

## No power tariff hike for 99 per cent of Peninsula domestic users from July to Dec

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PUTRAJAYA: Domestic users in Peninsular Malaysia with a monthly electricity consumption of 1,500 kilowatt-hour (kWh) and below will not experience an increase in tariffs following the electricity tariff adjustment from July 1 to Dec 31 under the implementation of the Imbalance Cost Pass-Through (ICPT) mechanism.

Natural Resources, Environment, and Climate Change Minister Nik Nazmi Nik Ahmad said this covers 99 per cent of domestic users in Peninsular Malaysia.

"This means the electricity rebate of two cents/kWh given currently stays," he told a press conference here today. ICPT refers to a mechanism under the Incentive-Based Regulation (IBR) that allows fuel costs to be adjusted every six months based on global fuel price fluctuations.

Nik Nazmi said the government agreed to cover the electricity subsidy cost under the ICPT for the period July 1 to Dec 31, 2023, amounting to RM5.2 billion.

In line with the government's decision for electricity subsidies to be implemented in a targeted manner from next month, Nik Nazmi said domestic consumers with high electricity consumption exceeding 1,500 kWh, or equivalent to a minimum electricity bill of RM708 per month, will be charged a surcharge at a rate of 10 sen/kWh.

An estimated 83,000 consumers or one per cent of domestic users will experience a hike of RM187 or 25 per cent in their monthly electricity bills, he added.

"However, the government will still bear a subsidy of RM58 million specifically for this category," he said.

Nik Nazmi said non-domestic users from low voltage tariff categories (B and D tariffs), and specific agricultural tariffs (H, H1, and H2 tariffs) will not experience an increase with the ICPT surcharge at a rate of 3.7 sen/kWh maintained.

"In other words, micro, small and medium businesses, including restaurants, grocery stores, small workshops, farmers and bakery operators will also not experience any increase in electricity tariffs," he said.

Nik Nazmi said a new category of non-domestic users, namely water and sewerage operators in the states will enjoy a reduction in the surcharge rate from 20 cents kWh to 3.7 cents kWh.

"This decision is in line with the government's efforts to enhance the capacity and ability of water operators to provide treated and clean water to consumers," he said.

Non-domestic users, namely medium voltage (MV) and high voltage (HV) users from industries, will enjoy a surcharge reduction from 20 sen/kWh to 17 sen/kWh, or a 28 per cent to 35 per cent reduction, per month, he said.

"The government hopes that this subsidy will help alleviate the people's cost of living, especially during the period of economic recovery, and in turn ensure continued economic development of the country," he added.

To encourage the installation of the solar photovoltaic (PV) system for building roofs, Nik Nazmi said the government has relaxed the conditions under Net Energy Metering (NEM) and the Solar PV Installation Programme for Self Consumption for Solar PV Installation (SelCo).

They include relaxing the per-home capacity limit for the NEM Rakyat programme, as opposed to a limit of four kilowatts (kW) for single-phase installation and 10kW for the three-phase installation, which allows users to install solar systems based on technical criteria set.

Nik Nazmi said the capacity limit of solar PV systems allowed under NEM Net Offset Virtual Aggregation (NOVA) will also be increased from 75 per cent to 85 per cent, while the SelCo programme will be opened for applications and participation of high voltage users.

He said the implementation of new regulations under NEM and SelCo will come into effect from July 15 based on guidelines to be updated by the Energy Commission.

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