



## **STANDING COMMITTEE ON ECONOMIC AFFAIRS**

### **Consolidated Review Report of the Energy Fiji Limited 2019 and 2020 Annual Reports**



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 5 of 2022**

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## Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament, the Consolidated Review Report of the Energy Fiji Limited 2019 and 2020 Annual Reports.

The years 2019 and 2020 were filled with its own unique milestones and challenges for Energy Fiji Limited. As we are all aware, Fiji had its first COVID-19 case in 2020 and like every other organization, EFL too felt the brunt of its effect. With international borders closing and the tourism industry and businesses coming to a standstill, EFL's sales declined significantly due to a drop in the demand for electricity. The Committee commends EFL for achieving a financial profit of \$66.79M after tax in 2020 as compared to an audited profit after tax of \$63.74M in 2019 despite the odds.

The Committee lauds the great work carried out by EFL Management and staff by keeping Fiji energized with managing assets over \$1B to working 24/7 during Natural Disasters while also working within the restrictions posed due to COVID-19.

While deliberating on the reports, it was evident that EFL had been continuously working towards ensuring ease of access to their services by a wide range of customers. EFL's presence and services are available in the four main islands of Viti Levu, Vanua Levu, Ovalau and Taveuni. Most of their customers are on the Post Pay service. For logistical convenience, domestic customers in the rural remote areas are on a Pre Pay service as it is more economical for both the customers and EFL.

EFL has used various digital platforms to ensure that customers are able to pay their bills conveniently through services such as M-Paisa, Digi Mobile Wallet, Internet Banking and EFTPOS. Given that the world is moving towards digital technology, such initiatives are welcomed.

Furthermore, the Committee was very pleased to note that COVID-19 did not hinder EFL's ability to enhance the skills and knowledge of their staff as trainings continued to run virtually in 2020 despite the various limitations. In fact, EFL in association with JICA conducted 2 sessions of Regional Training on Solar via online platform in March and November of 2020 with 18 participants.

The Committee noted that EFL in collaboration with the Fijian Government, under its COVID-19 Economic Stimulus committed to assist low-income households by providing a subsidy towards the payment of their monthly electricity bills.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Veena Bhatnagar, Hon. George Vegnathan, Hon. Inosi Kuridrani and Hon. Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Consolidated Review Report of the Energy Fiji Limited 2019 and 2020 Annual Reports to Parliament.



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**Chairperson – Hon. Vijay Nath**

## **1.0 Introduction**

### **1.1 Background**

Energy Fiji Limited (formerly known as Fiji Electricity Authority) was established in 1966 under the Electricity Act with the basic function to provide and maintain a power supply that is financially viable, economically sound, and consistent with the required standards of safety, security, and quality of power supply<sup>1</sup>.

EFL is responsible for power generation, transmission and retail of electricity in the larger islands of Viti Levu, Vanua Levu, Ovalau & Taveuni, which provides electricity access to more than 90% of the country's population. The Government plans to achieve 100% access to basic electricity for all Fijians by 2026.

The Company was corporatized as a Limited Liability Company on April 18th 2018. Following the approval for the partial divestment of EFL's shares from the Fiji Government, 51% of the shares were retained by the Government, 5% was given for nil consideration to the domestic resident account holders of EFL and the remaining 44% to be sold to strategic investor(s).

In October 2019, 20% of the shares sold to FNPF and remaining 24% was still subject to ongoing divestment process.

### **Committee Remit and Composition**

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2) (a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

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<sup>1</sup> EFL Powerpoint Presentation

## 2.0 Findings and Recommendations

1. The Committee commends EFL for achieving a financial profit of \$66.79M after tax in 2020 as compared to an audited profit after tax of \$63.74M in 2019 despite the adverse impacts and challenges caused by COVID-19 Pandemic.
2. The Committee was pleased to note that EFL funded the entire 2019 capital expenditure from its internal cash flow of \$78.2M. It was further noted that EFL's shareholder value increased to \$851 million at the end of 2019 as in comparison to \$805 million in 2018. EFL's total asset value rose to \$1.41 billion by the end of 2019, up from around \$1.38 billion in 2018 which is commendable.
3. The Committee noted that EFL had engaged technological strategies to interact with customers through social media platforms, use of digital tools such as QR codes, Cash Power via MPaisa/ My Cash and introduction of "Bill on Demand" concept to enhance customer convenience. The Committee recommends for further awareness regarding these services to benefit all Fijians, especially customers living in Rural and Maritime areas.
4. The Committee was pleased to note EFL's commitment in promoting and developing sources of Renewable Energy which is in line with government's Climate Change Prevention policy. Projects such as Ovalau Agro Photovoltaic Solar Project are unique and exciting opportunities for Fiji to promote Renewable Energy.
5. The Committee noted that EFL's 10 year Power Development Plan was reviewed at the end of 2019. It is estimated that the total funding to execute the 10 year Power Development Plan will require an investment of around FJ\$2.4B. The Committee recommends for strengthened collaboration between EFL, Independent Power Producers and further engagement in Public-Private Partnership to achieve this plan by 2026.
6. In terms of staff resignations, the Committee noted that resignations had declined from 102 to 44 from 2019 to 2020, a reduction of 58 or 57%. Staff resignations for other employment and migration decreased from 74 (72%) in 2019 to 17 (38%) in 2020. The Committee recommends that succession plans across the board be strengthened and in consultation with the National Human Resources Plan, including training and development.
7. The Committee noted that total EFL debt stood at \$190.53m as at December 2020 as compared to \$219.74m as at December 2019, a reduction of \$29.21m. EFL's low debt gearing level is owed primarily to the profits recorded in 2020 that resulted in an increase to the shareholder value and the reduction in debt level. The Committee commends EFL for its prudent debt management.

### 3.0 Sustainable Development Goals

The Committee was pleased to acknowledge EFL’s commitment to the UN Sustainable Development Goals. In particular, the organization’s aim to “provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025” is highly commendable. Electricity is undoubtedly a stimulator for economic growth and development, its benefits have a multitude of significant social and economic impacts for all Fijians.

Listed below are some of the Goals that EFL has been working towards during the period under review.

#### **SDG 7: Affordable and Clean Energy and SDG 13: Climate Action**

It is commendable that Fiji primarily relies on Hydro, Solar and Biomass projects as renewable energy sources. EFL’s major power generation sources are from the Monasavu & Nadarivatu Hydroelectric Schemes, Vuda, Kinoya, Sigatoka, and other smaller Thermal Power Stations around Viti Levu. Wainiqueu Hydro Power Station, Cawaira & Savusavu Thermal Power Stations supply electricity in Vanua Levu and the Levuka Thermal Power Station in Ovalau. Taveuni is serviced through the Somosomo Hydroelectric Power Scheme and the Taveuni Thermal Power Station.

With respect to power generation mix in 2020, 57.3% of energy was derived from hydro power sources, 35.84% from industrial diesel and heavy fuel oil and, 6.99% from wind and Independent Power Producers. Hence, hydroelectric generation contributes between 50% to 60% of the total electricity demand of the four main islands of Viti Levu, Vanua Levu, Ovalau & Taveuni.

EFL’s renewable power generation facilities continue to increasingly replace diesel generation and contribute to Fiji’s commitment to achieve 30 percent reduction of carbon emissions from the energy sector by 2030.

In fact it is projected that Taveuni will be 100% renewable by the end of 2022 – effectively gaining zero carbon footprint status, followed by Ovalau in 2025. Thus, due to its efforts to transition to renewable and clean energy, EFL is helping Fiji realize its goal of net-zero emissions by 2050.

## **SDG 9: Industry, Innovation and Infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

It is noted that EFL's 10-year Power Development Plan (PDP) is the blueprint for load forecasting and power generation activities. A total of \$1.97 billion is required to implement a number of renewable energy projects over the decade with the goal of meeting future demand for clean and environmentally sound technologies and industrial processes, including power generation.

In line with this, EFL embarked on several solar projects including: Qeleloa 5MW Solar Farm, development of 3 x 5MW Solar Farm in Viti Levu, 1MW Solar Farm in Tavueni and, Agro-Photovoltaic Solar Project in Ovalau.

EFL notably continued to promote investment in energy infrastructure and clean energy technology demonstrated by a remarkable line-up of future energy projects including: Qaliwana and Upper Wailoa Diversion Hydro Development Scheme, Namosi Hydro and Lower Ba Hydro Development Schemes, Development of 132kV Transmission Network in Ba and, Development of 33kV Transmission Network in Naikabula. It is acknowledged that EFL's renewable energy projects will be undertaken by its subsidiary company Fiji Renewables Pte Limited (FRL).

By directing its financial investments and resources towards upgrading resilient and sustainable infrastructure, EFL is markedly establishing its presence in the energy industry in the Pacific. It is recommended that EFL continue promoting innovative, inclusive and sustainable industrialization by upgrading its infrastructure and enhancing use of clean and environmentally sound technologies and industrial processes.

## **SDG 10: Reduced Inequalities**

EFL currently provides electricity access to more than 90% of Fijians. As part of its rural electrification scheme EFL spent \$14.83 million in 2019 and \$6.50 million in the current year and, by 2020 the organization has connected an additional 2790 rural households to electricity services. By enhancing reliability and security of power supply to more Fijians, the EFL is reducing inequality amongst citizens living in rural versus urban centers thereby promoting social and economic development and human well-being of our citizens.

It is also noteworthy that consumers are charged a uniform tariff rate that is regulated by the Fijian Competition and Consumer Commission (FCCC); the resultant affordability ensures Fijians of all socio-economic backgrounds are able to have equitable access to electricity services at subsidized rates.

Given the economic lull brought about by the Covid-19 pandemic and the resultant impact on businesses, the EFL endorsed a Covid-19 subsidy that was introduced as part of Fiji's Covid-19 budget and applicable to households with a combined annual income of below \$30,000. By



undertaking this social responsibility, the EFL spent \$5 million in 2020 for subsidizing 52% of the first 100 units of electricity consumed by these households. In addition to this, the EFL granted all customers an additional month to clear their electricity bills, further cementing its focus on affordable and equitable access for all.

### **SDG 11: Sustainable Cities and Communities**

By enhancing rural electrification, EFL increased its customer base by 3.3% to 202,580 accounts in 2020 including industrial, commercial and domestic customers. This scheme funded by the Fijian Government is underpinned by the national goal of energizing all Fijians by 2026.

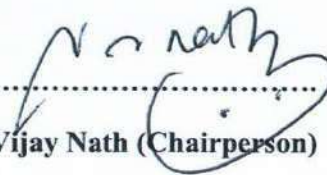
In doing so, EFL is enhancing inclusive and sustainable urbanization and capacity for integrated and sustainable Fijian communities. Undoubtedly such schemes will support positive economic and social links between urban and rural areas by strengthening national and regional development planning and spreading the benefits of electricity services to all Fijian communities.

Further, as it continues its investment in innovative and sustainable green technology, EFL is not only effectively reducing its carbon footprint but also improving per capita environmental impact of our towns and cities.

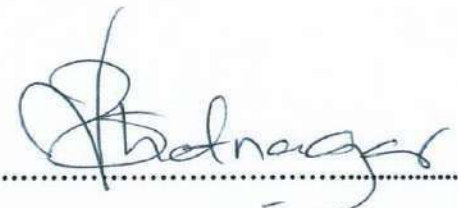
## **4.0 Conclusion**

To conclude, the Committee is pleased with the overall performance of EFL during the period under review. The Committee applauds the staff at EFL for their dedication and commitment to providing essential services to the people of Fiji despite the many challenges.

## Members Signature



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Hon. Vijay Nath (Chairperson)



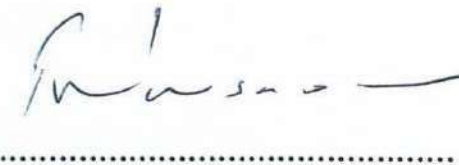
.....  
Hon. Veena Bhatnagar (Deputy Chairperson)



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Hon. George Vegnathan (Member)



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Hon. Inosi Kuridrani (Member)



.....  
Hon. Ro Filipe Tuisawau (Member)

# **ANNEXURE**

# The Electricity Business



## Sustainable Development Goals (SDGs) & EFL Annual Report 2019 & 2020

| Hasmukh Patel | Chief Executive Officer & Director | Energy Fiji Limited |

| United Nations Development Programme (UNDP) Fiji Parliament Support Project |  
| Wednesday 10<sup>th</sup> November, 2021 |  
| Natadola InterContinental Resort |

## Presentation Outline

- ▶ Electricity & SDG's
- ▶ Vision & Mission
- ▶ Electricity Business in Fiji
- ▶ FEA to EFL
- ▶ EFL Power Infrastructure Map
- ▶ Statistics & Performance since 2010
- ▶ Our Targets Towards Electrification & Renewables
- ▶ Demand Supply Statistics
- ▶ Power Development Plan (PDP)
- ▶ Renewable Energy Projects Operational & Future Prospects
- ▶ Video Presentation
- ▶ Discussions

Electricity seems to have an overarching impact on most of the SDGs.



# SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD





## VISION

**Energising our Nation**



## MISSION



**“We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025”**



## ➤ Electricity Business in Fiji – An Overview

- ▶ Fiji Electricity Authority (FEA) was established in 1966 under the Electricity Act with the basic function to provide and maintain a power supply that is financially viable, economically sound, and consistent with the required standards of safety, security, and quality of power supply.
- ▶ EFL is responsible for power generation, transmission, and retail of electricity in the larger islands of Viti Levu, Vanua Levu, Ovalau & Taveuni, which provides electricity access to more than 90% of the country's population.
- ▶ EFL's major power generation sources are from the Monasavu & Nadarivatu Hydroelectric Schemes, Vuda, Kinoya, Sigatoka, and other smaller Thermal Power Stations around Viti Levu. Wainiqueu Hydro Power Station, Cawaira & Savusavu Thermal Power Stations supply electricity in Vanua Levu and the Levuka Thermal Power Station in Ovalau. As for Taveuni, there is the Somosomo Hydroelectric Power Scheme and the Taveuni Thermal Power Station.
- ▶ Uniform tariff rates are charged for electricity used by each consumer group, determined by the Regulator, the Fijian Competition & Consumer Commission (FCCC) in consultation with other stakeholders.
- ▶ Hydroelectric generation contributes between 50% to 60% of the total electricity demand of the four main islands of Viti Levu, Vanua Levu, Ovalau & Taveuni in a year of good hydrology.

## ➤ Fiji Electricity Authority to Energy Fiji Limited

- ▶ Fijian Government ventured into the divestment of Fiji's energy sector with the objective of seeking strong strategic investors/partners who could substantially contribute towards the development of the energy sector in Fiji both by further improving the existing operations with their expertise and investing in the development of EFL's renewable energy development plan.
- ▶ FEA was corporatized into EFL, a Limited Liability Company, on 16th April 2018.
- ▶ Government had approved the partial Divestment of EFL's Shares where 51% will be retained by Government, 5% was given for nil consideration to the domestic resident account holders of EFL and the remaining 44% to be sold to strategic investor(s).
- ▶ In October 2019, 20% of the shares sold to FNPF and remaining 24% was still subject to ongoing divestment process.
- ▶ In 2020, a foreign Investor together with their strategic business partner carried out a comprehensive and exhaustive due diligence of EFL's business with the intention of acquiring shares in EFL as part of the Government's partial divestment exercise of EFL. The strategic investor requested for lots of data in the technical areas of engineering and operations, financial, commercial and legal. This was facilitated via a data room where the "Request for Information" was stored. The international strategic investor did a thorough due diligence together with its partner.
- ▶ On 25th March 2021, the Fijian Government entered into a Share Sale Agreement with Sevens Pacific Pte Limited, which is a consortium owned by Chugoku Electric Power Company ("CEPCO") and the Japan Bank for International Cooperation ("JBIC") to acquire 44% shareholding in EFL (acquiring 24% from Government and 20% from FNPF), the sale was concluded in June 2021.
- ▶ Energy Fiji Limited is governed by the Companies Act and is no longer under the ambit of the Public Enterprises Act. The ultimate plan is to list EFL onto the South Pacific Stock Exchange.

## ➤ The Current Ownership of EFL

- ▶ EFL's ownership structure changed on the 9th of June 2021 after Sevens Pacific Pte Ltd acquired a 44% stake (remaining 24% plus 20% of the FNPF shares) with the Fijian Government retaining 51% and the Fiji Resident Domestic Account Holders with 5% non-voting shares.
- ▶ After the recent purchase of EFL shares by Sevens Pacific Pte Ltd, the new EFL Board of Directors now consist of seven Directors: 4 appointed by the Fijian Government (Private Sector – 2, PS Economy & EFL CEO) & 3 appointed by Sevens Pacific Pte Ltd.



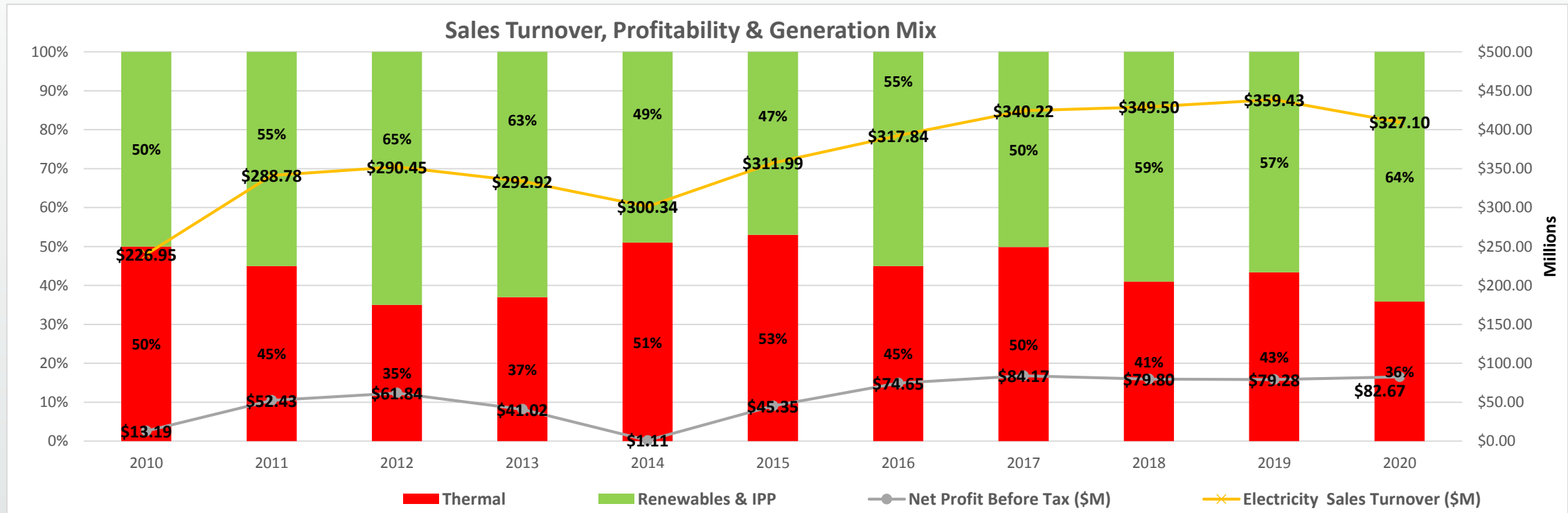
## ➤ EFL Electricity Infrastructure Statistics

EFL Statistics - 1st January 2021				
Power Line Route Length (km), Poles/Towers, Substations, Customer Accounts & Employees				
Network Voltage & Type of Power Line	Total			
	Overhead	Underground	Combined	Poles/Towers
132kV	147.2		147.2	383
33kV	451.39	84.65	536.03	4,602
11kV, 6.6kV	4,262.48	630.19	4,892.67	50,596
415V, 240V	5,293.40	234.07	5,527.46	49,866
<b>Total</b>	<b>10,154.46</b>	<b>948.9</b>	<b>11,103.36</b>	<b>105,447</b>
Zone Substations (11kV/132kV) (132kV/33kV) (33kV/11kV) (33kV/6.6kV)	38			
Distribution Substations (Ground & Pole Mounted)	6,056			
Customer Accounts	Post-pay	Prepay	Total Customer Accounts	
	161,153	44,427	205,580	
EFL Employees	876			

▶ Customer Accounts – 209,146  
(31<sup>st</sup> October, 2021)

## ➤ EFL's Performance

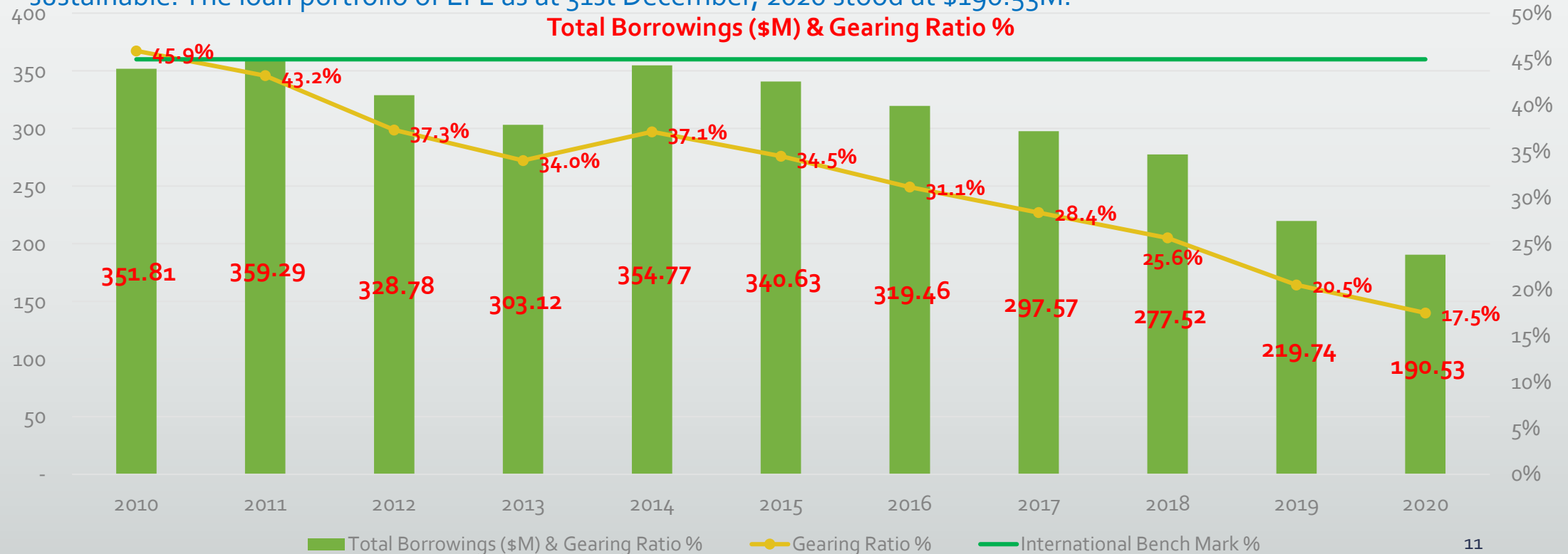
- ▶ Electricity is generated from multiple renewable and non-renewable sources within Fiji. Hydroelectric generation is the main source of renewable energy generation in Fiji.
- ▶ Graph below illustrates the electricity generation mix (renewable & non-renewable) and profit before tax from 2010 to 2020.



- ▶ The year 2014 was a challenging year with a drought situation in Fiji. As a result the output from Monasavu & Nadarivatu Hydro schemes had dropped to an all-time low of 314GWh & 67GWh in comparison to a long term annual average of 400GWh & 101GWh respectively. The shortfall in hydro generation was met by burning expensive thermal which resulted in an all-time high fuel cost of \$180M in 2014 compared to a fuel cost of \$122M in 2013.
- ▶ The additional \$58M of fuel cost incurred in 2014 was not passed onto the customers but was absorbed by FEA then, thereby reducing the profit before tax to \$1.11M for the year 2014 compared to a profit before tax of \$41.02M in 2013.

## ➤ EFL's Performance

- ▶ EFL's balance sheet remains strong as at end of December 2020, owing to its consistent profitable performance over the past decade. EFL's gearing ratio, as measured by debt to debt plus capital plus reserves, excluding cash in hand, stood at 17.50% as at 31st December 2020. This decreased from 20.53% at the end of 2019, with both years well within the industry standard of maximum 45%. Our low gearing level in 2020 is owed primarily to the profits recorded in 2020 that resulted in an increase to the shareholder value and the reduction in our debt level by \$29.21M compared to 2019.
- ▶ Low gearing level provides EFL flexibility to take out future loans, to fund the implementation of its long-term Power Development Plan.
- ▶ EFL has never defaulted on its loan repayments in the past and shows that the Company is financially strong and sustainable. The loan portfolio of EFL as at 31st December, 2020 stood at \$190.53M.



## ➤ Our Targets Towards Electrification & Renewables

- ▶ **Electricity Access** - Government plans to achieve 100% access to basic electricity for all Fijians by 2026 and beyond.
- ▶ With the Government increasing its budget allocation towards Rural Electrification over the last five (5) years, EFL has also increased its resources internally, increased the number of external electrical contractors who can be deployed for the timely construction of these rural electrification schemes.

- ▶ Rural Electrification schemes implemented by EFL 2015 to 2021 YTD is tabulated below:

	2015	2016	2017	2018	2019	2020
<b>Total Spend on Rural Electrification</b>	\$6.3M (Govt & FEA/EFL)	\$2.5M	\$10.2M	\$11.92M	\$14.83M	\$6.50M
<b>Completed Schemes</b>	55	40	71	127	72	70
<b>Households Connected</b>	2,324	796 (TC Winston)	3,328	2,600	1,759	1,031

- ▶ **NDP Renewable Energy Target** - Fiji envisages to meet our electricity needs from renewable sources as follows: 81% by 2021, 90% by 2026, 99% by 2031 & 100% by 2036.



## ➤ Demand Supply Statistics

- ▶ Consumer Growth - Last 10 years average growth rate is around 3.16%
- ▶ Currently stands at 209,146 (31<sup>st</sup> October, 2021) - **36,704** or **22.36%** Pre Paid

Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Customer Numbers	150,724	155,912	159,017	162,656	167,017	171,939	174,530	182,439	194,404	1998,020	205,580
Annual Growth		3.44%	1.99%	2.29%	2.68%	2.95%	1.51%	4.53%	4.37%	4.53%	3.30%

## ▶ Peak Demand, Installed & Available Capacity (Renewable & Thermal)

Individual Systems	Peak Demand (MW)	Installed Thermal (MW)	Available Thermal (MW)	Installed Renewable (MW)	Available Renewable (MW)	Total Available Generation Capacity (MW)
Viti Levu	171.57	140.90	126.91	146.5	125.18	252.085
Labasa	7.6	15.50	11.10	-	-	11.10
Savusavu	2.3	4.50	3.70	0.80	0.80	4.50
Ovalau	1.8	2.80	2.30	-	-	2.30
Taveuni	0.38	2.00	1.60	0.70	0.70	2.30
<b>Total</b>	<b>183.65</b>	<b>165.70</b>	<b>145.61</b>	<b>148.00</b>	<b>126.68</b>	<b>272.29</b>

- ▶ Fiji Sugar Corporation supplies during the crushing season only in Labasa & Lautoka
- ▶ Tropik Wood supplied consistently over the years 2019 & 2020
- ▶ Nabou Green Energy Limited started exporting to the grid from late July, 2017

## ➤ Power Development Plan (PDP)

- ▶ EFL reviews its 10 year Power Development Plan (PDP) every 2 years.
- ▶ The ten (10) year power development plan contains the load forecasting and power generation planning scenarios up to 2026 for Viti Levu, Vanua Levu, Ovalau and Taveuni Power Systems with associated network assets to be augmented/developed and the investment plan required to implement this 10 year Power Development Plan.
- ▶ It is estimated that the total funding to execute the 10 year Power Development Plan will require an investment of around FJ\$2.4B.
- ▶ F\$1.6B will be required for the development of power generation projects and around \$0.8B investment will be required in the transmission & distribution power network sector.
- ▶ EFL expects the private sector to invest in the Power Generation Sector as Independent Power Producers (IPP) or on a Private Public Partnership (PPP) basis.
- ▶ Discussions with prospective IPPs to develop various Renewable Energy technologies. i.e. Biomass/Waste to Energy Projects, Solar Projects & Hydro Projects are ongoing.

# ➤ Operational External Renewable Energy Schemes

## ▶ Biomass & Solar

	Supplier	2019 Feed in (kWh)	2020 Feed in (kWh)
1	Tropic Wood Ltd	28,708,570	34,522,245
2	FSC Lautoka	3,433,500	9,611,202
3	FSC Labasa	10,378,100	10,112,913
4	FSC Ba	81,333	222,955
5	Nabou Green	4,604,000	11,348,000
6	Solar Roof Top	1,610,007	1,276,436



- ▶ TWIL has a signed PPA with EFL for continuous supply to the EFL Grid.
- ▶ FSC supplies energy to the EFL grid during the crushing season from their Lautoka, Labasa & Ba Sugar Mills
- ▶ Nabou Green Energy Limited has a 10MW plant and started feeding into the EFL grid since July, 2017.
- ▶ Solar - Individual rooftop installation feed in the excess (surplus energy) into the EFL grid.
  - ▶ 2019 - 167 installations
  - ▶ 2020 - 176 installations
  - ▶ 2021 - 192 installations (YTD Oct 2021)

## ➤ Prospective Renewable Energy Projects – Viti Levu



EFL has plans to develop the following renewable energy schemes:

- ▶ Biomass - Waste to Energy Plant by utilizing municipal waste - via IPP or PPP model (JV)
- ▶ Solar - 3 x 5MW (without batteries) - via IPP or PPP model (JV) in North Western Viti Levu (Sigatoka to Rakiraki corridor)
- ▶ Hydro - Upper Wailoa/Qaliwana Diversion Project & the Lower Ba Project.
  - ▶ Presently European Investment Bank is carrying out full feasibility studies for the first project. The final feasibility report will be completed by July, 2022.
  - ▶ The intention is to carry out full feasibility studies for the Lower Ba Project as well on completion of the above.

### Private Sector Participation - Independent Power Producers (IPP)

- ▶ 3 Hydros in Namosi with a total capacity of 32MW and anticipated total energy output of 120M units/annum. Land acquisition has been completed.

## ➤ Prospective Renewable Energy Projects – Vanua Levu

- ▶ There are two independent power systems in Vanua Levu - Labasa & Savusavu
- ▶ EFL has called for Expressions of Interest for the Development of Grid - Connected Renewable Energy Projects in Vanua Levu, covering both Labasa & Savusavu Power Systems - Preferred models could be IPPs or PPP (JV).
- ▶ There is also an opportunity for the establishment of a independent mini grid in the township of Nabouwalu.

## ➤ Prospective Renewable Energy Projects – Ovalau

- ▶ The entire island of Ovalau is electrified with fossil fuel generation.
- ▶ The present peak demand in Ovalau is 1.6MW
- ▶ The largest customer in Ovalau is PAFCO with a peak demand of 1.2MW
- ▶ EFL intends to replace the entire fossil fuel generation on this island with renewable energy generation.
- ▶ EFL is in the process of discussing/negotiating with a South Korean company to establish a Agrosolar PV in Ovalau with BESS.

## ➤ Prospective Renewable Energy Projects – Taveuni

- ▶ EFL entered the island of Taveuni in December, 2017.
  - ▶ Presently only 30% of the island is electrified.
  - ▶ The remaining 70% will be electrified over the next 2 years.
- ▶ The present demand on the island is 340kW and its is anticipated that the demand will increase to 2.4MW once the entire island is electrified by extending the grid.
- ▶ The present power generation is as follows:
  - ▶ Somosomo Mini Hydro - 700kW
  - ▶ Waiyevo Diesel Plant - 2 x 1MW
  - ▶ The Mini Hydro Scheme is able to cater for the present demand of 340kW practically throughout the year
- ▶ Through grant aid, KOICA is in the process of developing a 1MW Solar PV Plant with 400kWh battery capacity to be connected to the grid. This project is anticipated to be completed by December 2022.
- ▶ The prospect for further development is to establish renewable energy schemes of around 1.5MW to 2MW based on the demand growth as the grid is extended over the next 2 years.



## ➤ Achievement of 2019

- ▶ Financial profit of \$63.74M after tax in 2019 as compared to an audited profit after tax of \$63.92M in 2018. Enabled EFL to comply with all financial covenants signed with our lenders, ANZ Bank & FPNP
- ▶ Repaid mandatory loans/early repayment of loans and bonds totaling \$57.8M in 2019
- ▶ Funded the entire 2019 capital expenditure from its internal cash flow of \$78.2M
- ▶ Declared and paid out its highest ever dividend to the shareholders of EFL of \$30M
- ▶ Welcomed FPNP as a 20% shareholder with Board representation. On 23 August 2019, Government announced that it had entered into an agreement to divest 20% of the shares in EFL to FPNP). Sale was concluded on 11<sup>th</sup> October for a sum of \$206,109,989.13. The Government retained 75% of the shares, and the eligible domestic account holders (5%).
- ▶ Spent a total of \$22.85 million in 2019 on the construction of new rural electrification schemes, grid extensions for commercial & industrial projects, power-system reinforcement works & contract jobs.
- ▶ Fijian Government offered 5% of its non-voting shares, free of charge, to our domestic resident account holders
- ▶ EFL's shareholder value stood at \$851 million at the end of 2019, up from \$805 million at the end of last year. EFL's total asset value rose to \$1.41 billion by the end of 2019, up from around \$1.38 billion in 2018. Finally, our total loans and bonds amounted to \$219.7 million at the end of 2019, down by \$57.8 million from the previous year.
- ▶ Spent a total of \$78.16 million on capital expenditure in 2019, up from \$61.65 million in 2018.
- ▶ 2019 saw a total of 8,292 new connections, exceeding the Unit's target of 7,500 new connections for the year. This total comprised of 6,612 domestic connections and 1,680 commercial & industrial connections.



## ➤ Achievements of 2020

- ▶ Adverse Impact of COVID-19 pandemic to the Fiji economy was inevitable and unparalleled.
  - ▶ EFL still rose above these challenges and achieved a financial profit of \$66.79M after tax in 2020 as compared to an audited profit after tax of \$63.74M in 2019.
- ▶ Government & EFL Electricity Subsidy in 2020
  - ▶ COVID-19 Economic Stimulus Package - The Government & EFL committed to assist low-income households by providing a subsidy towards the payment of their monthly electricity bills.
  - ▶ The Fijian Government paid a total COVID-19 discount of \$6M for the entire year 2020.
  - ▶ EFL paid a total COVID-19 discount of \$4.9M from April to December 2020.
- ▶ Rural Electrification Schemes
  - ▶ Government continued with its Rural Electrification programme by 100% funding grid extension projects to enable EFL to increase electricity access to more Fijians.
  - ▶ Some seventy (70) Rural Electrification (RE) schemes were constructed in 2020.
  - ▶ Customer base was made up of 44,427 prepay customers and 161,153 post-pay customers, compared to 37,517 prepay and 161,503 post-pay customers in 2019.
  - ▶ We had 105 large-scale industrial customers, 19,786 commercial customers & 185,689 domestic customers (including private residences, places of worship, other institutions & street lights). Increase in customer numbers was mainly attributed to customer growth in domestic & commercial sectors.
  - ▶ Total loans and bonds reduced by \$29.21M, from \$219.74M in 2019 to \$190.53M in 2020
  - ▶ There were 4 major cyclones namely TC Harold, TC Sarai, TC Tino and TC Yasa. Causing power disruption and extensive damages costing \$4 531 136 in restoration



VINAKA

Hasmukh Patel  
Chief Executive Officer & Director  
Energy Fiji Limited

