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RM5.4BIL REBATE ON ELECTRICITY

Consumers enjoy reduced monthly bill, thanks to ICPT

KUALA LUMPUR: The Imbalance Cost Pass-Through (ICPT) mechanism introduced by the Government in 2015 has enabled consumers in Peninsular Malaysia to enjoy rebates on their electricity bill of around RM5.4bil from March 2015 to December 2017.

Energy, Green Technology and Water Ministry secretary-general Datuk Seri Dr Zaini Ujang said the Government also spent around RM3.79bil from 2012 to 2017 to accommodate fuel cost and subsidies, enabling Sabah consumers to enjoy a lower electricity tariff compared to the actual cost of supplying electricity.

"To date, the Government has spent RM1.04bil via the RM20 Rebate Programme introduced in October 2008, where the Government absorbs monthly electric bills of RM20 and below," he said during an interview on Bernama News Channel's *Ruang Bicara* programme.

Also present was TNB vice-president (regulatory economics and planning) Datuk Roslina Zainal.

Meanwhile, on the announcement by Energy, Green Technology and Water Minister Datuk Seri Maximus Ongkili regarding the electricity tariff adjustment on June 30, Dr Zaini said the Government had agreed to allocate RM1.3bil to subsidise consumers in Peninsular Malaysia from July to December this year.

He said consumers would be paying a lower rate compared to the base electricity tariff, as the Government absorbed the 1.02 sen



On the air: Roslina and Dr Zaini taking a call from a listener during their interview on 'Ruang Bicara'.

per kilowatt (sen/kWh) surcharge while maintaining the 1.52 sen/kWh rebate, bringing the total rebate to 2.54 sen/kWh for that period.

He said the higher rebates resulted from the increase in electric supply costs due to a 36% rise in coal prices, the falling ringgit and the increasing piped gas prices.

He said the Government chose to absorb the rising costs so as not to burden the people and to maintain the current 1.52 sen/kWh, which was implemented on Jan 1 this year.

"The rebate was made possible through the Power Purchase Agreement Savings Fund, which

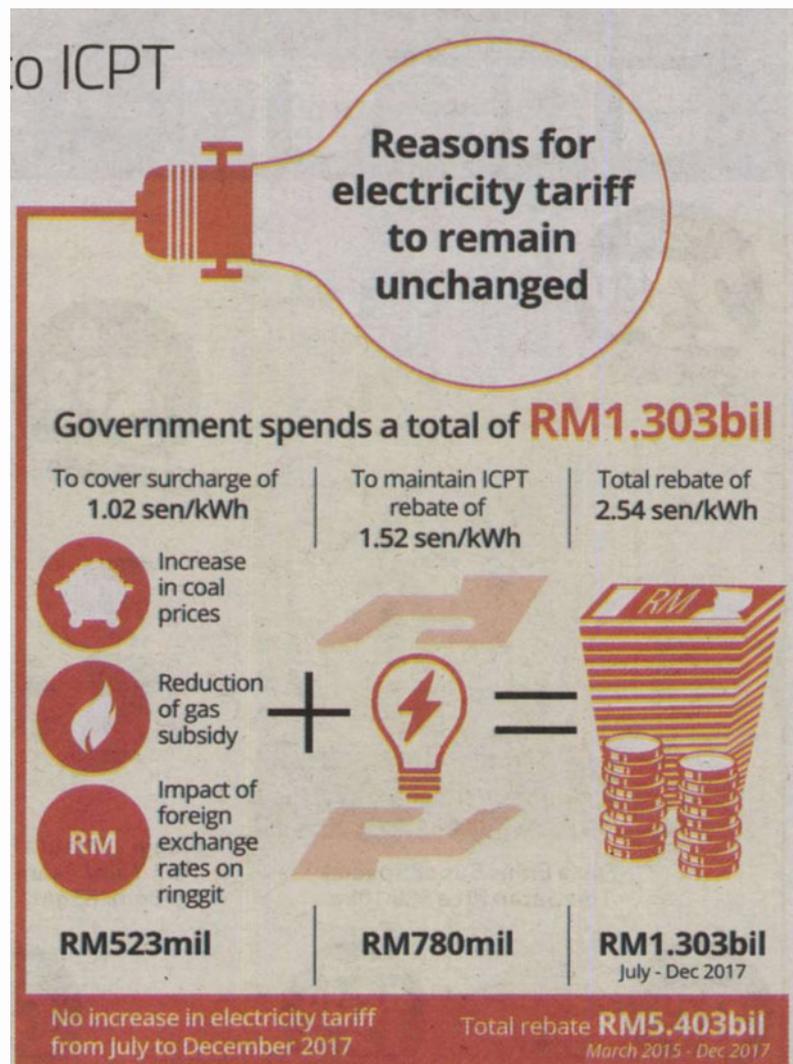
was set up to accumulate savings from the re-negotiation of power purchase agreements with the first-generation independent power producers," he said.

The fund ensures that the consumers are not burdened by the electric tariff rate.

Since March 2013, the savings from the lower capacity payment were kept by the Government to reduce the impact of a tariff rate increase specifically due to the fluctuating fuel prices.

Dr Zaini said the Government made deposits to the PPA fund thrice whenever there was any savings in electricity supply costs, where proactive action was taken

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Source: TNB

to ensure it was capable of absorbing the increase in costs.

“However, the fund is limited as we have utilised RM1.3bil of it, and it is expected that it won’t be able

to sustain the rising cost of electric supply in the future,” he said, adding that the consumers would have to bear the increase in cost should there be any. — Bernama