial sectors will be imposed a surcharge of 3.70 per kWh.

The step is taken following the government's decision to implement Tenaga Nasional Bhd's Third Regulatory (RP3) period from February 2022 till December 2024 under the Incentive-Based Regulation (IBR) framework.

The Energy Commission (EC), in a statement today, said the current tariff had been implemented since Jan 1, 2014 when the IBR framework was introduced.

"From July 1, 2021 to Dec 31, 2021, there was an increase in fuel cost and other generation costs totalling RM1.67 billion, following rising coal prices reaching US\$200 per tonne."

Therefore, the government had allocated RM715 million from Kumpulan Wang Industri Elektrik fund to maintain the rebate and absorb the ICPT surcharge for all users, the EC added.

The ICPT is a mechanism under the IBR framework which allows TNB as the utility to reflect changes (either increase or reduction) in fuel and other generation-related costs in the electricity tariff every six months.

Meanwhile, TNB said the government had approved and decided via a letter from the EC to implement the RP3 for the next two years.

"This decision complies with the rules and regulations under the Regulatory Implementation Guidelines (RIGs). TNB will continue to focus on maintaining the service level and ensure reliable and continuous supply of electricity to customers," it said in a statement today.

TNB said the government had also approved the continued implementation of the ICPT mechanism from Feb 1 until June 30 this year.

The decision was made to address the additional generation costs due to the higher fuel prices used for the supply of electricity during the period of July 1 until Dec 31, 2021.

"TNB also wishes to inform that the impact of ICPT implementation, based on the RIGs, is neutral on TNB and will not have any effect on the business operations and financial position," it added.