

CONSULTATION PAPER NO. 1/2026

**GAS SUPPLY TO THE POWER SECTOR
POST GAS FRAMEWORK AGREEMENT (GFA):
CONSULTATION ON FUTURE MARKET
ARRANGEMENTS FOR UNCONTRACTED GAS
VOLUMES IN PENINSULAR MALAYSIA**



CONSULTATION PAPER NO. 1/2026

GAS SUPPLY TO THE POWER SECTOR POST GAS FRAMEWORK AGREEMENT (GFA):

CONSULTATION ON FUTURE MARKET ARRANGEMENTS FOR UNCONTRACTED GAS VOLUMES IN PENINSULAR MALAYSIA

Date of Issue: 28 May 2026

Closing Date for Responses: 30 June 2026

Suruhanjaya Tenaga (Energy Commission) invites written responses to this Consultation Paper by the date above, addressed to:

E-mail: em@st.gov.my

This Consultation Paper (“Paper”) is issued to relevant stakeholders in the gas and power sector in Peninsular Malaysia, including licensed gas shippers, Independent Power Producers (IPPs), the Single Buyer (SB), the Grid System Operator (GSO), gas infrastructure operators, and LNG suppliers. Other parties with a material interest in the future arrangement of gas supply to the power sector are also welcome to respond.

Written responses should be directed to the Market Regulation & Planning Division (MRPD), Suruhanjaya Tenaga, and submitted by email to em@st.gov.my no later than **30 June 2026**, being the closing date for submissions. All Submissions should be prepared in Microsoft Word or editable PDF format.

Respondents may alternatively submit their responses online via the mechanism described in **Section 13**. However, email submission is strongly encouraged for lengthier responses. This document may be freely reproduced or downloaded from www.st.gov.my.

Respondents are not required to address every question set out in this Paper. The Commission encourages respondents to use Area 7 of Section 11 to raise any matter not covered by the structured questions, including alternative proposals, concerns, or any other perspective the Commission should take into account.

The Energy Commission shall not be liable for any loss, damage or consequence arising from the use or misuse of the information contained in this Paper. This Paper is issued solely for consultation purposes and the views and information presented herein are preliminary in nature. They do not constitute nor shall be construed as regulatory decisions, policy determination or legally binding obligations on the part of the Energy Commission.

The Energy Commission reserves the right to amend, revise, vary or withdraw any part of this Paper at any time without prior notice, having regard to stakeholder feedback, policy considerations and regulatory requirements and market developments. Nothing in this Paper shall give rise to any legitimate expectation or be relied upon as the basis for any legal claim against the Energy Commission.

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1. Introduction

This Paper is issued by Suruhanjaya Tenaga (“the Commission”) pursuant to its statutory mandate under the Gas Supply Act 1993 (*Act 501*) and the Energy Commission Act 2001 (*Act 610*) as the regulatory body responsible for regulating all matters relating to the supply of piped gas. This Paper seeks the views of relevant stakeholders on the future arrangement for gas supply to the power sector in Peninsular Malaysia in respect of volumes not currently covered by contractual arrangements managed by PETRONAS Energy & Gas Trading Sdn. Bhd. (PEGT), ahead of the scheduled expiration of the Gas Framework Agreement (GFA) on 31 December 2027.

This Paper forms part of the Commission’s broader Gas Market Study, which is examining the long-term structure of the gas market in Peninsular Malaysia in light of the Gas Framework Agreement’s (“GFA”) scheduled expiration and Malaysia’s increasing reliance on Liquefied Natural Gas (LNG) imports, with a view to promoting greater competition, efficiency, and security of supply in the gas market. **This paper focuses specifically on the supply of gas to the power sector in respect of volumes that fall outside the scope of PEGT’s existing contractual arrangements.** For the avoidance of doubt, it does not affect, amend, alter or supersede PEGT’s existing contractual arrangements for currently contracted volumes.

The Commission is open to the full range of views and proposals that respondents may wish to put forward, **including proposals that depart from or go beyond the illustrative approaches described in this paper.**

Any arrangement that is ultimately put in place will need to ensure security of gas supply to the power sector, support the efficient and affordable delivery of electricity to consumers, and be commercially and operationally workable for all parties involved.

2. Background and the Need for Transition

Since 2016, the GFA has served as the central governance mechanism for gas supply to the power sector in Peninsular Malaysia, characterized by a single supply channel of predominantly domestically produced gas with a small portion of LNG. Gas prices under the GFA are regulated for volumes up to 800 MMscfd.

The structural conditions underpinning the GFA have materially changed. Peninsular Malaysia now faces a persistent and accelerating decline in domestic gas production, necessitating increased reliance on Liquefied Natural Gas (LNG) imports sourced from international markets. The existing GFA structure — premised on a single counterparty, regulated pricing, and predominantly domestic supply is not operationally or commercially suited to managing a diverse, import-dependent supply portfolio.

The Commission is therefore considering what governance, and commercial arrangements should apply to gas supply for the power sector following the GFA’s expiration. This consideration is further underscored by growing electricity demand driven by the rapid expansion of data centers and other energy-intensive industries in Peninsular Malaysia, which is expected to place additional pressure on gas supply requirements for the power sector in the near to medium term.

The new arrangements will need to be operationally suited to managing an increasingly diverse, import-dependent supply portfolio. Among the approaches being considered is a model involving multiple licensed shippers interfacing with global LNG markets. However, the Commission recognizes that other approaches may equally serve the objectives of supply security, commercial efficiency, and energy affordability.

3. Market Context and Gas Demand Outlook

As domestic gas production declines while the electricity demand continues to grow, volumes beyond the scope of PEGT's existing contractual portfolio will require new supply arrangements to be put in place. Understanding the scale and timing of this requirement is essential context for any policy response.

Table 1 below sets out the indicative additional gas requirements arising from new gas-fired power plants expected to be commissioned in Peninsular Malaysia post-2027. These plants represent the primary source of future uncontracted gas demand. The figures are indicative and will be updated as project details are confirmed.

Table 1: Indicative Additional Gas Requirements from New Gas Power Plants in Peninsular Malaysia (Post-2027)

New Gas Power Plant	Expected COD	Installed Capacity (MW)	Estimated Gas Requirement (MMscfd)	Notes
IPP A	2028	500	95	Subject to final investment decision
IPP B	2029	250	48	Subject to final investment decision
IPP C	2029	700	133	Subject to final investment decision
IPP D	2029	1,248	237	Subject to final investment decision
IPP E	2029	750	143	Subject to final investment decision
IPP F	2029	1,400	266	Subject to final investment decision
IPP G	2030	1,400	266	Subject to final investment decision
IPP H	2031	2,100	399	Subject to final investment decision

The data above are indicative and based on information available to the Commission at the time of publication. Confirmed project details, including installed capacity and gas requirements, will be updated as new gas power plant agreements are finalized.

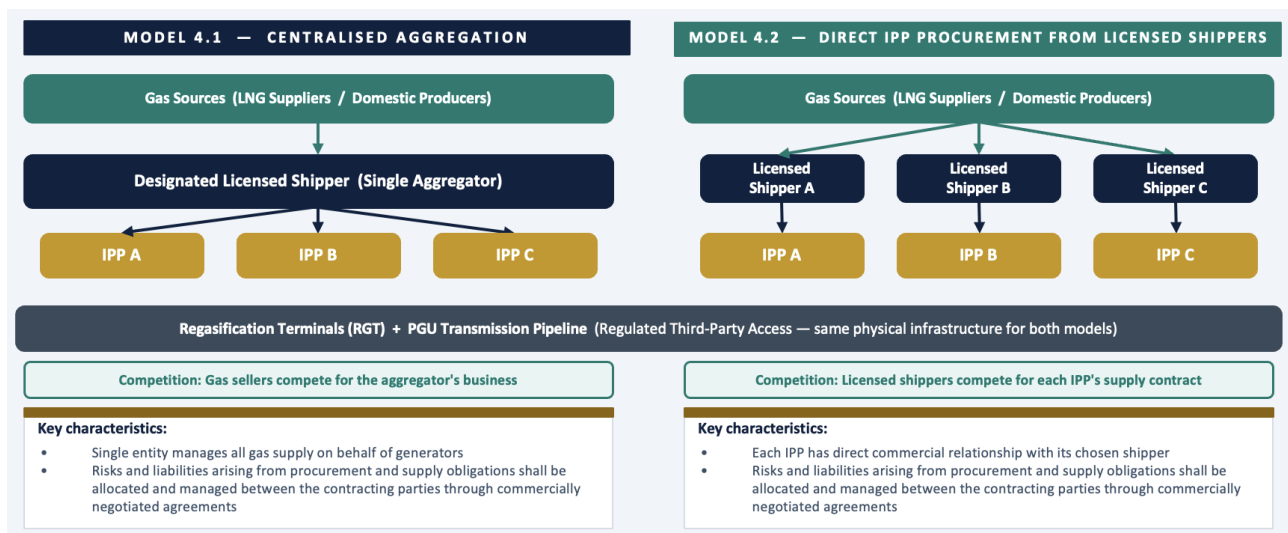
4. Possible Approaches to Post-GFA Market Arrangements

This section addresses arrangements relating to **uncontracted gas volumes only** namely those not covered by PEGT’s existing contracted portfolio. For the avoidance of doubt, it does not affect, alter, or supersede any existing contractual arrangements between PEGT and power generators, all of which shall remain in full force and effect for their respective contracted volumes and duration.

In both approaches, the procurement of gas and its delivery to power generators shall be carried out **by gas shipping licensee under the Gas Supply Act 1993 (Act 501)**, consistent with the existing regulatory framework.

The key difference lies in the commercial structure: whether a single designated licensed shipper aggregates demand and manages supply on behalf of the entire power sector, or whether each IPP selects and contracts directly with licensed shippers of its own choosing. A hybrid arrangement is also described. **The Commission is open to a wider range of approaches and proposals from respondents and does not present either approach as preferred.** These models are illustrated in Figure 1 below.

Figure 1: Illustrative Approaches to Post-GFA Gas Supply for Uncontracted Volumes (Peninsular Malaysia)



4.1 Centralized Aggregation by a Designated Entity

Under this approach, a single designated entity holds a gas shipping license under the Gas Supply Act 1993 (Act 501) and performs the aggregation function on behalf of the power sector as a whole. The designated licensed shipper, **which should be identified through a market-based process rather than direct government appointment**, and could be an existing licensee, a newly licensed entity, or a consortium of licensed shippers procures gas from available sources, consolidates the gas requirements of all or a group of generators into a single managed portfolio, and ensures delivery to generators.

The designated licensed shipper manages the full commercial interface with the gas market on behalf of generators. It is responsible for procuring gas from upstream producers, LNG suppliers, or other available sources; securing regasification and pipeline transportation access under the TPA framework; managing demand variability; and ensuring supply continuity. The costs incurred by the designated shipper, including procurement costs, infrastructure charges, margin and risks, would be negotiated between the contracting parties.

Competition occurs upstream of the designated licensed shipper, among gas sellers — whether domestic producers, LNG traders, or other commercial suppliers competing to supply gas to the aggregator. This approach may offer **predictability and economies of scale in procurement but concentrates significant supply and performance responsibility in a single licensed entity.** Accordingly, risks and liabilities arising

from the aggregator's procurement and supply obligations shall be allocated and managed between the contracting parties through commercially negotiated agreements, with appropriate contractual protections to ensure that supply and performance risks are not borne unilaterally by any single party or transferred inappropriately to end consumers.

The Commission invites respondents to share their views on the following aspects of the centralized aggregation model: how the designated licensed shipper should be identified through a market-based process, the terms and conditions under which it should operate, how gas procurement should be conducted to ensure competitive and efficient outcomes, how commercial and financial obligations arising from procurement arrangements should be managed between the contracting parties, how Take-or-Pay (TOP) obligations arising from supply or LNG contracts should be allocated or managed, and how supply continuity should be maintained in the event of the designated shipper's failure. Respondents are also welcome to propose alternative arrangements. Views on these matters should be provided in response to the questions in Section 11.

When formulating their responses, respondents should also take note of a further implementation consideration specific to the centralized aggregation model. For new regasification terminals including RGT-3 (Perak), RGT (Yan-Kedah) and any subsequent facilities, terminal capacity may already be commercially booked by licensed shippers under individual Terminal Use Agreements (TUAs), with those shippers having entered or expected to enter into corresponding LNG Sale and Purchase Agreements and Gas Sales Agreements with power generators. Where such commitments are already in place, designating a single centralized aggregator would require the restructuring, novation, or termination of existing binding agreements. Respondents with knowledge of such commitments are encouraged to address how this should be managed under their preferred approach.

4.2 Direct IPPs Procurement from Licensed Shippers

Under this approach, each Independent Power Producer (IPP) independently selects and contracts with one or more licensed gas shippers of its own choosing. The shipper procures gas from available sources whether domestic production, LNG imports, or a combination and delivers it to the IPP under a bilateral Gas Sales Agreement. Multiple licensed shippers may participate in the market simultaneously, competing for supply contracts with IPPs on the basis of price, supply terms, reliability, and service quality.

Under this model, there is no central aggregator. Each IPP takes responsibility for its own gas supply arrangements, including the selection of its shipper, the negotiation of supply terms, and the management of any supply risk allocated to it under the GSA. The shipper, in turn, is responsible for managing procurement risk, infrastructure access, demand variability, and supply continuity in respect of the volumes it has contracted to supply to that IPP. Shippers may serve multiple IPPs simultaneously and may collaborate through consortia or joint arrangements where commercially appropriate.

Competition occurs at the level of the shipper-IPP relationship, with IPPs free to choose among competing shippers and to change shippers subject to reasonable notice and commercial terms. Pricing is determined by bilateral negotiation between the shipper and the IPP and is not set or regulated by a central entity. This approach draws on existing licensing and TPA frameworks and preserves commercial flexibility for IPPs.

The Commission invites respondents to share their views on the following aspects of the direct IPP procurement model: the conditions that should govern the participation of licensed shippers, how IPPs should be protected in the event of supply failure by their chosen shipper, how Take-or-Pay (TOP) obligations should be managed in bilateral shipper-IPP arrangements, what conduct rules should apply to prevent concentration or conflicts of interest, and how overall supply continuity to the power system should be assured where multiple shippers are each serving individual IPPs. Respondents are also welcome to propose alternative arrangements. Views on these matters should be provided in response to the questions in Section 11.

4.3 Hybrid Arrangements

The Commission recognizes that a hybrid approach combining elements of both models may better serve the range of policy objectives than either model applied uniformly. For example, baseload volumes required by generators under long-term commitments might be managed through a central aggregator for predictability and price stability, while incremental or peaking requirements are met through direct IPP-to-shipper arrangements that introduce commercial flexibility and competition. Alternatively, a transitional arrangement might maintain a central aggregation function in the near term while the conditions for a competitive direct-procurement market are progressively established.

The Commission invites respondents to propose hybrid arrangements and to specify which elements of each model they would combine, how the boundary between models should be defined operationally, and how any transitional phases should be managed. Views on hybrid arrangements should be provided in response to the questions in Section 11.

The Commission does not present the above as an exhaustive list. Respondents are strongly encouraged to propose alternative models or variations that they consider would best serve the objectives of supply security, commercial efficiency, and affordability for the power sector. Proposals drawing on approaches adopted in comparable gas markets internationally are particularly welcome.

5. Key Operational and Commercial Considerations

Regardless of the market arrangement ultimately adopted, any framework governing gas supply to the power sector will need to address a number of operational and commercial considerations common to all possible models. This section describes those considerations as context for respondents. They are presented not as prescriptive requirements but as areas on which views are sought.

5.1 Demand Variability and Swing Management

Electricity dispatch is inherently variable, and gas demand from the power sector therefore fluctuates on a daily and intra-day basis. Any gas supply arrangement must provide a credible mechanism for managing this variability, to ensure that gas can be delivered in the quantities and at the times required by generators.

Under any market model, responsibility for managing demand variability must be clearly assigned — whether to a central procurer, a licensed supply party, or the generator itself. The Commission invites views on how that responsibility should be allocated and what capabilities or obligations should be required of whichever party bears it.

5.2 Volume Commitment and Supply Continuity

Any gas supply arrangement will need to define clearly the basis on which gas volumes are committed and delivered. This includes the total annual volume to be supplied, the degree of intra-day and day-to-day variation that the arrangement can accommodate, and how supply continuity is assured when planned or unplanned outages occur. The appropriate design of these parameters will vary depending on the market model adopted and the allocation of risk between parties. Respondents are invited to propose how these parameters should be addressed under their preferred approach.

5.3 Gas Supply Chain Coordination

Effective gas supply to the power sector requires coordination across multiple parties — gas sources, transportation and regasification infrastructure operators, the supply party, and the generator — particularly in real-time operational contexts where electricity dispatch changes rapidly. The Commission considers that any framework must establish clear lines of coordination and communication among these parties.

Respondents are invited to propose how coordination should be organized and what obligations or standards should apply, having regard to the market model they support.

5.4 Reporting and Transparency

The Commission considers that any framework should include mechanisms enabling it to monitor the adequacy of supply arrangements on an ongoing basis. This may include periodic reporting by relevant parties on supply positions, contracted volumes, and demand management capability. The appropriate scope and frequency of any reporting obligation will depend on the market model adopted. The Commission seeks views on what reporting arrangements would be proportionate and effective under each approach.

6. Infrastructure Access: RGT and PGU Requirements

Access to regasification and pipeline infrastructure in Peninsular Malaysia is regulated under the Third-Party Access (TPA) framework established by the Commission. Any party supplying gas to the power sector will need to secure access to regasification and/or pipeline transmission capacity through the applicable Access Arrangements. This section describes the existing infrastructure access framework as relevant context for respondents.

6.1 Regasification Terminal Access

Access to regasification terminals is governed by the **Code for Regasification Terminals (Kod/ST/No.5/2017)** and the Access Arrangement of the respective terminal. The indicative available capacities at existing terminals are set out below for reference. Respondents are invited to comment on whether these capacities are adequate to support any proposed market arrangement.

Table 2: Indicative Capacities at Regasification Terminals

Terminal	Design Capacity	Notes
RGT-1 (Sungai Udang)	500 MMscfd	Operational
RGT-2 (Pengerang)	735 MMscfd	Operational and expected capacity in 2028
RGT-3 (Perak)	500 MMscfd	Expected commissioning 2029

6.2 PGU Transmission System Access

Access to the Peninsular Gas Utilisation (PGU) pipeline system is governed by the **Code for Transmission Pipelines (Kod/ST/No.6/2017)** and the Access Arrangement of the pipeline transmission licensee. Key provisions include:

- **Transportation Paths:** Defined routes from gas Entry Points (RGT injection or upstream delivery points) to specific generator Exit Points.
- **Reserved Firm Capacity:** Priority, non-interruptible pipeline capacity reserved for baseload supply obligations.
- **Imbalance Settlement:** Financial reconciliation mechanism for deviations between nominated and actual gas flows.
- **Use-It-Or-Lose-It (UIOLI):** Unused firm capacity that has been booked but is not required must be released for reallocation to prevent capacity foreclosure by any single party.

7. Key Parties in the Gas Supply Chain

Regardless of the market model adopted, the supply of gas to the power sector involves a common set of parties across the gas supply chain. This section describes those parties and their general roles and functions. **The specific obligations and interactions of each party will depend on the market arrangement** that is ultimately put in place and are matters on which the Commission seeks stakeholder views.

Table 3: Key Parties in the Gas Supply Chain

Party	Role in the Gas Supply Chain	Key Functions and Interactions
LNG Supplier	Provides LNG under commercial supply agreements	Cargo sourcing and scheduling; delivery of LNG cargoes to regasification terminals; volume flexibility provisions under supply contracts
Upstream / Domestic Gas Producer	Provides domestically produced gas from upstream fields	Gas production and delivery at upstream entry points; allocation and scheduling of field production volumes
RGT Operator (Regasification Licensee)	Receives, stores, regasifies, and injects LNG into the transmission pipeline	LNG unloading and storage; regasification and send-out; capacity booking and access; BOG management; metering at injection point
Pipeline Operator (Transportation Licensee)	Transports gas from entry points to generator exit points via the PGU system	Capacity reservation and access; gas flow nominations and revisions; imbalance management; Operational Flow Orders; metering at delivery point
Licensed Shipper	A licensed gas shipper under the Gas Supply Act 1993 responsible for procuring gas and delivering it to generators.	Centralized model: single designated shipper manages procurement and delivery for all generators Direct IPP model: each IPP contracts with its own chosen shipper; pricing and risks are bilaterally negotiated
Power Generator	Offtakes gas to fuel electricity generation in accordance with dispatch instructions	Gas demand forecasting and nomination; payment for gas and infrastructure services; operational coordination with supply party and infrastructure operators
Single Buyer	Centrally procures electricity and coordinates power sector planning	Medium-term demand forecasting; generation scheduling; supply adequacy assessment; interface with gas supply parties on demand outlook
Grid System Operator (GSO)	Manages real-time electricity system balancing and dispatch	Real-time dispatch instructions to generators; frequency management; emergency response; intra-day scheduling
Commission	Regulates the gas and electricity sectors	Licensing and access arrangement oversight; market monitoring; policy and framework development; enforcement

8. Pricing and Risk Allocation Considerations

This section sets out the Commission's view on gas pricing and risk allocation for uncontracted volumes and seeks stakeholder views on the appropriate approach. Gas pricing arrangements under the GFA for existing contracted volumes are governed by their existing contractual terms and are not within the scope of this consultation.

The pricing of gas for uncontracted volumes should be market-determined, reflecting the commercial terms negotiated between the relevant parties. Whether under a centralized aggregation or a direct IPP procurement model, gas costs and any associated margins should be transparently and commercially determined rather than administratively set. The Commission invites respondents to share their views on how pricing should be structured and what, if any, transparency or monitoring arrangements should apply.

The Commission is mindful that the pricing of gas to power generators will ultimately affect the cost of electricity to consumers. Any pricing framework must therefore appropriately balance commercial freedom, market efficiency, and the protection of end-users. The Commission invites views on the appropriate pricing arrangements, including the role, if any, that the Commission should play in monitoring or regulating prices for uncontracted gas volumes.

9. Supply Security, Continuity of Supply and Supply of Last Resort

Continuity of gas supply to the power sector is a matter of national security. Any arrangement governing gas supply post-GFA must include provisions to address situations where a shipper is unable to fulfil its obligations, so as to protect the security of electricity generation. This section addresses both the broader question of supply security and the specific question of how Supply of Last Resort (SoLR) arrangements should be designed.

The Commission considers supply continuity to be one of the most important areas on which stakeholder input is sought. The appropriate mechanism will depend significantly on the overall market model adopted and the allocation of risk between parties. Respondents are invited to propose arrangements that they consider would be effective, commercially sustainable, and proportionate.

In developing their proposals, respondents may wish to consider, among other things: who should bear responsibility for ensuring continuity of supply in the event of a shipper's default or incapacity; how SoLR arrangements should be triggered and managed; how the shipper providing continuity cover should be compensated; how associated costs should be allocated; and what obligations should fall on generators during any period of disrupted supply.

The Commission is open to a wide range of proposals on supply continuity and SoLR arrangements. Respondents are encouraged to draw on experience from other markets or sectors where SoLR arrangements have been implemented, and to identify the conditions under which different approaches have or have not been effective.

10. Market Conduct and Competition Rules

Any framework governing gas supply to the power sector will need to address market conduct to preserve market integrity, prevent the concentration of market power among shippers, and protect generators and consumers. The following considerations are identified as areas where conduct rules may be warranted. The Commission invites stakeholders for views on the appropriate approach.

- **Market Concentration:** The framework may need to limit the share of uncontracted volumes that any single shipper, or group of collaborating shippers, may supply to the power sector in any given period, to prevent undue concentration of market power.
- **Conflicts of Interest:** Where a supply party holds a significant interest in an infrastructure operator or upstream LNG supplier, appropriate measures may be needed to prevent conflicts of interest and to ensure that access to critical facilities is not distorted.
- **Structural Separation:** Where a supply party has affiliations with LNG suppliers, infrastructure operators, or generators, appropriate informational and operational separation may be necessary to prevent conflicts of interest and ensure fair treatment of other market participants.
- **Supply Source Diversity:** Shippers may be expected to maintain diversity of gas sources and LNG supply counterparties to reduce the risk of a single point of failure affecting supply continuity to the power sector.
- **Oversight and Enforcement:** The Commission will retain appropriate oversight and enforcement powers to address non-compliance with conduct obligations applicable to shippers, consistent with its statutory mandate. The Commission invites views on what enforcement tools would be proportionate and effective.

11. Consultation Questions

The Commission invites written responses to the areas set out below. **These questions are intended to guide respondents and do not limit the scope of submissions.** The Commission particularly welcomes proposals for alternative or novel market arrangements, approaches to risk allocation, and views on how international experience may be applied in the Malaysian context. Respondents need not address every question and may structure their submissions as they see fit.

Each question below is linked to the relevant section of this Consultation Paper. Respondents are encouraged to read the relevant section before responding and to propose alternatives or variations where they consider a different approach would be more effective or appropriate.

Area 1: Market Arrangement (refer to Section 4)

- Q1. What arrangement, or combination of arrangements, should govern the supply of gas for uncontracted volumes to the power sector following the expiration of the GFA?**
- (a) *Should gas supply be managed through a designated licensed shipper performing a centralized aggregation function, through direct bilateral arrangements between IPPs and licensed shippers of their own choosing, or through a hybrid of these approaches?*
 - (b) *Respondents proposing arrangements not described in Section 4 are invited to set out their proposal in detail, including how it would address supply security, commercial efficiency, and affordability.*
 - (c) *How should Take-or-Pay (TOP) obligations arising from gas supply or LNG procurement contracts be allocated or managed under the proposed arrangement?*

Area 2: Operational Considerations (refer to Section 5)

- Q2. How should variability in gas demand from the power sector be managed under any proposed arrangement, and what capabilities should shippers be expected to maintain for this purpose?**
- (a) *What swing management instruments are considered most effective in the context of the Peninsular Malaysia gas system?*
 - (b) *What reporting or oversight arrangements should the Commission adopt to monitor the adequacy of shippers' supply and demand management capabilities?*

Area 3: Pricing and Commercial Arrangements (refer to Section 8)

- Q3. How should the pricing of gas supplies for uncontracted volumes be structured, and what role, if any, should the Commission play in relation to pricing or cost transparency?**
- (a) *Should any pricing transparency or monitoring obligations apply to shippers supplying gas to IPPs, and if so, what form should they take?*
 - (b) *What minimum commercial protection, if any, should be required in Gas Sales Agreements between shippers and IPPs?*

Area 4: Supply Security and Supply of Last Resort (refer to Section 9)

- Q4. How should continuity of gas supply to the power sector be assured in the event that a shipper is unable to fulfil its obligations, and what form of Supply of Last Resort arrangement would be effective and commercially sustainable?**

- (a) *Who should bear the SoLR obligation, how should it be activated, and how should the shipper providing continuity cover be compensated?*
- (b) *What standards of supply source diversity and financial resilience should shippers be required to maintain as a condition of market participation?*

Area 5: Market Conduct and Integrity (refer to Section 10)

- Q5. What market conduct rules or safeguards, if any, should apply to shippers supplying gas to the power sector to maintain market integrity and protect IPPs and consumers?**
- (a) *Are there structural features of the gas supply chain — such as vertical integration between shippers and LNG suppliers or infrastructure operators — that create particular risks requiring regulatory attention?*
 - (b) *Respondents who consider that existing regulatory frameworks are sufficient to address market conduct risks are invited to explain the basis for that view.*

Area 6: Transition and Other Matters

- Q6. What are the key considerations the Commission should take into account in managing the transition from the current GFA framework to any new gas supply arrangement for the power sector?**
- (a) *Are there near-term commercial, operational, or regulatory constraints that could affect the timely establishment of a new supply framework?*
 - (b) *Respondents are welcome to raise any other matters, proposals, or considerations not addressed elsewhere in this Consultation Paper that they consider relevant.*

Area 7: Open Submission

- Q7. Is there anything else the Commission should be aware of, consider, or take into account in developing the post-GFA gas supply framework that has not been addressed in this Consultation Paper?**
- (a) *Respondents are invited to raise any matter, propose any arrangement, or share any view they consider relevant — whether on policy, commercial, operational, legal, or regulatory grounds.*
 - (b) *This includes proposals for entirely different approaches, concerns about unintended consequences of any arrangement described in this paper, or experience from comparable markets that the Commission should consider.*
 - (c) *There is no prescribed format for responses to this question. Respondents may respond as briefly or as comprehensively as they wish.*

12. Next Steps and Timeline

Following the closure of the consultation period, the Commission will review and consider all written submissions received. The Commission will thereafter proceed to finalize the regulatory framework, taking into account the views expressed by stakeholders.

The Commission recognizes that the successful implementation of this framework depends on active and constructive engagement from all stakeholders across the gas supply chain, including licensed shippers, generators, infrastructure operators, LNG suppliers, and upstream producers. The Commission encourages substantive written responses that engage directly with the questions and policy issues raised in this Consultation Paper.

The Commission is committed to developing an approach that is commercially workable, operationally sound, equitable to all market participants, and consistent with Malaysia's energy security and sustainability objectives under the National Energy Transition Roadmap (NETR). The final approach will reflect the full range of stakeholder views received.

13. Attachment

TABLE OF COMMENTS

COMMENTS TO CONSULTATION PAPER NO. 1/2026

GAS SUPPLY TO THE POWER SECTOR POST-GFA:

CONSULTATION ON FUTURE MARKET ARRANGEMENTS FOR UNCONTRACTED GAS VOLUMES IN PENINSULAR MALAYSIA

Respondents are invited to submit their written responses via email to **em@st.gov.my** - email submission is particularly encouraged for lengthier responses. Alternatively, responses may also be submitted by scanning the **QR code** found at the end of this document or by visiting the link provided therein. All submissions must be received by **30 June 2026**.

Field	Details
Name of Respondent & Designation	
Name of Organization / Company	
Contact Person & Contact Number	
Email Address	
Date of Submission	

Consultation Questions and Comments

Note: The areas below correspond to Section 11 of the Consultation Paper. Please refer to Section 11 for the full question text before completing your response.

Question	Consultation Question (from Section 11)
Q1	What arrangement, or combination of arrangements, should govern the supply of gas for uncontracted volumes to the power sector following the expiration of the GFA?
Q2	How should variability in gas demand from the power sector be managed under any proposed arrangement, and what capabilities should shippers be expected to maintain for this purpose?
Q3	How should the pricing of gas supply for uncontracted volumes be structured, and what role, if any, should the Commission play in relation to pricing or cost transparency?
Q4	How should continuity of gas supply be assured in the event that a shipper is unable to fulfil its obligations, and what form of Supply of Last Resort arrangement would be effective and commercially sustainable?
Q5	What market conduct rules or safeguards, if any, should apply to shippers supplying gas to the power sector to maintain market integrity and protect IPPs and consumers?
Q6	What are the key considerations the Commission should take into account in managing the transition from the current GFA framework to any new gas supply arrangement for the power sector?

Question	Consultation Question (from Section 11)
Q7	Is there anything else the Commission should be aware of, consider, or take into account in developing the post-GFA gas supply framework that has not been addressed in this Consultation Paper?

Respondent’s Comments

Question	Key Points of Response
Q1	
Q2	
Q3	
Q4	
Q5	
Q6	
Q7	

Scan the following QR Code for online submission.



Click the link:

[GAS SUPPLY TO THE POWER SECTOR POST GAS FRAMEWORK AGREEMENT \(GFA\) – Fill out form](#)

For any enquiries or requests for further clarification in relation to this Consultation Paper, kindly contact the following officers:

1. Ts. Nor Haziana Isahak, Senior Assistant Director, at norhaziana@st.gov.my
2. Mohd Adzli Maher Ali Maher, Assistant Director, at adzli@st.gov.my

[End of Attachment]