

A BILL

i n t i t u l e d

An Act to amend the Electricity Supply Act 1990.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Electricity Supply (Amendment) Act 2025.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette* and the Minister may appoint different dates for the coming into operation of different provisions of this Act.

Amendment of long title

2. The Electricity Supply Act 1990 [*Act 447*], which is referred to as the “principal Act” in this Act, is amended in the long title by inserting after the words “reasonable prices,” the words “the licensing of the importation of electricity and exportation of electricity, the control of all matters relating to the importation of electricity and exportation of electricity,”.

Amendment of section 2**3. Section 2 of the principal Act is amended—**

- (a) by inserting after the definition of “generator” the following definition:

‘ “green attributes” means the full set of environmental, power source and emissions characteristics, whether in the form of credits, benefits, emissions reductions, offsets, allowances or by any other designation, attributable to the renewable energy from any installation;’;

- (b) by inserting after the definition of ‘ “grievous hurt” and “hurt” ’ the following definition:

‘ “importation of electricity or exportation of electricity licence” means a licence issued under section 22D;’;

- (c) by inserting after the new definition of “importation of electricity or exportation of electricity licence” the following definition:

‘ “importation of electricity or exportation of electricity licensee” means a person licensed under section 22D;’;

- (d) by inserting after the definition of “equipment” the following definition:

‘ “exportation of electricity” means the supply and selling of electricity through any installation in Malaysia to any person or place outside Malaysia;’;

- (e) by inserting after the definition of “management” the following definition:

‘ “Market Operator” means any person or a unit, department or division who is authorized under section 22C responsible for the management of provision and transaction of electricity and related services, which includes planning, scheduling, providing and settlement, and any other function as may be prescribed;’;

(f) by inserting before the new definition of “importation of electricity or exportation of electricity licence” the following definition:

‘ “importation of electricity” means the supply and buying of electricity into any installation in Malaysia from any person or place outside Malaysia;’; and

(g) by inserting after the definition of “Registrar” the following definition:

‘ “renewable energy” has the meaning assigned to it in the Energy Commission Act 2001 [Act 610];’.

Amendment of section 4

4. Section 4 of the principal Act is amended—

(a) by deleting the word “and” at the end of paragraph (lc); and

(b) by inserting after paragraph (lc) the following paragraphs:

“(ld) to issue importation of electricity or exportation of electricity licence under section 22D of this Act;

(le) to exercise regulatory functions in respect of the importation of electricity and exportation of electricity; and”.

Amendment of section 9E

5. Section 9E of the principal Act is amended—

(a) by inserting after the word “licensees” the words “, importation of electricity or exportation of electricity licensees, the Market Operator”; and

(b) by inserting after the words “the procurement” the words “or provision of electricity or on any dealing”.

New section 22c

6. The principal Act is amended by inserting after section 22B the following section:

“Market Operator

22c. (1) The Minister may, upon the recommendation of the Commission, authorize or revoke the authorization of any person or a unit, department or division to be a Market Operator by order published in the *Gazette*.

(2) The Market Operator shall comply with any regulations, codes, guidelines or directions with regards to its functions as may be made or issued by the Minister or the Commission, as the case may be, under this Act.

(3) A Market Operator, pursuant to discharging its functions under this Act, shall ensure non-discriminatory conduct and optimal operation of such power system to the extent that it does not compromise the reliability, security and safety of the power system.”.

New Part IVA

7. The principal Act is amended by inserting after new section 22c the following part:

“PART IVA**IMPORTATION OF ELECTRICITY AND EXPORTATION OF
ELECTRICITY****Licence required for importation of electricity and
exportation of electricity**

22d. (1) Subject to any exemptions as may be granted under this Act, no person shall—

- (a) import any electricity from any person or place outside Malaysia; or

- (b) export any electricity to any person or place outside Malaysia, whether generated in, or imported from outside, Malaysia,

except under and in accordance with the terms and conditions of importation of electricity or exportation of electricity licence as may be prescribed authorizing the importation of electricity or exportation of electricity, as the case may be.

(2) The importation of electricity or exportation of electricity licence may be granted by the Commission with the approval of the Minister upon payment of such fees and upon such terms and conditions as appear to be requisite or expedient having regard to the duties imposed by section 4.

(3) The Commission may, whether a notice has been served or not, levy a surcharge for the late payment of fees due from an importation of electricity or exportation of electricity licensee to the Commission, at a rate of one per cent per month or part of a month on such fees or at any other rate as may be prescribed.

(4) Notwithstanding subsection (2), the Commission may grant an importation of electricity or exportation of electricity licence upon payment of fees and upon such conditions as appear to be requisite or expedient having regard to the duties imposed by section 4 in respect of any importation of electricity and exportation of electricity as may be prescribed.

(5) No importation of electricity or exportation of electricity licence shall be capable of being transferred unless the written consent of the Minister has been given.

(6) An importation of electricity or exportation of electricity licence may be for such period as the Commission may approve provided that no licence shall, without the express approval of the Minister, be for a period exceeding twenty-one years.

(7) The duration of the importation of electricity or exportation of electricity licence shall be set out therein.

(8) The Commission may, with the approval of the Minister, at any time—

- (a) impose any additional terms or conditions on the importation of electricity or exportation of electricity licence; or
- (b) amend any terms or conditions imposed on the importation of electricity or exportation of electricity licence,

in accordance with the procedure as may be prescribed.

(9) All provisions of the Act applicable to a licensee under section 9 shall also be applicable to an importation of electricity or exportation of electricity licensee under this section.”.

Amendment of section 26

8. Section 26 of the principal Act is amended by inserting after the word “licensee” wherever appearing the words “or the Market Operator”.

New Part VIA

9. The principal Act is amended by inserting after section 32 the following part:

“PART VIA

GREEN ATTRIBUTES

Green attributes

32A. The Minister may, upon the recommendation of the Commission, determine the standards, specifications, practices and measures to be adopted and any other matters in relation to green attributes.”.

Amendment of section 37

10. Section 37 of the principal Act is amended by inserting after subsection (15) the following subsections:

“(15A) Any person who, in contravention of section 22D, imports or exports electricity without licence commits an offence and shall, on conviction, be liable to a fine not exceeding thirty million ringgit or to imprisonment for a term not less than ten years or to both.

(15B) Any importation of electricity or exportation of electricity licensee, who without lawful excuse, fails to comply with any term or condition imposed on the importation of electricity or exportation of electricity licence under section 22D, commits an offence and shall, on conviction, be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding three years or to both.”.

Amendment of section 44B

11. Section 44B of the principal Act is amended—

(a) in the shoulder note, by inserting after the word “**licensee**” the words “, **etc.**”; and

(b) in subsection (1), by inserting after the words “A licensee” the words “, an importation of electricity or exportation of electricity licensee, the Market Operator or Single Buyer”.

Amendment of section 44c

12. Paragraph 44c(2)(a) of the principal Act is amended by inserting after the words “a licensee” the words “, an importation of electricity or exportation of electricity licensee, the Market Operator or Single Buyer”.

Amendment of section 50c

13. Section 50c of the principal Act is amended by inserting after subsection (1) the following subsections:

“(1A) The Commission may, from time to time, issue any guidelines in writing on any matter relating to the importation of electricity and exportation of electricity.

(1B) The Commission may, from time to time, issue any guidelines in writing on any matter relating to green attributes including—

- (a) the determination of ownership of green attributes;
- (b) the verification of the amount of green attributes; and
- (c) the certification of green attributes from the electricity generated or supplied from any renewable energy sources.”.

Amendment of section 50E

14. Section 50E of the principal Act is amended—

- (a) by renumbering the existing section as subsection (1); and
- (b) by inserting after the renumbered subsection (1) the following subsection:

“(2) Any person who fails to comply with any guidelines of the Commission relating to the importation of electricity and exportation of electricity issued under this Act commits an offence and shall, on conviction, be liable to a fine not exceeding five million ringgit or to imprisonment for a term not exceeding three years or to both.”.

Amendment of section 53

15. Paragraph 53(1)(*xh*) of the principal Act is amended by inserting after the words “System Operator” the words “, the Market Operator”.

Transitional

16. Any person who, either alone or jointly or in common with another person, carries out the importation of electricity or exportation of electricity activity immediately before the commencement of this Act shall apply for the importation of electricity or exportation of electricity licence under the principal Act within six months from the date of coming into operation of this Act.

EXPLANATORY STATEMENT

This Bill seeks to amend the Electricity Supply Act 1990 (“Act 447”) to widen the scope of Act 447 by regulating the importation of electricity and exportation of electricity as well as green attributes.

2. *Clause 1* contains the short title and the provision on the commencement of the proposed Act.

3. *Clause 2* seeks to amend the long title of Act 447 to widen the scope of the Act to regulate the importation of electricity and exportation of electricity. With the expansion of the scope of Act 447, the importation of electricity and exportation of electricity activity have to be licensed under the Act.

4. *Clause 3* seeks to amend section 2 of Act 447 to introduce new definitions into Act 447. The new definitions are “green attributes”, “importation of electricity or exportation of electricity licence”, “importation of electricity or exportation of electricity licensee”, “exportation of electricity”, “Market Operator”, “importation of electricity” and “renewable energy”.

5. *Clause 4* seeks to introduce new paragraphs 4(*ld*) and 4(*le*) following the expansion of the scope of Act 447. The new paragraphs provide that the Commission is charged with a regulatory function over the importation of electricity and exportation of electricity.

6. *Clause 5* seeks to amend section 9E of Act 447 to provide that besides the existing licensee and Single Buyer, the importation of electricity or exportation of electricity licensee and Market Operator may make any arrangement for the procurement or provision of electricity or on any dealing through the electricity transmission network.

7. *Clause 6* seeks to introduce new section 22C into Act 447. The proposed new section 22C seeks to provide for the authorisation, conducts, functions, duties and responsibilities of Market Operator.

8. *Clause 7* seeks to introduce new Part IVA into Act 447 which consists of new section 22D. The proposed new section 22D seeks to prohibit the importation of electricity or exportation of electricity without licence.

9. *Clause 8* seeks to amend section 26 of Act 447 to provide that the Market Operator may impose fees and charges related to its role and functions.

10. *Clause 9* seeks to introduce new Part VIA into Act 447 which consists of new section 32A. The proposed new section 32A seeks to empower the Minister to determine matters in relation to green attributes of the renewable energy.

11. *Clause 10* seeks to amend section 37 of Act 447 by introducing new subsections (15A) and (15B).

The proposed new subsections (15A) and (15B) seek to introduce the offence and penalty provision for any contravention of the new section 22D of Act 447.

12. *Clause 11* seeks to amend section 44B of Act 447 to provide that besides the existing licensee, the importation of electricity or exportation of electricity licensee, Market Operator and Single Buyer shall allocate and pay into the Electricity Industry Fund.

13. *Clause 12* seeks to amend section 44C of Act 447 to provide that the composition of the Electricity Industry Fund shall also include sums allocated and paid by the importation of electricity or exportation of electricity licensee, Market Operator and Single Buyer.

14. *Clause 13* seeks to amend section 50C of Act 447 to empower the Commission to issue guidelines relating to the importation of electricity and exportation of electricity as well as green attributes of the renewable energy.

15. *Clause 14* seeks to amend section 50E of Act 447 to introduce the offence and penalty provision for any contravention of the guidelines issued under section 50C.

16. *Clause 15* seeks to amend section 53 of Act 447 to empower the Minister to make regulations relating to the functions, duties and responsibilities of the Market Operator.

17. *Clause 16* deals with transitional provision.

FINANCIAL IMPLICATIONS

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

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