

**GUIDELINES ON LICENCE APPLICATION
UNDER THE ELECTRICITY SUPPLY ACT 1990
[ACT 447]**

2024 EDITION

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ELECTRICITY SUPPLY ACT 1990 [ACT 447]

**GUIDELINES ON LICENCE APPLICATION UNDER
THE ELECTRICITY SUPPLY ACT 1990 [ACT 447]**

GP/ST/No.52/2024

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

Citation and commencement

1. (1) These guidelines may be cited as the Guidelines on Licence Application under the Electricity Supply Act 1990 [Act 447].

(2) These Guidelines shall come into operation on the date of its registration.

Interpretation

2. In these Guidelines, unless the context otherwise requires, the definitions of the terms are as follow:

“Act” means the Electricity Supply Act 1990 [Act 447];

“Regulation” means the Electricity Regulations 1994 [P.U.(A) 38/1994];

“licensee”, “public installation” and “private installation” has the meaning assigned to it under the Act.

Purpose

3. These Guidelines specify the procedures and requirements that shall be complied by any person who applies for a licence under section 9 of the Act.

Notice by the Commission

4. The Commission may issue written notices from time to time in relation to these guidelines.

Revocation

5. The Guidelines on Licensing under Section 9 of the Act with registration number of Guidelines/ST/No.5/2016 are revoked.

Date: 1 January 2025

A handwritten signature in black ink, appearing to read 'Dato' Ir. Ts. Abdul Razib Bin Dawood', with a horizontal line drawn underneath it.

DATO' IR. TS. ABDUL RAZIB BIN DAWOOD

Chief Executive Officer

Energy Commission

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1.0 COMPLIANCE WITH LEGISLATION

- 1.1 In relation to licensing, any person shall comply with the requirements under the Act and subsidiary legislations made under it particularly the requirements provided under section 9 of the Act.
- 1.2 The application of a licence by any person shall be subjected to any exemption that has been granted by the Minister as follows:
- (a) Electricity Supply (Exemption) Notification 1994 [*P.U.(B) 156/1994*];
 - (b) Exemption under Section 54 [*P.U.(B) 342/2008*];
 - (c) Notification Exemption under Section 54 [*P.U.(B) 307/2012*]; and
 - (d) Notification under Section 54 [*P.U.(B) 297/2024*].

2.0 LICENCE ACTIVITIES

- 2.1 The licence under section 9 of the Act is granted in accordance with the type of installation as follows:
- (a) public installation; and
 - (b) private installation.

Public installation

- 2.2 Activities under the licence for public installations are as follows:
- (a) generation of electricity for the purpose of supplying or selling to utilities such as Independent Power Producers (IPP), Large Scale Solar (LSS), Feed In Tariff (FiT), etc;

- (b) generation of electricity for own consumption by using renewable energy resources such as solar photovoltaic system and selling the excess energy to the grid under the Net Energy Metering (NEM), Net Offset Virtual Aggregation (NOVA), etc;
- (c) generation of electricity for own consumption where the generation asset is fully owned by the third party or investor (leasing concept with Power Purchase Agreement);
- (d) transmission of electricity from generating station to electrical transmission network system in Peninsular Malaysia and Labuan; and
- (e) distribution of electricity to consumers such as TNB, SESB, Malaysia Airports Sdn. Bhd., Pertubuhan Keselamatan Sosial (PERKESO), Lembaga Tabung Haji, etc.

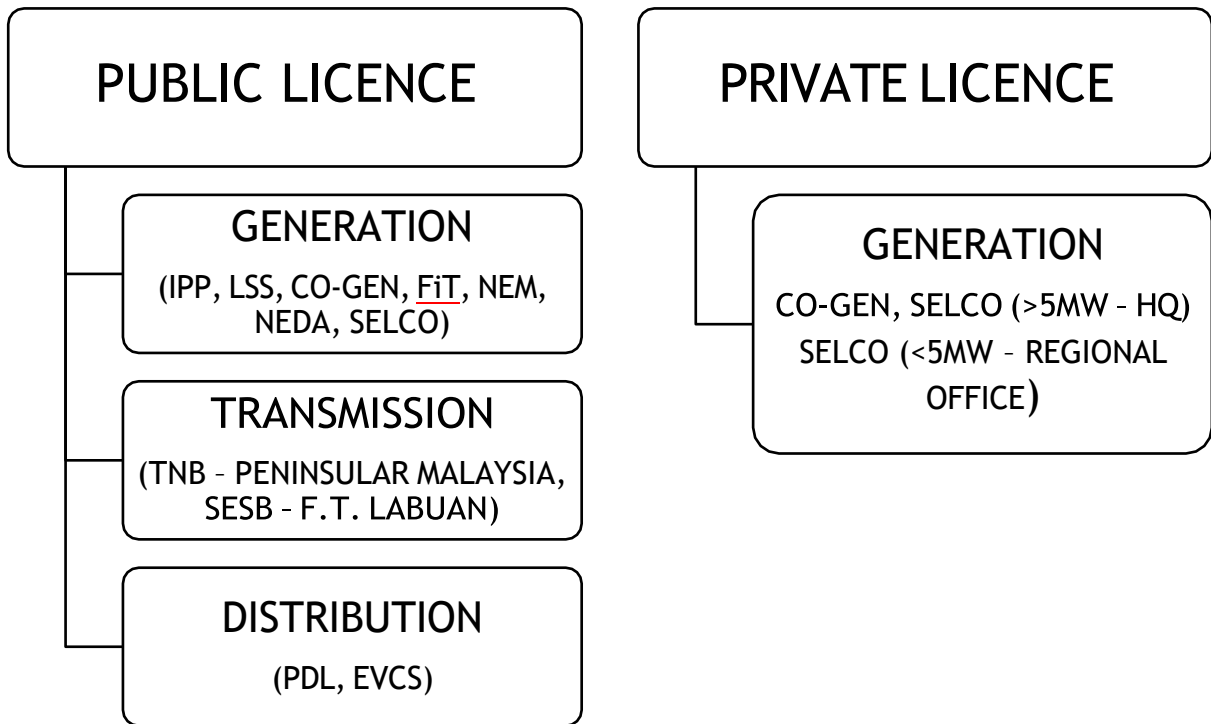
Private installation

2.3 Activities under the licence for private installations are as follows:

- (a) generation of electricity for the purpose of own consumption such as diesel generator, renewable energy sources i.e the solar photovoltaic system, biogas where the asset is owned by the consumer (outright purchase); or
- (b) generation of electricity for temporary purpose from diesel generator for own consumption such as construction site, expo, funfair and exhibition.

2.4 For any activity under the programmes of NEM, NOVA, FiT, SELCO, EVCS and etc, an applicant shall comply with the requirements as stated in the relevant Guidelines or Guide issued by the Commission.

2.5 Sample for the category of licence granted under section 9 of the Act are as follows:



3.0 LICENCE APPLICATION AND APPROVAL PROCESS

3.1 Application of licence can be made through a medium of application as follows:

TYPE OF LICENCE ACTIVITES	MEDIUM OF APPLICATION
Public Installation	Online Application System
Private Installation with capacity of 5MW and above	

3.2 The process and approval to a complete application shall be within the period specified as follows:

LICENCE	WORKING DAYS
Public licence less than 30MW	60
Public licence less than 5MW	30

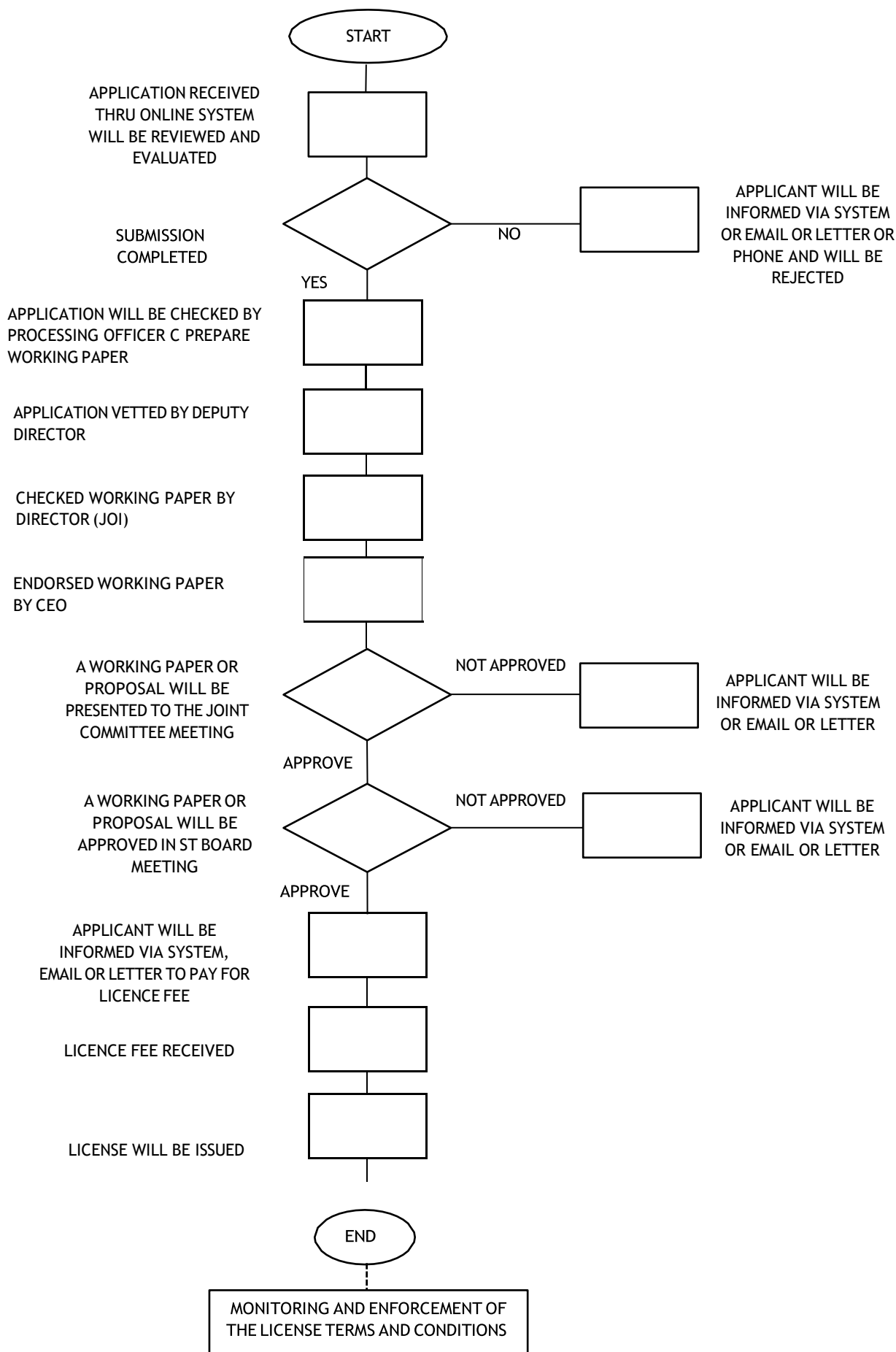
Counting of the working days mentioned above shall begin from the day a complete application by the applicant is received by the Commission.

- 3.3 For the purpose of submitting an application for a licence, the recommendation to the date of submission and the authorities involved in the process of approval of such application are as follows:

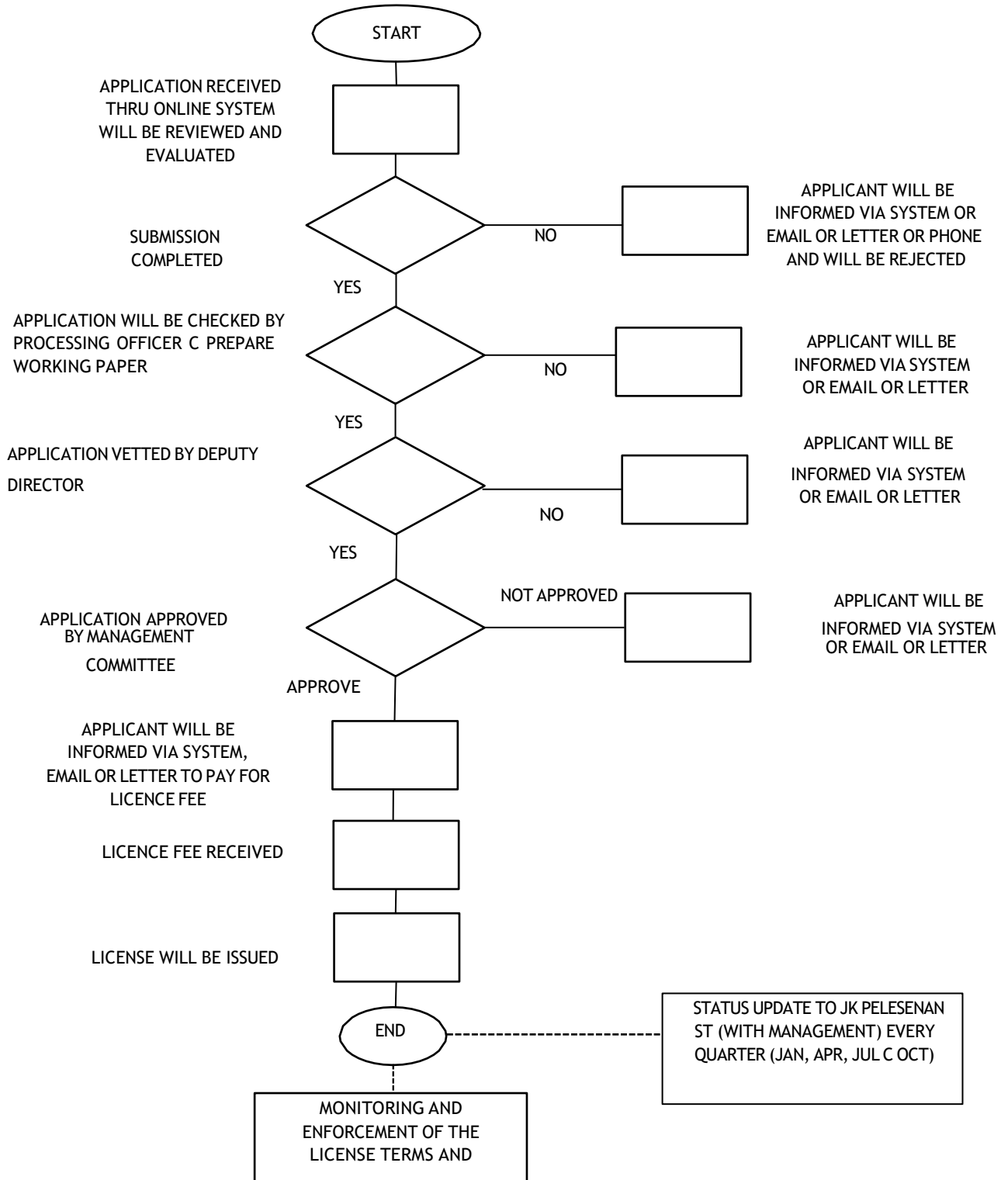
TYPE OF LICENCE ACTIVITIES	RECOMMENDATION DATE OF SUBMISSION	LICENCE APPROVAL
Public installation less than 5MW	1.5 months before Initial Operation Date (IOD) or commissioning of the project.	Management Committee of Energy Commission
Public installation with installed capacity below 30MW	3 months before Initial Operation Date (IOD) or commissioning of the project.	Energy Commission
Public installation with installed capacity 30MW and above	4 months before Initial Operation Date (IOD) or commissioning of the project.	Minister
Private installation with installed capacity below 30MW	3 months before Initial Operation Date (IOD) or commissioning of the project.	Energy Commission
Private installation with installed capacity 30MW and above	4 months before Initial Operation Date (IOD) or commissioning of the project.	Minister

3.4 Process map for licence application

APPLICATION PROCESS MAP (60 WORKING DAYS)



APPLICATION PROCESS MAP (30 WORKING DAYS)



4.0 CRITERIA FOR LICENCE APPLICATION

- 4.1 An applicant shall be an entity established, registered or recognised under any related law in Malaysia.
- 4.2 The minimum requirement for paid-up capital is at least 2% of the total project cost, or in the case of a licence for distribution activities, 2% of the connection charges.
- 4.3 An applicant shall submit an application for a licence before the commissioning of an installation.
- 4.4 The criteria to be complied with by the applicant shall include and varies based on licence activities, but not limited to the information as follows:
 - (a) all drawings, plans and specifications shall be submitted by a competent person in accordance with regulation 65 of the Regulations or endorsed by a Professional Engineer with Practising Certificate registered under the Registration of Engineers Act 1967 [Act 138];
 - (b) an applicant must possess a valid land title/tenancy agreement/ concession agreement of the said premise in his application;
 - (c) requirements provided under the relevant Guide issued by the Commission in relation to an application for a licence.

5.0 COMPLIANCE TO GUIDELINES AND ANY OTHER REQUIREMENTS

- 5.1 The applicant shall comply with the requirements provided under any relevant guidelines or guide issued by the Commission.

5.2 The guide or guidelines referred to in paragraph 5.1 shall include but not limited to—

- (a) Guidelines for Solar Photovoltaic Installation under Net Offset Virtual Aggregations (NOVA) Programme for Peninsular Malaysia;
- (b) Guidelines for Solar Photovoltaic Installation under the Programme of NEM Rakyat and NEM GoMEN in Peninsular Malaysia; and
- (c) Guidelines on the Connection of Solar Photovoltaic Installation for Self-Consumption.

6.0 LICENCE FEES

The relevant licence fees are in accordance with the fees specified under the Regulations.

7.0 OFFENCES

Related offences for the purpose of the licensing under the Act are as follows:

- (a) subsection 37(4) of the Act in relation to offences

(4) Any person who, in contravention of section 9, uses, works or operates, or permits to be used, worked or operated any installation commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit and to a further fine not exceeding one thousand ringgit for every day or part of a day during which the offence continues after conviction;

(b) subsection 37(5) of the Act in relation to offences

(5) Any person who, in contravention of section 9, supplies electricity from an installation to or for the use of any person commits an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit, and to a further fine not exceeding one thousand ringgit for every day or part of a day during which the offence continues after conviction; and

(c) section 50E of the Act in relation to offence for non-compliance with codes, guidelines or directions of the Commission

A person who fails to comply with any codes, guidelines or directions of the Commission issued under this Act commits an offence and shall, on conviction, be liable to a fine not exceeding two hundred thousand ringgit or to imprisonment for a term not exceeding two years or to both.

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