Utilities (Power)

Revision to the GET Scheme

Positive (Maintained)

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HIGHLIGHTS

- Revision of GET premiums o single-tier system, up to 80% reduction in premiums
- Introduction of GET Greenpath for data centres and C&I consumers
- 6,600 GWh GET quota for 2025, only 41.3% taken up as of 1HCY25
- Higher take up expected with the lower premiums, quick win for ESG commitments

SECTOR UPDATE

What's new. The Ministry of Energy Transition and Water Transformation (PETRA) announced two key updates yesterday to the Green Electricity Tariff (GET), aiming to improve the access to certified green power through the grid. Following a review by PETRA on the existing GET programme after the implementation of the latest electricity tariff starting 1st July, 2025 (Tuesday), it has been decided that the GET premium, which was previously set based on user categories, will now be consolidated into a single-tier pricing system with a reduction of up to 80% as per Table 1 below. The ministry also introduced the GET Greenpath, a programme for data centres, commercial and industrial consumers that require renewable energy certificates (RECs).

Lower GET premiums. Under the single-tier pricing, GET subscribers will pay a new flat rate for premiums according to the contract periods (refer to Table 1). The basic principles of the GET remain, such as the exemption of the Imbalance Cost Pass-Through (ICPT). GET subscribers will remain exempted from the Automatic Fuel Adjustment (AFA) that will replace the ICPT. As the new measures may involve structural changes and cost implications for existing GET subscribers, the option to terminate current subscriptions without penalty will be available until 31st August 2025.

Table 1: New GET premium rates

Period	Existing Premium Rates		New premium rates
	Domestic/Low-Voltage Non-Domestic	Medium/High-Voltage Non-Domestic	
1 year	10 sen/kWh	20 sen/kWh	5 sen/kWh
2 years	9 sen/kWh	19 sen/kWh	4 sen/kWh
3 years	8 sen/kWh	18 sen/kWh	3 sen/kWh

Source: PETRA, MIDFR

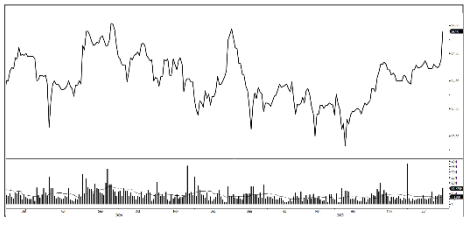
COMPANIES *IN FOCUS*

Tenaga Nasional Berhad

Maintain BUY | Target Price: RM16.40
Price @ 1 July 2025: RM14.60

- Strong electricity demand growth
- New AFA replacing ICPT protects TNB from swinging in fuel prices and provides better cash flow clarity

SHARE PRICE CHART

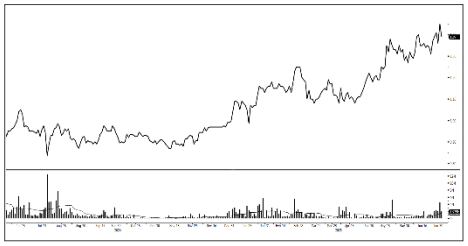


Pekat Group Berhad

Maintain BUY | Target Price: RM1.86
Price @ 2 July 2025: RM1.39

- Strong outstanding order book of RM650m, comprising solar EPCC and ELP protection jobs from data centres
- Subsidiary EPE Switchgear secured RM230m of jobs from Tenaga year-to-date

SHARE PRICE CHART



Background on GET. The GET was introduced in 2021, as an option to enable Tenaga Nasional Berhad's consumers to reduce their carbon footprint in electricity consumption. Through this, consumers have the option to purchase a low carbon electricity supply without having to install their own solar rooftop or other renewable energy installations. GET subscribers will receive an internationally recognised Malaysian Renewable Energy Certificate (mREC) that provides credibility for their electricity coming from a renewable energy generator. Since its launch, the GET programme has cumulatively supplied 10,500 GWh of green electricity to over 3,551 users across various categories, helping them meet their Environmental, Social, and Governance (ESG) commitments, particularly in reducing greenhouse gas emissions using green electricity. We expect the new reduced GET premiums to be neutral to **Tenaga (BUY, TP: RM16.40)** as income from the GET will be used to support the country's energy transition efforts to increase renewable energy capacity such as the implementation of the Solar for Rakyat Scheme (SolaRIS). The total quota available for 2025 is 6,600 GWh, of which 2,726.76 GWh have been subscribed by 1,472 customers as of 30th June. The remaining quota for the year is 3,873.24 GWh. Subscription has first come, first served subject to TNB's assessment and quota availability.

GET Greenpath. A new initiative by PETRA, to be implemented by Tenaga and available for subscription from 1st August 2025, introduces the provisions where tenants under bulk electricity accounts will be able to register and receive RECs proportional to their green power consumption. This is a dedicated mechanism for data centre owners, and industrial and commercial users to receive recognition of green electricity usage through RECs. An administrative fee of 0.2 sen/kWh will be charged for operating the programme.

Maintain POSITIVE. The recent overhaul of the GET programme signals that Malaysia is prioritising the accessibility of green energy as the downward revision in the premiums lowers the barrier to voluntary green-power subscription. We expect this will lead to a higher take up rate of the GET, especially with the introduction of the Greenpath. As of 1HCY25, only 41.3% of the available GET quota was subscribed. This also provides a quick win for corporate consumers in terms of meeting their ESG commitments, amid other broader and longer-term policies such as the Corporate Green Power Programme (CGPP) and the Corporate Renewable Energy Supply Scheme (CRESS). Despite the GET reforms, we continue to expect a healthy momentum for both rooftop solar and utility-scale solar projects, amidst the aggressive rollouts of large scale solar (LSS) schemes by the government as part of its commitment to achieving a 70% renewable energy capacity in the energy mix by 2050. Among the highlights for 3QCY25 would be the impending announcement of the winning bids for LSS PETRA 5+, which is set to add another 2GW of solar capacity to Malaysia's energy mix. Following that, we expect the Energy Commission (ST) to announce the bidding for LSS6, which will likely introduce another 2GW of solar capacity with battery energy storage system (BESS) requirements. This will keep solar EPCC players busy over the next few years. We have **BUY** recommendations on all the solar EPCC stocks under our coverage, namely – **Pekat (TP: RM1.86)**, **Samaiden (TP: RM1.59)** and **Sunview (TP: RM0.54)**.

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology