



Feed-in Tariff (FiT)

Feed-in Tariff (FiT) is the most commonly applied policy mechanism to spur the growth of renewable energy.

The FiT mechanism allows electricity produce from an indigenous renewable energy source to be sold to distribution licensees (DLs) at a fixed premium price for a specific duration.

RATIONALE FOR FIT

The following criteria were considered carefully in designing an effective policy mechanism to drive the RE deployment in Malaysia:

- 1 A simple approach and does not depend on a combination of many support mechanisms
- 2 Promotes a culture of maintenance
- 3 Offers long term support and promotes domestic and foreign investment
- 4 An effective and efficient public-private partnership

CONCEPTUAL FRAMEWORK OF THE FEED-IN TARIFF (FiT) MECHANISM

