

## HSSE Regulatory Update



### *Energy Efficiency And Conservation Act 2024 Akta Kecekapan Dan Konservasi Tenaga 2024*

#### Summary

The Energy Efficiency and Conservation Act (EECA) 2024 of Malaysia establishes a comprehensive framework to regulate energy use, promote conservation, and support the country's carbon neutrality goals by 2050.

The Act targets large energy consumers (using over 21,600 gigajoules annually, equivalent to RM2.4 million in annual electricity bill or RM1 million in natural gas bill), specific buildings, and energy-using products, outlining the roles and responsibilities of stakeholders to ensure compliance with energy efficiency standards. It mandates that large energy consumers appoint Registered Energy Managers, implement Energy Management Systems, submit energy efficiency and conservation reports, and conduct regular energy audits.

Overseen by the Energy Commission, the Act's implementation includes advising on energy policies, recommending measures, setting efficiency targets, promoting private investments, and enforcing regulations. The Energy Commission also conducts studies, audits, and publishes relevant data to support Malaysia's sustainable energy management efforts.

#### Basic Info & Links

Agency	: Energy Commission
Implementation	: 1 January 2025
Full Text of Act	: <a href="#">Energy Efficiency And Conservation Act 2024</a>
Related Regulations	: <a href="#">EEC Regulations 2024</a> <a href="#">EEC (Compounding of Offences) Regulations 2024</a>
Guidelines	: <a href="#">Energy Commission Website</a>

## Review/ Q&A

### What are the requirements for designated energy consumers?

Designated energy consumers must:

- **Appoint a Registered Energy Manager:** Responsible for implementing and monitoring energy management systems, preparing energy efficiency reports, and advising on energy-saving measures.
- **Develop and Implement an Energy Management System:** Establish a system within a prescribed period, following guidelines provided by the Energy Commission.
- **Submit Energy Efficiency and Conservation Reports:** The Registered Energy Manager must prepare and submit reports detailing energy consumption, management systems, and proposed improvements.
- **Conduct Regular Energy Audits:** Perform periodic energy audits by a Registered Energy Auditor, with the resulting audit report submitted to the Commission.

### What happens if a business does not meet the energy consumption threshold?

Businesses below the threshold are not legally required to comply but are encouraged to voluntarily adopt energy-efficient practices.

### What are the penalties for non-compliance?

Non-compliance with the Energy Efficiency and Conservation Act (EECA) 2024 may result in fines, imprisonment, or both, depending on the severity of the violation. Penalties include fines ranging from RM20,000 to RM100,000, imprisonment of up to 2 years, or both. Violations that may incur penalties include failure to comply with energy audit requirements, failure to display Energy Intensity Labels, non-compliance with energy efficiency improvement plans or labelling requirements, and appointing an unqualified Energy Manager or Energy Auditor.

### What authority does the Energy Commission have under the Energy Efficiency and Conservation Act (EECA) 2024?

The Energy Commission is empowered to:

- Inspect facilities, equipment, and operations to ensure compliance with the Act.
- Seize items that violate the Act, with the ability to either forfeit or release the items.
- Issue fines and take legal action against non-compliant individuals or entities.
- Conduct investigations into violations of the Act.

### How does the Energy Efficiency and Conservation Act (EECA) 2024 differ from other energy acts in Malaysia?

EECA 2024:

- Focuses on energy efficiency and conservation.
- Applies to large energy consumers (using over 21,600 GJ/year) and manufacturers/ importers of energy-using products.
- Requires energy audits, energy management systems, and product labelling.

Electricity Supply Act (ESA) 1990:

- Governs the generation, transmission, and distribution of electricity.
- Ensures reliable and safe electricity supply.

Renewable Energy Act 2011:

- Promotes the use of renewable energy sources like solar and wind.
- Provides incentives such as feed-in tariffs for renewable energy projects.