

Guidelines **on Green Electricity Tariff**



GUIDELINES ON GREEN ELECTRICITY TARIFF

[5 AUGUST 2023]



**ELECTRICITY SUPPLY ACT 1990
[Act 447]**

GUIDELINES ON GREEN ELECTRICITY TARIFF

GP/ST/No.31/2022 (Pin. 2023)

IN exercise of the powers conferred by section 50C of the Electricity Supply Act 1990 [Act 447], the Commission issues the following guidelines:

Purpose

1. The purpose of these Guidelines is to describe the Green Electricity Tariff Programme and to provide guidelines on the framework and its implementation, as well as to set out roles and responsibilities of the relevant parties to the said Programme.

Citation and commencement

2. These guidelines may be cited as the Guidelines on Green Electricity Tariff and shall come into operation on the date of its registration.
3. These guidelines come into operation on 5 August 2023

Dated: 5 August 2023



MOHAMMED RASHDAN BIN MOHD YUSOF

Chairman
Energy Commission

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1. OBJECTIVES

1.1. These Guidelines are developed by the Commission for the following objectives:

- (a) to describe the Green Electricity Tariff Programme, application process and its integration with the Malaysia Renewable Energy Certificate mechanism;
- (b) to provide guidelines on the framework of the Green Electricity Tariff Programme and its implementation; and
- (c) to set out roles and responsibilities of the relevant parties to the Green Electricity Tariff Programme.

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2. SCOPE

2.1. These Guidelines shall apply to:

- (a) Tenaga Nasional Berhad's consumers;
- (b) Tenaga Nasional Berhad; and
- (c) TNBX Sdn. Bhd.

2.2. These Guidelines are not intended in any way to circumvent the application of and obligations or requirements under any other written laws or standards. Parties relying on these Guidelines are advised to obtain independent advice on the applicability of the same to themselves.

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3. INTERPRETATION

3.1. In these Guidelines, the following terms shall bear the following meanings:

“Act”	means the Electricity Supply Act 1990 [<i>Act 447</i>] and all the subsidiary legislation made under Act 447;
“billing cycle period”	period for which electricity bills are prepared by TNB for a GET Consumer in accordance with the Licensee Supply Regulations 1990 [<i>P.U.(A) 384/1990</i>];
“Commission”	means the Energy Commission established under the Energy Commission Act 2001 [<i>Act 610</i>];
“electricity”	has the same meaning assigned to it in section 2 of the Act;
“eligible consumer”	means a TNB’s consumer who, in TNB’s evaluation, has good creditworthiness;
“GET Consumer”	means the eligible consumer whose application to subscribe for Green Electricity under the GET Programme has been approved by TNB in accordance with paragraph 8;
“GET Contract”	means a contract entered into between a GET Consumer and TNB for subscription to the GET Programme;
“GET Premium”	means a premium tariff rate to be charged to a GET Consumer for the subscription and consumption of Green Electricity under the GET Programme, at such rate as may be determined by the Commission in accordance with the approval or any revision made by the Minister.
“GET Quota”	means the allocation of Green Electricity available for subscription under the GET Programme;

“GET Programme”	means a Green Electricity Tariff Programme whereby all eligible consumers will have an option to purchase Green Electricity together with mREC from TNB;
“Green Electricity”	means electricity generated from renewable energy resources;
“ICPT”	means Imbalance Cost Pass-Through and refers to the mechanism under the Incentive-Based Regulation (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 in the form of a rebate or surcharge;
“kWh”	means kilowatt hour;
“mREC”	means the Malaysia Renewable Energy Certificate in the form of an e-certificate which have been redeemed by TNBX in the relevant REC Registry for the benefit of a GET Consumer, representing the environmental attributes of the relevant amount of Green Electricity generated and delivered to the grid;
“month”	means a calendar month, and the word “monthly” shall be construed accordingly;
“REC Registry”	means an internationally acclaimed renewable energy certificate registry with which TNBX has been registered as a registrant and/or participant with a trading account from time to time;
“Service Tax”	means the tax payable under the Service Tax Act 2018 [Act 807];
“Single Buyer”	has the same meaning assigned to it in section 2 of the Act;
“Tariff”	means the applicable tariff rates to be charged to the consumers for the consumption of electricity, as provided

in the tariff schedule published on TNB's website or a customised electricity supply contract, as the case may be, as such rate may be determined by the Commission, with the approval of the Minister;

“TNB” means Tenaga Nasional Berhad (Company Registration No.199001009294 (200866-W)), a public limited liability company with the registered address at No. 129, Jalan Bangsar, 59200 Kuala Lumpur, Malaysia; and

“TNBX” means TNBX Sdn. Bhd. (Company Registration No: 201701040742 (1254915-P)) which is a subsidiary of TNB with the registered address at Pejabat Setiausaha Syarikat, Tingkat 2, Ibu Pejabat Tenaga Nasional Berhad, No. 129, Jalan Bangsar, Kuala Lumpur, Wilayah Persekutuan.

- 3.2. Subject to paragraph 3.1 and unless expressly indicated to the contrary or unless the context otherwise requires, terms adopted and used in these Guidelines shall bear the same meaning as they are defined in the Act.
- 3.3. If there is any conflict between the provisions of these Guidelines and those contained in the Act, the provisions in the Act shall prevail.

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4. INTRODUCTION

- 4.1. These Guidelines are issued by the Commission for the purpose of implementing the GET Programme and is in line with the following:
- (a) the function of the Commission under section 14 of the Energy Commission Act 2001 [Act 610] to promote the use of renewable energy and the conservation of non-renewable energy; and
 - (b) the power of the Commission under section 26 of the Act to determine tariffs and charges to be levied, by a licensee, with the Minister's approval.
- 4.2. The GET Programme is a programme for the sale of Green Electricity bundled together with the issuance of mREC.
- 4.3. The concept and main principles of the GET Programme are as follows:
- (a) the GET Programme is open to all eligible consumers; and
 - (b) subscription commitments are offered on a first-come, first-served basis;
 - (c) the Green Electricity is generated by solar power plants under the Large Scale Solar (LSS) Programme or TNB's and/or its subsidiary's hydropower stations or any other renewable energy plants as approved by the Commission from time to time; and
 - (d) GET Consumers are subjected to applicable Tariff with additional GET Premium on such applicable Tariff for Green Electricity subscribed and consumed.
- 4.4. The mREC that will be transferred by TNBX to GET Consumer shall be obtained from the REC Registry and shall be in compliance with international standards.

5. ELIGIBILITY

- 5.1. Only an eligible consumer in Peninsular Malaysia may apply for a subscription to the GET Programme. An eligible consumer shall become a GET Consumer once its application is approved by TNB in accordance with paragraph 8.

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6. GET PROGRAMME QUOTA & mREC

- 6.1. The GET Quota, representing Green Electricity available for subscription, will be published on the Malaysia Green Attribute Tracking System, mGATS website (www.mgats.com.my) and TNB website.
- 6.2. The amount of Green Electricity that may be subscribed by a GET Consumer is subject to the GET Quota.
- 6.3. TNB is responsible for managing the application for subscription of the GET programme and deployment process of such application.
- 6.4. TNBX is responsible for monitoring, managing, forecasting and optimising the GET Quota based on inputs received from TNB and the Single Buyer.
- 6.5. TNBX is also responsible for managing the issuance of mREC and the transfer of the mREC to the GET Consumer.

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7. SUBSCRIPTION TO THE GET PROGRAMME

- 7.1. A residential GET Consumer shall subscribe to the Green Electricity in blocks of 100 kWh while a non-residential GET Consumer shall subscribe to Green Electricity in blocks of 1,000 kWh.
- 7.2. The period of GET subscription shall be from 1 August 2023 until 31 December 2023. For the opening of available quota for subscription by new applicants, it shall be opened on 11 August 2023; from 11.00 a.m. to 5.00 p.m.. For the avoidance of doubt, the GET Contract billing shall start on 1 August 2023.
- 7.3. The amount of Green Electricity that a GET Consumer can subscribe under the GET Programme shall be:
- (a) less than or equivalent to its average monthly consumption as may be determined by TNB; or
 - (b) in the case of a new eligible consumer, an amount as may be declared by such new eligible consumer.
- 7.4. A new GET Consumer may apply for the new subscription within a specific period as determined by the Commission, and subject to TNB's assessment or the GET Availability Quota.
- 7.5. A GET Consumer is not allowed to increase, reduce or terminate the GET subscription during subscription period.
- 7.6. TNB reserves the right to review a GET Consumer's subscription of Green Electricity in the event where the GET Consumer's actual consumption of electricity is lower than its subscription of Green Electricity.
- 7.7. The GET Consumer shall receive the mREC under its subscription on a yearly basis within 30 working days after the bill with the GET consumption charged in the bill is issued to the GET Consumer after the end of each calendar year. If the GET Contract is terminated during the specific period by the GET Consumer or determined by the Commission, the mREC shall be issued to the GET Consumer within 30 working days

after the bill with the final GET consumption charged in the bill is issued to the GET Consumer.

- 7.8 The mREC transfer shall be done by TNB or its authorized delegate.
- 7.9 The GET Programme may be terminated or halted due to any order, decision or policy made by the Government.

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8. APPLICATION PROCESS

- 8.1 To apply for the GET Programme, eligible consumers must submit their applications through myTNB portal on the date and time as determined by the Commission.
- 8.2 An application for the GET Programme shall be done electronically via myTNB portal at <https://www.mytnb.com.my>. This application will be processed and approved by TNB on a first-come, first-serve basis based on the time-stamp of the submission by the eligible consumer, as stated in paragraph 6.3.
- 8.3 The application will be verified and processed by TNB within 5 working days upon submission. Notification of approval will be issued by TNB after the application has been reviewed and assessed for successful completion.
- 8.4 Once approved, the eligible consumer will be required to execute a GET Contract. Any stamp duty incurred shall be borne by the GET Consumer.

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9. METERING, BILLING AND PAYMENT

- 9.1. For metering purposes, the existing meter installed at the GET Consumer's premises will be used.
- 9.2. TNB will issue to a GET Consumer an electricity bill for every billing cycle period, being:
- (a) the period beginning on the commencement date of the GET Contract and ending on the date on which the first bill is issued by TNB to the GET Consumer, following the occurrence of such commencement date;
 - (b) each 1 month period thereafter during the term of the GET Contract; and
 - (c) the period beginning from the date following the last date of the immediate preceding bill and ending on the date the GET Contract expires in accordance with its terms.
- 9.3. In the event of any changes to the GET Premium, the calculation of the GET Consumer's electricity bill would be prorated in accordance with number of days with the applicable GET Premium during that billing cycle.
- 9.4. For every billing cycle period:
- (a) where the electricity consumption of the GET Consumer is **more than** its subscription of Green Electricity, in addition to other applicable charges under the GET Contract and its existing electricity supply contract with TNB, the charges for the GET Consumer's electricity consumption will be calculated as follows:
 - (i) firstly, by multiplying the total units of electricity consumed (in kWh) by the applicable Tariff; and
 - (ii) secondly, with reference to the subscription of Green Electricity under the GET Programme, by multiplying the total units of Green Electricity subscribed (in kWh) by the GET Premium.

Example 1:

Electricity consumption = 800,000 kWh

Green Electricity subscription = 100,000 kWh

Below is an illustration for the calculation of the sum payable by the GET Consumer:

Tempoh Bil :	01.08.2023 - 31.08.2023 (31 Hari)	Faktor Prorata
Tariff :	C2 : Perdagangan Puncak/ Luar Puncak	1.00000

Blok Tarif (kWh/kW)	Kegunaan (kWh/kW)	Kadar (RM)	Amaun (RM)
Kegunaan Puncak	500,000	0.365	182,500.00
Kegunaan Luar Puncak	300,000	0.224	67,200.00
Kehendak Maksima	1,500	45.100	67,650.00
Jumlah			317,350.00
Green Electricity Tariff (kWh)	100,000	0.218	21,800.00

Keterangan		Tidak Kena Service Tax	Kena Service Tax	Jumlah
Kegunaan kWh	kWh	800,000	0	800,000.00
Kegunaan RM	RM	249,700.00	0.00	249,700.00
Kehendak Maksima	RM	67,650.00	0.00	67,650.00
Green Electricity Tariff	RM	21,800.00	0.00	21,800.00
ICPT (RM0.17/kWh)	RM	119,000.00	0.00	119,000.00
Kegunaan Bulan Semasa	RM	458,150.00	0.00	458,150.00
Service Tax (6%)	RM			0.00
KWTBB (1.6%)	RM			5,077.60
Caj Semasa	RM			463,227.60

Note: The calculation of the sum in the illustration above is for example purposes only and shall be subjected to the customers's billing and charges.

(b) where the electricity consumption of the GET Consumer is **equal to or less than** its subscription of Green Electricity, in addition to other applicable charges under the GET Contract and its existing electricity supply contract with TNB, the charges for the GET Consumer's electricity consumption will be calculated as follows:

- (i) firstly, by multiplying the total units of electricity consumed (in kWh) by the applicable Tariff; and
- (ii) secondly, with reference to the subscription of Green Electricity under the GET Programme, by multiplying the total units of electricity consumed (in kWh) by the GET Premium.

Example 2

Electricity consumption = 50,000 kWh
 Green Electricity subscription = 100,000 kWh

Below is an illustration for the calculation of the sum payable by the GET Consumer:

Tempoh Bil :	01.08.2023 - 31.08.2023 (31 Hari)	Faktor Prorata
Tariff :	C2 : Perdagangan Puncak/ Luar Puncak	1.00000

Blok Tarif (kWh/kW)	Kegunaan (kWh/kW)	Kadar (RM)	Amaun (RM)
Kegunaan Puncak	30,000	0.365	10,950.00
Kegunaan Luar Puncak	20,000	0.224	4,480.00
Kehendak Maksima	1,000	45.100	45,100.00
Jumlah			60,530.00

Green Electricity Tariff (kWh)	50,000	0.218	10,900.00
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Keterangan		Tidak Kena Service Tax	Kena Service Tax	Jumlah
Kegunaan kWh	kWh	50,000	0	50,000.00
Kegunaan RM	RM	15,430.00	0.00	15,430.00
Kehendak Maksima	RM	45,100.00	0.00	45,100.00
Green Electricity Tariff	RM	10,900.00	0.00	10,900.00
ICPT (RM0.17/kWh)	RM	0.00	0.00	0.00
Kegunaan Bulan Semasa	RM	71,430.00	0.00	71,430.00
Service Tax (6%)	RM			0.00
KWTBB (1.6%)	RM			968.48
Caj Semasa	RM			72,398.48

Note: The calculation of the sum in the illustration above is for example purposes only and shall be subjected to the customers's billing and charges.

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10. MISCELLANEOUS

10.1. The following are not taken into consideration when calculating the charges for the GET Consumer's electricity consumption with reference to the subscription of Green Electricity under the GET Programme:

- (a) any payment to the Renewable Energy Fund established under section 23 of the Renewable Energy Act 2011;
- (b) power factor surcharges;
- (c) temporary load charges;
- (d) power factor rebates;
- (e) welding equipment surcharges;
- (f) any discount given by the Government of Malaysia; or
- (g) any other charges as may be determined by the Commission.

10.2. The Government may exempt any calculation of ICPT surcharges or rebates for the Green Electricity subscribed under the GET Programme within any period that may be determined by the Government.

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**No 12, Jalan Tun Hussein
Precinct 2**

62100 Putrajaya

Tel: +603 8870 8500

Fax: +603 8888 8637

Web: www.st.gov.my