

NEM 3.0 Frequently Asked Questions

A. General

No.	Question and answer																																											
1.	<p>What is the concept of Net Energy Metering (NEM) 3.0?</p> <p>The government has introduced the Net Energy Metering (NEM) 3.0 programme to provide an opportunity for more users to install the solar photovoltaic (PV) systems on the roofs of their respective buildings for electricity bill reduction. The NEM 3.0 programme involves three initiatives - Program NEM Rakyat, Program NEM GoMEn (Government Ministries and Entities) and Program NOVA (Net Offset Virtual Aggregation) as listed in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th>NEM Rakyat</th> <th>NEM GoMEn</th> <th>NOVA</th> </tr> <tr> <th>Domestic</th> <th>Government Building</th> <th>Commercial & Industrial</th> </tr> </thead> <tbody> <tr> <td>Quota (MW)</td> <td>100</td> <td>100</td> <td>300</td> </tr> <tr> <td>Mechanism (rollover period)</td> <td>NEM 1:1 (12 Months)</td> <td>NEM 1:1 (12 Months)</td> <td>SELCO+ (1 Month)</td> </tr> <tr> <td>Quota Open For Application</td> <td colspan="2">1 Februari 2021</td> <td>1 April 2021</td> </tr> <tr> <td>Period Offered</td> <td colspan="3">3 Years</td> </tr> <tr> <td>Offset Rate</td> <td colspan="2">Current Tariff</td> <td>System Marginal Price</td> </tr> <tr> <td>Offset Period</td> <td colspan="3">10 Years</td> </tr> <tr> <td>Arrangement After 10 Years</td> <td colspan="3">Self-consumption (SelCo)</td> </tr> <tr> <td>Installed Capacity Limit</td> <td>Single Phase: 4kWac Three Phase: 10kWac</td> <td>1MWac per agency account</td> <td>Nett Off: 1MWac Nett Off + Virtual Aggregation: 5MWac</td> </tr> <tr> <td>Eligibility</td> <td>Domestic Account Holder</td> <td>Government Agency/ Department</td> <td>Commercial & Industrial Account Holder</td> </tr> </tbody> </table> <p><i>*Information on NOVA will be informed in April 2021</i></p>	Item	NEM Rakyat	NEM GoMEn	NOVA	Domestic	Government Building	Commercial & Industrial	Quota (MW)	100	100	300	Mechanism (rollover period)	NEM 1:1 (12 Months)	NEM 1:1 (12 Months)	SELCO+ (1 Month)	Quota Open For Application	1 Februari 2021		1 April 2021	Period Offered	3 Years			Offset Rate	Current Tariff		System Marginal Price	Offset Period	10 Years			Arrangement After 10 Years	Self-consumption (SelCo)			Installed Capacity Limit	Single Phase: 4kWac Three Phase: 10kWac	1MWac per agency account	Nett Off: 1MWac Nett Off + Virtual Aggregation: 5MWac	Eligibility	Domestic Account Holder	Government Agency/ Department	Commercial & Industrial Account Holder
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2.	<p>When will the new NEM 3.0 be implemented and the amount of quotas to be offered?</p> <p>NEM3.0 offers a quota of 500 megawatts (MW) from 2021 to 2023.</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Implementation period</th> <th>Quota offered</th> </tr> </thead> <tbody> <tr> <td>NEM Rakyat</td> <td>1st February 2021 – 31st December 2023</td> <td>100 MW</td> </tr> <tr> <td>NEM GoMEn</td> <td>1st February 2021 – 31st December 2023</td> <td>100 MW</td> </tr> <tr> <td>NOVA</td> <td>1st April 2021 – 31st December 2023.</td> <td>300MW</td> </tr> </tbody> </table>	Program	Implementation period	Quota offered	NEM Rakyat	1 st February 2021 – 31 st December 2023	100 MW	NEM GoMEn	1 st February 2021 – 31 st December 2023	100 MW	NOVA	1 st April 2021 – 31 st December 2023.	300MW																															
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3.	<p>Who can apply for NEM 3.0?</p> <p>Registered electricity consumers of Distribution Licensee in Peninsular Malaysia (Not blacklisted - No outstanding bill & meter tampering):</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Applicant criteria</th> <th>Categories of electricity consumers under the following tariff</th> </tr> </thead> <tbody> <tr> <td>Program NEM Rakyat</td> <td>Consumer that owns or occupies a residential building only</td> <td>Domestic</td> </tr> <tr> <td>Program NEM GoMEn</td> <td>Ministry, department or statutory body established by the government at all levels of administration whether at the federal, state and district levels including local authorities</td> <td>Commercial</td> </tr> <tr> <td>Program NOVA</td> <td>Individual/Company/Organisation</td> <td>Commercial and Industrial</td> </tr> </tbody> </table>	Program	Applicant criteria	Categories of electricity consumers under the following tariff	Program NEM Rakyat	Consumer that owns or occupies a residential building only	Domestic	Program NEM GoMEn	Ministry, department or statutory body established by the government at all levels of administration whether at the federal, state and district levels including local authorities	Commercial	Program NOVA	Individual/Company/Organisation	Commercial and Industrial																															
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4.	<p>What are the different between NEM3.0 and NEM2.0?</p> <p>The concept for NEM3.0 is mostly the same as NEM2.0. The government wants to encourage more participation from domestic consumers and government entities. However, for Commercial and Industrial, the government wants to introduce a market approach to these categories where the concepts are virtual aggregation and market driven price.</p>						
5.	<p>What are the types of installation eligible under NEM 3.0?</p> <p>Only roof-top of building</p>						
6.	<p>What is the maximum capacity limit per application?</p> <table border="1"> <thead> <tr> <th>Program</th> <th>Capacity limit</th> </tr> </thead> <tbody> <tr> <td>NEM Rakyat</td> <td>Single phase – 4 kWac Three phase – 10 kWac</td> </tr> <tr> <td>NEM GoMEn</td> <td>The maximum capacity of the PV installation shall not exceed 1,000 kW per agency account and subject to the following conditions: a) for medium voltage Consumers, not exceeding 75% of Maximum Demand based on; i) average of the recorded Maximum Demand of the past 1 year; or ii) the declared Maximum Demand for Consumers with less than 1 year’s record. b) for low voltage Consumers, not exceeding 60% of fuse rating (for direct meter) or 60% of the current transformer (CT) rating of the metering current transformers.</td> </tr> </tbody> </table>	Program	Capacity limit	NEM Rakyat	Single phase – 4 kWac Three phase – 10 kWac	NEM GoMEn	The maximum capacity of the PV installation shall not exceed 1,000 kW per agency account and subject to the following conditions: a) for medium voltage Consumers, not exceeding 75% of Maximum Demand based on; i) average of the recorded Maximum Demand of the past 1 year; or ii) the declared Maximum Demand for Consumers with less than 1 year’s record. b) for low voltage Consumers, not exceeding 60% of fuse rating (for direct meter) or 60% of the current transformer (CT) rating of the metering current transformers.
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7.	<p>Am I eligible to participate in NEM3.0?</p> <p>Yes, as long as you are an electricity consumer (in Peninsular Malaysia) and have not participated in other solar PV programme before such as NEM 1.0, NEM 2.0, FIT</p>						
8.	<p>How can I apply for NEM 3.0 ?</p> <p>Applications for NEM Rakyat and NEM GoMEn can be made via SEDA’s eNEM system. For NEM NOVA, the application will be determined by April 2021.</p>						
9.	<p>Who is Distribution Licensee under NEM3.0?</p> <p>Distribution Licensee under the programme of NEM Rakyat and NEM GoMEn is TNB, who is the holder of a licence to distribute electricity issued by the Commission under Section 9 of the Act.</p>						
10.	<p>Can energy consumers of N.U.R Distribution Sdn Bhd participate in NEM3.0?</p> <p>At this moment, only consumer of TNB are eligible to participate in the programme NEM Rakyat or NEM GoMEn.</p>						
11.	<p>Is the NEM 2.0 guidelines still applicable for NEM 3.0? Will there be a new NEM guideline for NEM 3.0?</p> <p>No, there will be 2 new guidelines for NEM 3.0. i) “Guidelines For Solar Photovoltaic Installation Under The Programme Of NEM Rakyat And NEM GoMEn In Peninsular Malaysia” – for NEM Rakyat and NEM GoMEn ii) “Guidelines For Solar Photovoltaic Installation On Net Energy Metering Scheme For Commercial and Industrial Premises In Peninsular Malaysia” – for NOVA in April 2021</p>						
12.	<p>How is the connection between the consumer’s solar PV system and the DL distribution system?</p> <p>The connection to the DL network shall be done only through indirect connection, i.e. within the owner’s internal distribution board only.</p>						
13.	<p>Is there any requirement for design and installation of the solar PV system?</p> <p>The design, calculation, drawings, installation, testing and commissioning of the PV installation and the interconnection to the distribution system should be certified by qualified and competent persons, as required under any laws, which include the following:</p>						

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	<p>(a) in accordance to the Energy Laws for electrical works; and</p> <p>(b) in accordance to Registration of Engineers Act 1967 or Architects Act 1967 for the structure of mounting the PV panels.</p>
14.	<p>What is NEM Assessment Study (NEMAS)?</p> <p>NEMAS is the study that determine the technical impact to the Distribution Licensee’s electricity distribution network and establish technical and safety requirements that may be necessary for NEM installation.</p>
15.	<p>I have obtained NEMAS approval but did not secure any quota for NEM 2.0. Can I still use the NEMAS approval for NEM 3.0?</p> <p>The NEMAS approval for NEM 2.0 is valid for 1 year. You can still use the same NEMAS approval for NEM3.0 if the application is still within the valid period of 1 year subject to capacity availability at the connection point.</p>
16.	<p>What are the required information & documents for NEM application?</p> <p>Information:</p> <ul style="list-style-type: none"> • Applicant’s profile, • Project Information, • Technical Information, • Proposed work plan <p>Documents:</p> <ul style="list-style-type: none"> • Single Line Diagram (SLD) endorsed by Competent Person, • Latest electricity bill, • Load Profile Report, • NEMAS Approval and report, • Document proofing site ownership <p>This list is non-exhaustive and will be updated by in the NEM3.0 application.</p>
17.	<p>What is the maximum duration allowed from application to NEMCD?</p> <p>3 months from the date of NEM approval until the date of actual NEMCD, failing which the quota allocated will be revoked and offered back to other potential NEM applicants.</p>
18.	<p>Is the ST Generating License required under NEM?</p> <p>Yes, applicable for solar PV system installation above 24kW for single phase and above 72kW for three phase.</p>
19.	<p>Is there any tenure in the NEM contract between Distribution Licensee and the NEM approval holder?</p> <p>For the offset period under NEM3.0, the tenure will be 10 years.</p>
20.	<p>What happens after ten years period?</p> <p>After 10 years, the consumer will still continue enjoying reduction in their electricity bill through the energy generated from their solar PV for own consumption.</p>
21.	<p>What is a type of meter required for NEM 3.0?</p> <p>The meter must be able to measure and record the energy exported by the NEM Consumer to the Distribution Licensee and the energy supplied by the Distribution Licensee to the NEM Consumer.</p>
22.	<p>Who is responsible to execute the billing and offset jobs?</p> <p>The Distribution Licensee</p>

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23.	<p>Will the owner be able to cash out for excess of power generated each month or just get credit for next month use?</p> <p>No cash will be paid in the NEM scheme but any excess of solar power generated is allowed to rollover within 12 months for NEM Rakyat & NEM GoMEn and 1 month for NOVA from the start of NEM consumer's billing system.</p>
24.	<p>Is a non-local / 100% foreign company eligible to participate in NEM?</p> <p>Yes, as long as the company is a consumer of DL.</p>
25.	<p>What types of incentives are available for NEM consumers?</p> <p>At the moment there are fiscal incentives offered to eligible companies in the form of Green Technology Incentive by Malaysia Investment Development Authority (MIDA). You can check the latest updated incentives with MIDA.</p>

B. NEM Rakyat

No.	Question and answer
1.	<p>If I am planning to or have installed Solar PV system for self-consumption (SelCo) and have taken the necessary steps to ensure no reverse flow or energy exported to the grid, can I apply NEM3.0?</p> <p>Yes, you can. You can apply the quota through SEDA and comply with all the requirements under NEM3.0 Guidelines.</p>
2.	<p>If I install a solar PV at my first house, can the excess credit be net off to my second house?</p> <p>No.</p>
3.	<p>My roof top has limited space, can I installed solar PV panel mounted on the ground?</p> <p>No, you can only install solar PV panel mounted on your roof top within your premises.</p>

C. NEM GoMEn

No.	Question and answer
1.	<p>What category of electricity consumers under NEM GoMEn</p> <p>Ministry, department or statutory body established by the government at all levels of administration whether at the federal, state and district levels including local authorities who are the electricity consumers under commercial tariff. This includes school/educational institution, military, hospital and other government installation.</p>
2.	<p>Do public universities and commercial premises owned and/or operated by state GLCs and agencies fall under this category?</p> <p>Public universities, commercial premises owned by state government and government agencies will fall under NEM GoMEn. However, any premises owned by GLCs is not under NEM GoMEn.</p>