STANDING COMMITTEE ON ECONOMIC AFFAIRS

Review Report of the Energy Fiji Limited 2021 Annual Report

PARLIAMENT OF THE REPUBLIC OF FIJI
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Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament the Review Report of the Energy Fiji Limited 2021 Annual Report.

EFL faced unprecedented challenges in 2021 due to COVID-19 in particular the second wave of the pandemic which significantly impacted EFL's electricity demand. The Committee noted an increase in the number of domestic customers benefiting from subsidies provided by EFL, especially after 2020 and acknowledges EFL for this initiative given that a number of customers were affected by the pandemic.

In light of the Government's commitment to Climate Change, the Committee noted the importance of EFL embarking on Renewable Energy Sites projects and strongly recommended for the inclusion of key stakeholders such as the Landowners in the Land acquisition process. It also recommended that all efforts must be made to ensure that the pending Power Purchase Agreements are expedited to achieve the current target of 100% Renewable Electricity by 2036.

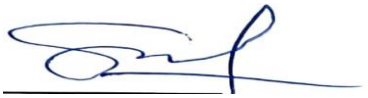
The Committee noted the need for FCCC to strengthen its role in overseeing the technical aspects of EFL's regulatory functions such as registration of licensed electricians and ensuring standard compliance are met. In this regard, the Committee recommended for FCCC to recruit the necessary expertise required to regulate the services of EFL.

While deliberating, the Committee noted a slow increase in use of solar rooftop installations and encourages the use of solar powered products by domestic and commercial customers as an alternative to reduce the dependence on Fossil Fuel.

I would like to take this opportunity to extend our appreciation to the entities that appeared before the Committee and for being prompt response to the various queries and questions raised by the Committee.

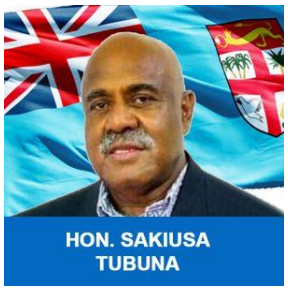
Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Sashi Kiran, Hon. Tomasi Tunabuna, Hon. Premila Kumar and Hon. Semi Koroilavesau.

On behalf of the Standing Committee on Economic Affairs, I submit the Review Report of the Energy Fiji Limited 2021 Annual Report to Parliament.



Chairperson –

Committee Membership



Committee Secretariat

Staff

- Ms. Komal Khushboo
- Ms. Lia Korodrau

Committee contact details.

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Introduction

On July 29th 2022, the Fijian Parliament referred the Energy Fiji Limited 2021 Annual Report to the Standing Committee on Economic Affairs pursuant to the Standing Order 38(2) of the Standing Orders of the Parliament of the Republic of Fiji. The Committee was mandated to review the Annual Report and table its findings back to Parliament.

1.2 Background

Energy Fiji Limited (EFL), previously the Fiji Electricity Authority (FEA), was established, incorporated and constituted under the provisions of the Electricity Act of 1966.

The powers, functions, and duties of EFL under the Electricity Act are for the basic purpose of providing and maintaining an efficient and cost-effective power supply to the Fijian people in a safe and secure manner that meets high benchmarks in quality.

Every consumer in Fiji is charged a standard tariff rate to ensure affordability across the socio-economic spectrum. These tariffs are determined by the Regulator, the Fijian Competition and Consumer Commission (FCCC) on submission for a review by EFL and the tariffs are designed to meet specific objectives while simultaneously achieving a reasonable rate of return for the shareholders. EFL was entrusted with enforcing the Electricity Act and Regulations, setting standards, examining, and registering electricians, and was empowered to approve and license suppliers till FCCC was appointed as the Regulator on 30th September 2019 when the Electricity Act 2017 was gazetted. However, EFL has signed an MOA with the FCCC to continue to carry out certain regulatory functions until further notice.

FEA was corporatised into Energy Fiji Limited (EFL) on 16 April 2018, a public company limited by shares, and was registered under the Companies Act. EFL has also been appointed as the successor entity of FEA. One of the key objectives of the corporatisation of FEA is to provide an opportunity for Fijians to share in the economic benefits of FEA and list the newly corporatised entity on the South Pacific Stock Exchange which will promote the development of Fiji's capital market.

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.

1.3 Procedure and Programme

The Committee began its review of the Annual Report on 13 June 2023. The review process adopted by the Committee was agreed upon through consensus by the Members and a summary of the process is as follows:

The Committee read through the Annual Reports and had discussions on matters that were noted by individual Members. From these discussions, a variety of issues were identified, which the Committee resolved and sought clarifications.

The Committee received submission and briefings from the following Entities.

- Department of Energy
- Fijian Competition and Consumer Commissions and;
- Energy Fiji Limited.

Finally, the Committee put forth recommendations based on the discussions with stakeholders and from the content of the Annual report.

Findings and Recommendations

1. The Committee noted the need for FCCC to strengthen its role in overseeing the technical aspects of EFL's regulatory functions such as registration of licensed electricians and ensuring compliance with standards. The Committee recommends for FCCC to recruit the necessary expertise to undertake the full range of regulatory functions.

2. The Committee noted with concern that the Power Purchase Agreement for the Agrophotovoltaic Project is yet to be signed for the and strongly recommends for all efforts to be made to ensure that this is expedited to achieve the 100% Renewable Electricity target by 2036.

3. The Committee noted the importance of EFL embarking on Renewable Energy Sites around Fiji and strongly recommends the inclusion of key stakeholders such as the Landowners in the Land acquisition process.

4. The Committee noted a slow increase in the use of solar rooftop installations and encourages the use of solar powered products by domestic and commercial customers as an alternative energy source. The Committee recommends for EFL to explore avenues through which solar rooftop installations can increase at a rapid pace.

5. The Committee noted the increase in the number of domestic customers benefiting from subsidies provided by EFL, especially after 2020 and acknowledges EFL for this initiative given that a number of customers were affected by COVID-19.

6. The Committee noted that stakeholders such as Department of Energy, EFL and FCCC need to have strong collaboration and recommends that there be clarity in their functions and roles.

Sustainable Development Goals

Energy Fiji Limited has contributed mainly to goals SDG 6 Clean Water Sanitation, SDG 7 Affordable and Clean Energy, SDG 9 Industry, Innovation and Infrastructure, and SDG 13 Climate Action. In terms of Rural Electrification Development Programme The Fijian Government has increased its budget allocation towards Rural Electrification Development program over the last seven (7) years to provide access to electricity to those who do not have electricity in rural areas.

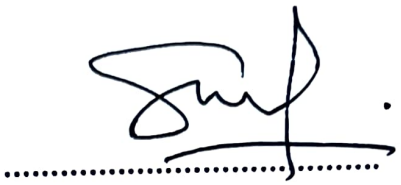
EFL has also increased its internal resources over this period and EFL has facilitated the development of electrical contracting industry by training and upskilling Contractor's personnel.

Rural Electrification comprises EFL grid extension, which EFL and its contractors has historically undertaken. House wiring is also funded by the Government and EFL outsources to registered electrical contractors.

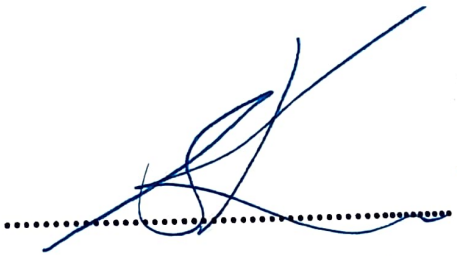
4.0 Conclusion

The Committee is satisfied with the financial performance of Energy Fiji Limited and is hopeful that urgent measures would be taken to enable EFL to reach its Renewable Energy goals before 2036.

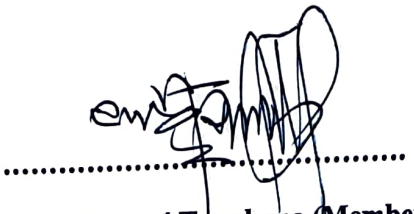
Members Signature



Hon. Sakiusa Tubuna (Chairperson)

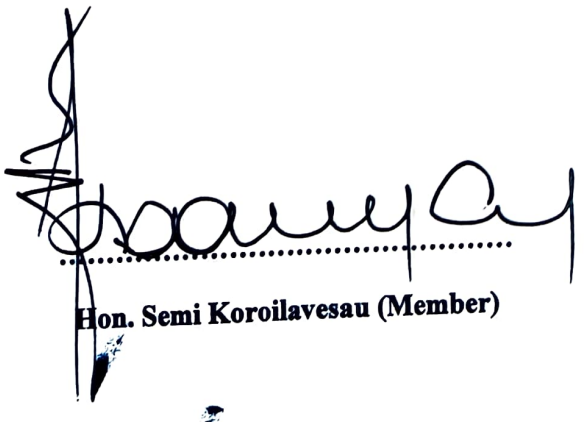


Hon. Sashi Kiran (Deputy Chairperson)



Hon. Tomasi Tunabuna (Member)

Hon. Premila Kumar (Member)



Hon. Semi Koroilavesau (Member)

ANNEXURE

PARLIAMENT STANDING COMMITTEE ON PUBLIC ACCOUNTS

The Electricity Business

An Information Session

EFL Annual Report 2021 & 2022

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

| Tuesday 29th August, 2023 |

Parliament of Fiji |

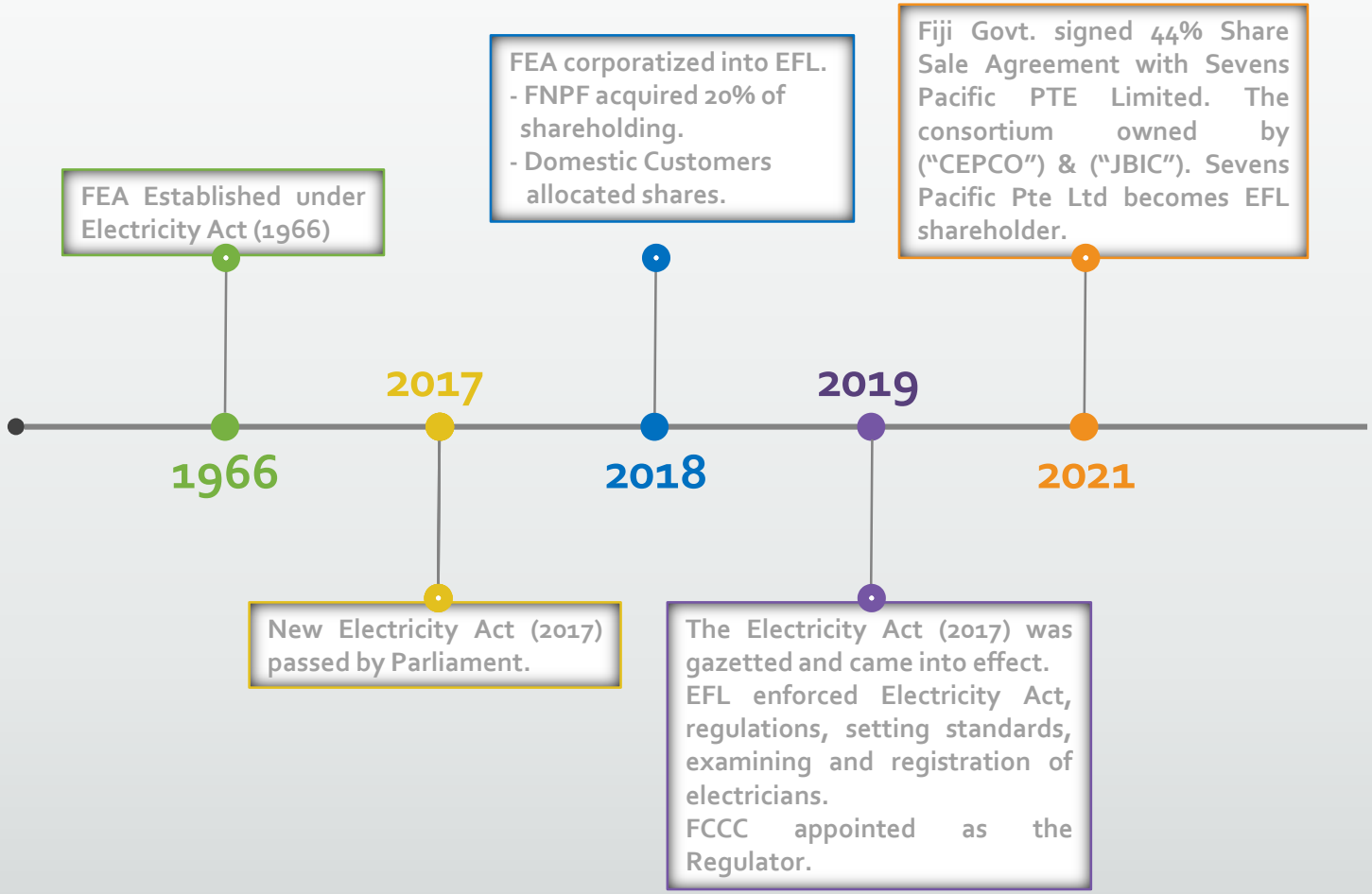
| Fiji Parliamentary Precinct, Government Buildings, Suva |

Presentation Outline

- About EFL, Its Performance, Current Business Challenges, etc
  - An Overview
  - EFL Infrastructure Map
  - Organisation Structure
  - EFL's Performance
  - Performance Management System
  - Hedging Framework
  - Grid Extension Policy for Commercial Customers
  - Supply Chain Disruptions
  - Loss of Skilled Personnel & Mitigation Plans
  - Government Support & Funding Initiatives
  - Rural Electrification Development Plan
- Power Supply Disruptions & Outages
  - Historical Power Supply Reliability Performance Indices
  - Causes of Power Supply Disruptions & Mitigation Plans
- Impact of Natural Disasters on EFL Power Supply Infrastructure
  - Climate Change & Resilience
  - Climate Finance & Resilience
- Power Development Plan
  - Power Development Plan – 10 Years
  - Renewable Energy Development Plan
  - Transmission & Distribution Development Plan
  - Operational IPPs
  - 5 Year Business Plan and CAPEX Requirements
- Electricity Tariff
  - Existing Tariff Rates
  - Tariff Regime
- Industrial Relations

EFL – An Overview

- EFL is responsible for power generation, transmission, & retail of electricity in the larger islands of Viti Levu, Vanua Levu, Ovalau & Taveuni.
- EFL's major generation sources are from Monasavu, Nadarivatu, Wainiqeu, Somosomo Hydroelectric Schemes and Vuda, Kinoya, Sigatoka, and other smaller Thermal Power Stations around Viti Levu, Vanua Levu, Ovalau & Taveuni.
- 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 around 50% - 60% of the total electricity demand (renewables) in a year of very good rainfall.
- EFL is governed by the Companies Act and is no longer under the Public Enterprises Act.



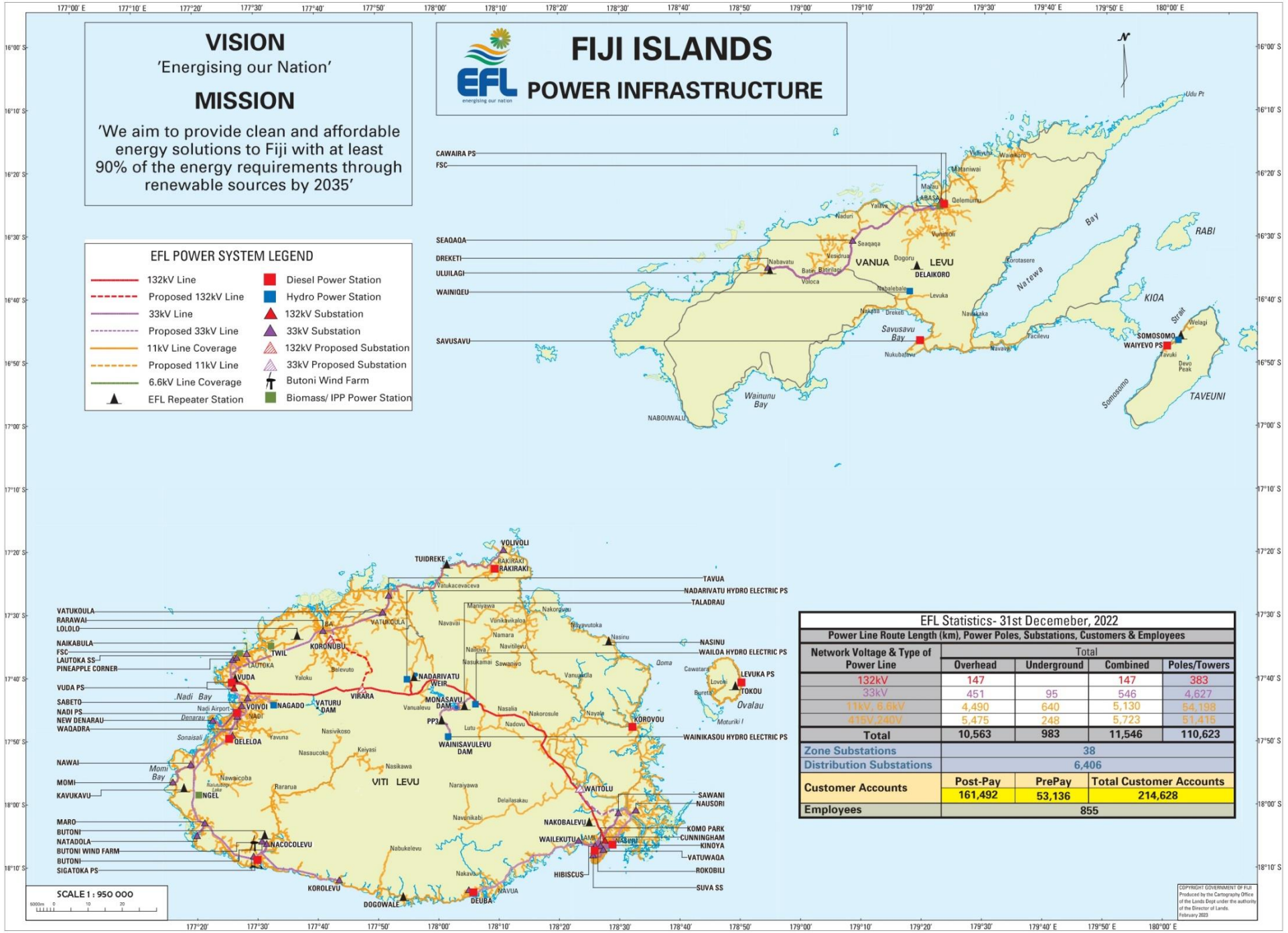
VISION

'Energising our Nation'

MISSION

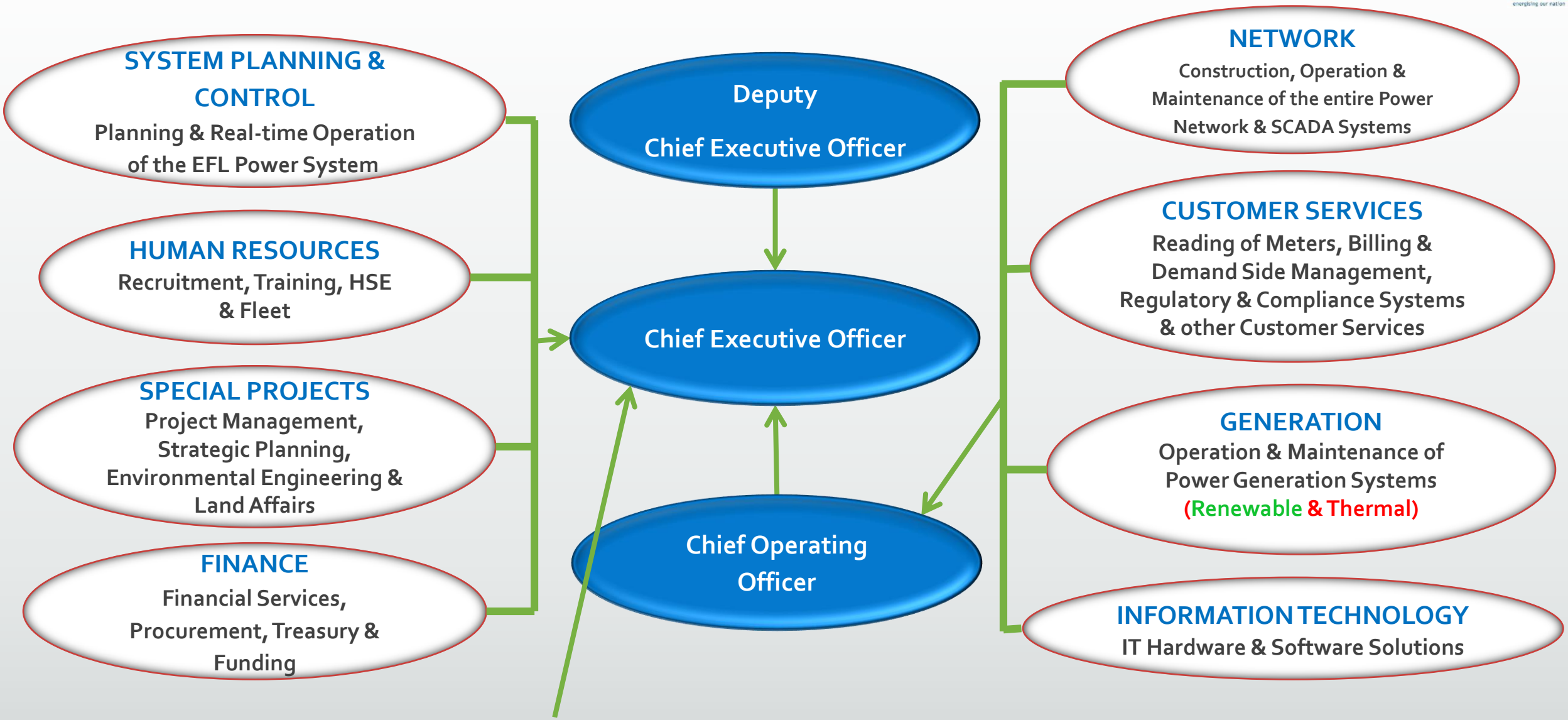
'We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2035'

FIJI ISLANDS
POWER INFRASTRUCTURE



EFL Statistics- 31st Decemeber, 2022				
Power Line Route Length (km), Power Poles, Substations, Customers & Employees				
Network Voltage & Type of Power Line	Total			
	Overhead	**Underground**	**Combined**	**Poles/Towers**
132kV	147		147	383
33kV	451	95	546	4,627
11kV, 6.6kV	4,490	640	5,130	54,198
415V,240V	5,475	248	5,723	51,415
Total	**10,563**	**983**	**11,546**	**110,623**
Zone Substations	38			
Distribution Substations	6,406			
Customer Accounts	**Post-Pay**	**PrePay**	**Total Customer Accounts**	
	161,492	**53,136**	**214,628**	
Employees	855			

Our Organisation Structure



Supported by Legal, Risk & Insurance, Audit and Corporate Affairs & Communication

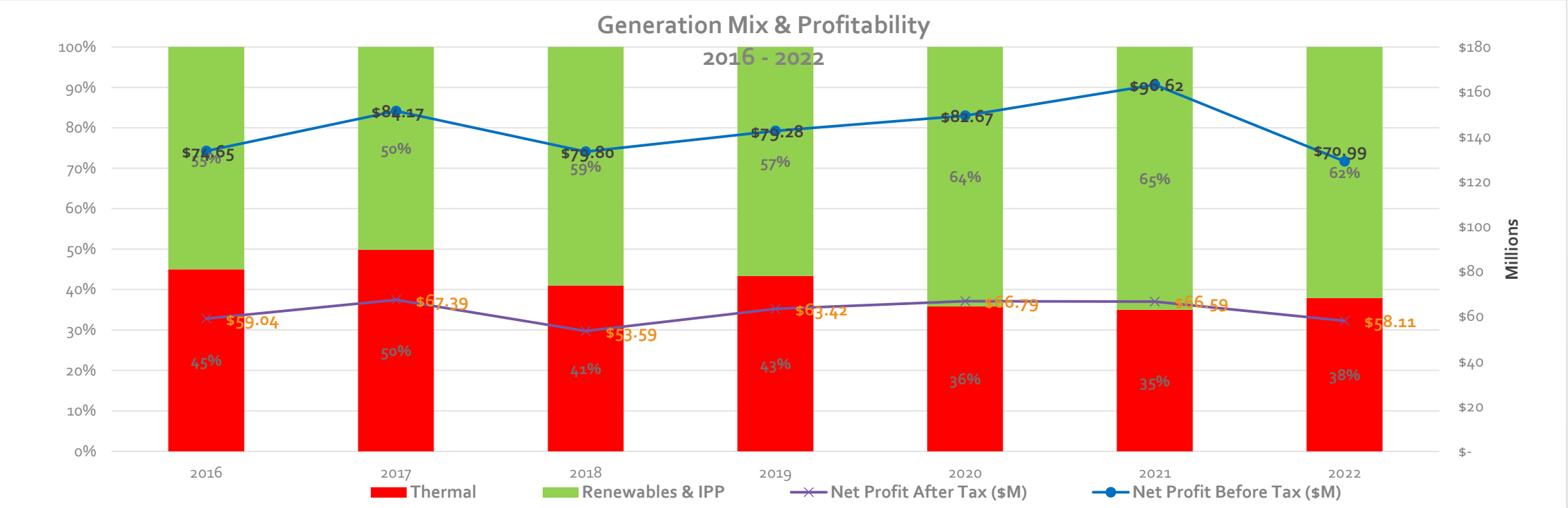
Electricity seems to have an overarching impact on most of the SDGs.

Directly Linked SDG

- EFL is responsible for the generation, transmission, distribution and retail of electricity in the larger islands of Viti Levu, Vanua Levu, Ovalau & Taveuni, which accounts for approximately 90% of the country's population.
- Uniform tariff rates are charged for electricity used by each consumer group, determined by the Fijian Competition & Consumer Commission (FCCC) in consultation with Government
- EFL Electricity Rates are the cheapest in the South Pacific Islands and to most parts of Australia & New Zealand
- EFL meets the annual electricity demand with 50% - 65% of clean/renewable energy – past 7 years
- EFL envisages to inject more diversified renewable energy (Hydro, Solar & Biomass) into the EFL grid in the years to come.

EFL's Performance

- Electricity is generated from multiple renewable and non-renewable sources within EFL networks. Hydroelectric generation is the main source of renewable energy generation.
- Graph illustrates electricity generation mix (renewable & non-renewable) and profits (before & after tax) from 2016 – 2022.



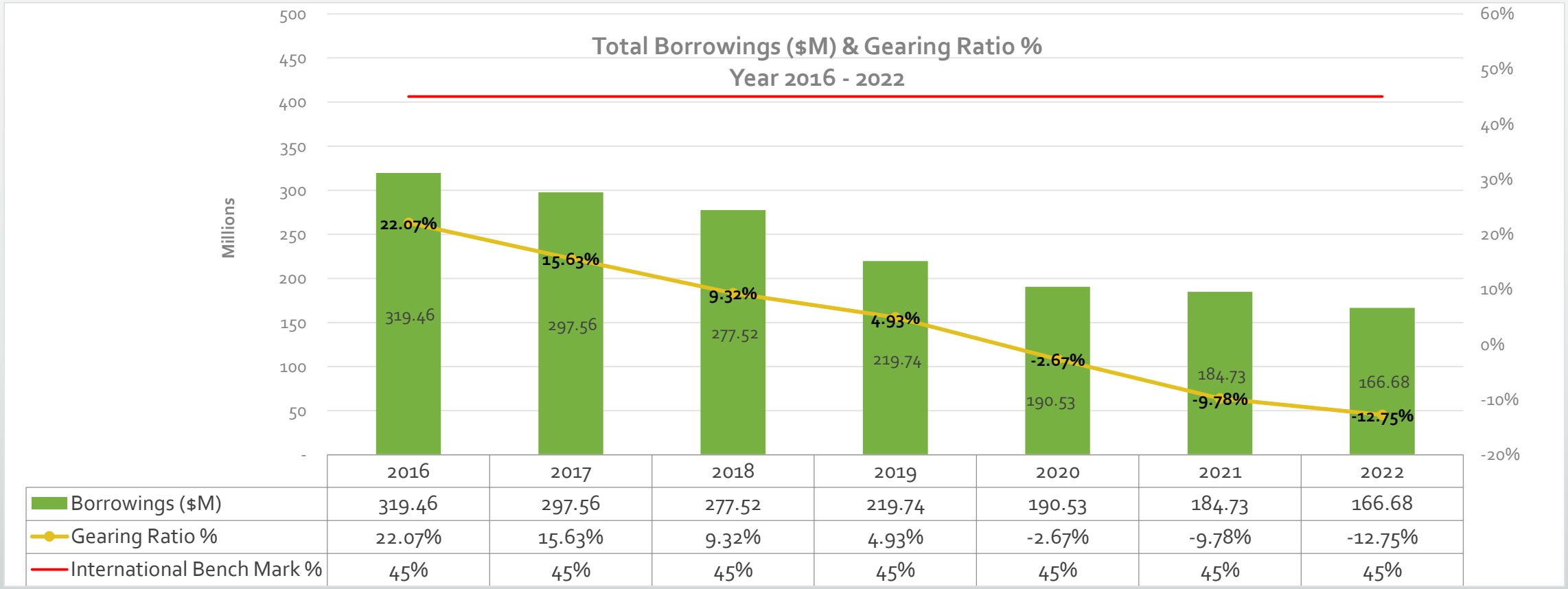
- The years 2020 & 2021 were challenging years with the onslaught of COVID-19 followed by a series of natural disasters. Sales had declined by an average of 10% in 2020 and 12% in 2021 compared to 2019. Sales rebounded to around normalcy in late 2022.
- Despite the challenges, EFL's performance (technical & financial) has been exceptional.
- Dividend payouts: 2019 performance – 19.12M ; 2020 Performance - $20.04M, 2021 Performance - $46.61M
- EFL pays 20% Corporate Tax on its financial performance to FRCS.

EFL's Performance (*con't*)

- EFL's Balance Sheet has been strengthening over the years, owing to its consistent good performance over the past decade.

Our low gearing level in years 2019 to 2022 is owed primarily to the profits recorded in these years which resulted in an increase to the shareholder value and the reduction in our debt level by: $29.21M (2019 to 2020), $5M (2020 to 2021) & $18M (2021 to 2022).

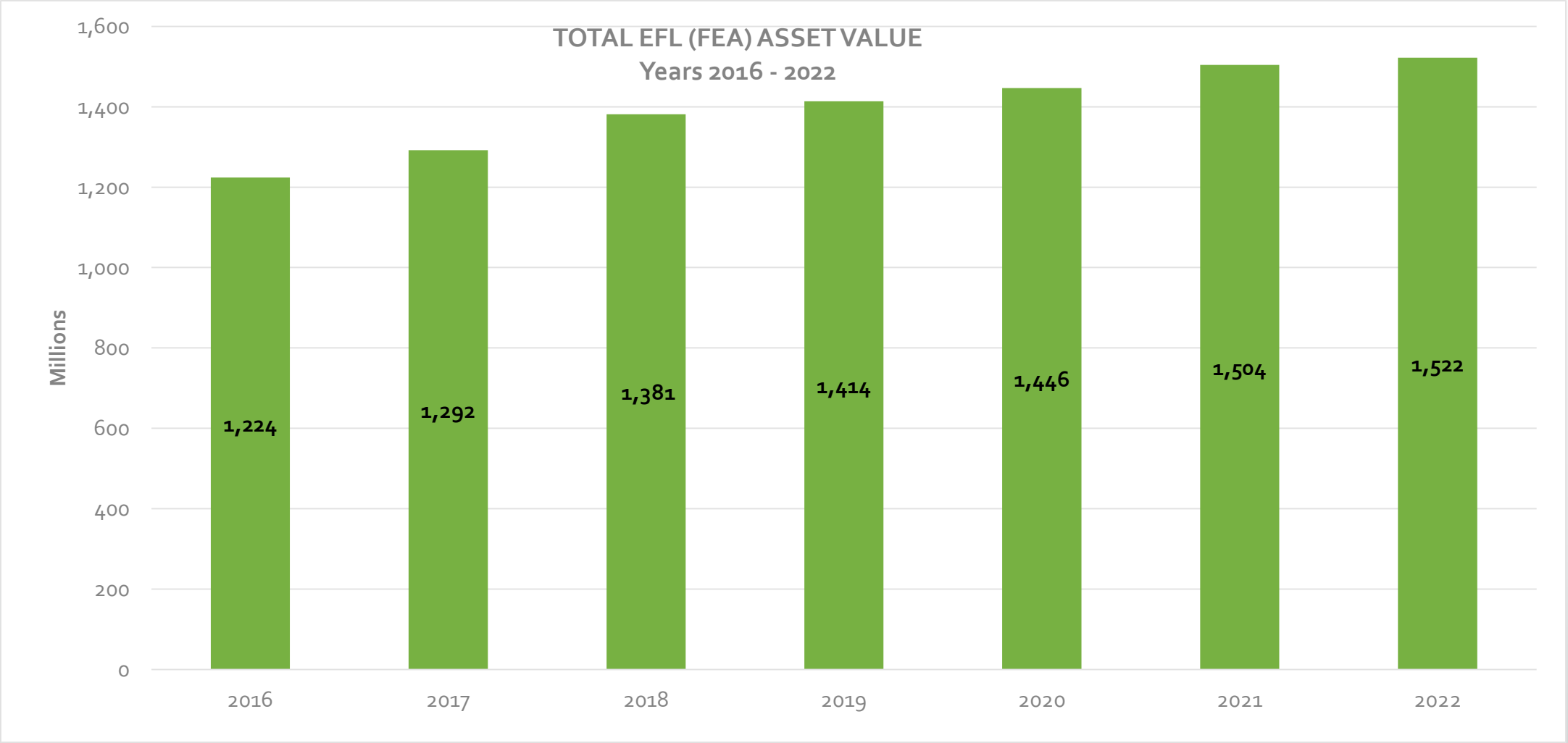
- Low gearing level provides EFL flexibility for future loans, to fund the implementation of its long-term Power Development Plan.
- EFL has never defaulted on its loan repayments in the past and shows that the Company is financially strong and sustainable. The loan portfolio of EFL as at 31st December, 2022 stood at $166.68 (compared to $184.73M in 2021).



	2016	2017	2018	2019	2020	2021	2022
Borrowings ($M)	319.46	297.56	277.52	219.74	190.53	184.73	166.68
Gearing Ratio %	22.07%	15.63%	9.32%	4.93%	-2.67%	-9.78%	-12.75%
International Bench Mark %	45%	45%	45%	45%	45%	45%	45%

Total Asset Value

- EFL's Total Asset Value is worth $1.52B (as at 31st December 2022).
- EFL has added significant shareholder value in the past 7 years.



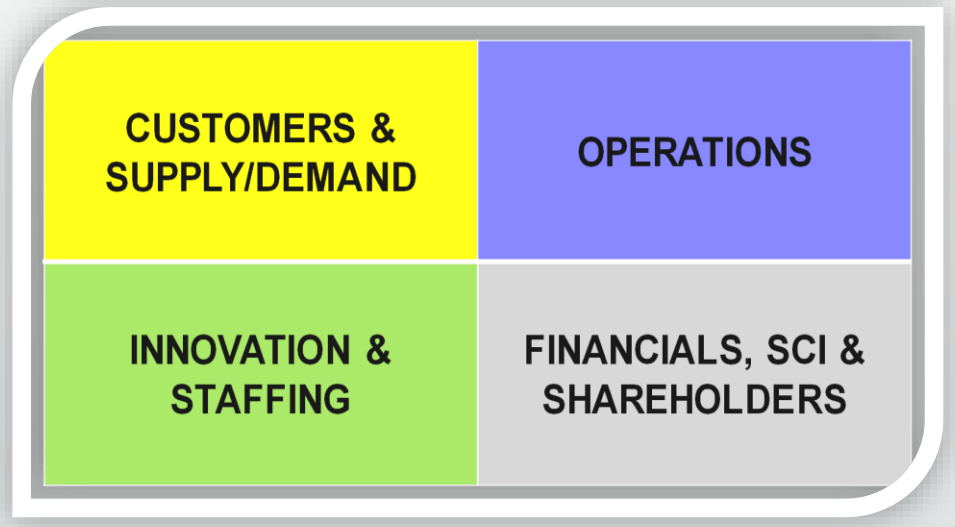
Historical Performance & Achievements – 2016 to 2022

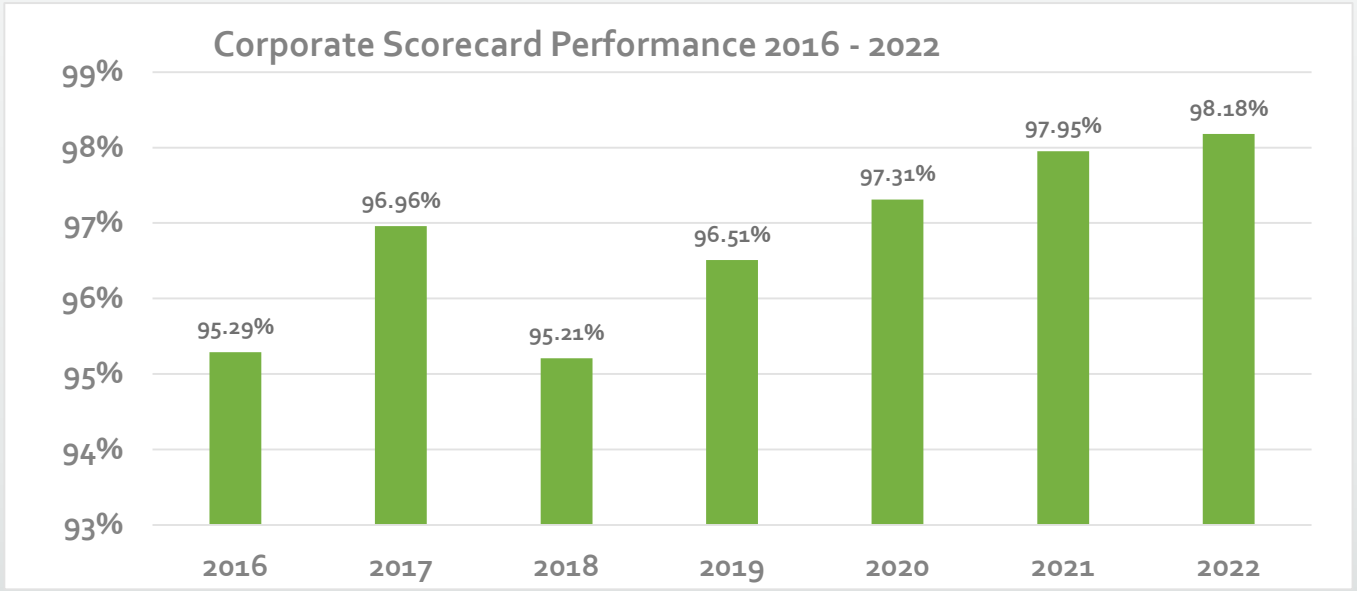
	2016	2017	2018	2019	2020	2021	2022
Electricity Sales	$317.84M	$340.22M	$349.50M	$359.43M	$327.10M	$318.91M	$371.39M
Earnings before Interest, Taxes, Depreciation, & Amortization	$124.82M	$135.09M	$130.77M	$132.23M	$140.04M	$150.92M	$129.09M
Profit Before Tax	$74.65M	$84.17M	$79.80M	$79.28M	$82.67M	$96.62M	$70.99M
Dividend Declared & Paid	NIL	$20M	NIL	$30M	$19.12M	$20.04M	$46.61M
Fijian Government		*$20M*	*NIL*	*$28.5M*	*$14.34M*	*$15.03M*	*$23.77M*
FNPF		*Nil*	*NIL*	*NIL*	*$3.82M*	*$4.01M*	*Nil*
Sevens Pacific Pte Limited		*Nil*	*NIL*	*NIL*	*NIL*	*Nil*	*$20.51M*
Domestic Resident Account Holders		*Nil*	*NIL*	*$1.5M*	*$0.96M*	*$1M*	*$2.33M*
Total Loans	$319.46M	$297.57M	$277.52M	$219.74M	$190.53M	$184.73M	$166.68M
Shareholder Value	$706.31M	$751.28M	$805.08M	$850.79M	$898.65M	$946.08M	$951.56M
Total Assets ($B)	$1.22B	$1.29B	$1.38B	$1.42B	$1.45B	$1.50B	$1.52B
Route Length of Power Lines	9,928.41km	10,197.43km	10,492.58km	10,898.73km	11,103.36km	11,348.91km	11,546.31km
Proportion of Overhead & Underground Powerlines - %							
Underground - %	8.92%	8.80%	8.72%	8.73%	8.55%	8.52%	8.51%
Overhead -%	91.08%	91.20%	91.28%	91.27%	91.45%	91.48%	91.49%
Capex (Property, plant & Equipment)	$63.12M	$47.04M	$61.65M	$78.16M	$47.93M	$55.69M	$52.49M
Total New Connections (Customer Accounts)	4,799	6,618	8,586	8,292	7,549	6,314	6,645
Total Customers	174,530	182,413	190,404	199,020	205,580	210,320	214,628
Number of Employees	756	772	805	867	876	877	855

- EFL does not rely on any Government funding for its OPEX & CAPEX (except Rural Electrification) and furthermore, no loans have any sovereign guarantee.
- Total Declared Dividend in FY2023 is around $40.68M (Fijian Government $20.75M, Sevens Pacific $17.9M, Domestic Resident Account Holders $2.03M) which is yet to be presented to the Shareholders

Performance Management System (PMS) - Balanced Scorecard

- PMS is aligned to the Key Result Areas & Strategic Objectives of EFL
- Strategic Business Units (SBU)/Divisional Scorecards are developed from the Corporate Scorecard
- An Independent Audit is undertaken by external auditors to assess the Corporate Performance each year
- We need to recognize and reward every employee and have been on a PMS since 2009 and paid out annually based on set KPIs
- FEA (EFL) is a role model for other organizations in Fiji
- FEA was awarded with the Fiji Business Excellence Award – President Category (1st Prize) in 2012





- In 2021, $2,268,123M inclusive of 10% FNPF was paid to 897 employees including Managers and Executive Management;
- In 2020, $2,234,790M inclusive of 10% FNPF was paid to 887 employees including Managers and Executive Management;
- In 2019, $2,030,151M inclusive of 10% FNPF was paid to 901 employees including Managers and Executive Management;

Hedging Framework

- The Hedging Framework was approved by the EFL Board in May 2018 and thereafter became effective. EFL has a Risk Management Committee comprising 3 Directors, EFL Executives, Financial Managers and two external Consultants who meet weekly and oversee the execution of the commodity hedging policy under the framework.
- Under the Fuel Hedging Framework, EFL hedges both the FX (US dollar) and fuel.
- The objectives of the Foreign Exchange & Brent Oil Hedging Program are as follows:
  - Protect the company from rising oil prices as EFL's fuel hedging framework is designed to provide 70% protection when oil prices are rising.
  - Ability to participate on the downside oil price movement since EFL's hedging framework is designed to allow for around 65% downside participation when oil prices are falling.
  - Substantially reduce its fuel cost volatility and provide stability to EFL's cash flows and earnings (profitability).
  - The performance so far has been very encouraging and achieving its objectives, and actual fuel cost vs budgeted fuel cost is given below since the introduction of the program:

	2018	2019	2020	2021	2022
Budgeted Fuel Cost (FJD)	112.44	147.01M	95.31M	91.85M	167.66M
Actual Fuel Cost (FJD)	130.36M	134.33M	94.06M	77.76M	138.29M

- Much like other sectors in the Fijian economy, EFL has long been left exposed to volatility in prices of industrial diesel oil and heavy fuel oil, which are determined by the Brent crude oil global market prices and US Dollar exchange rate. EFL's Foreign Exchange & Brent Oil Hedging team, together with professional hedging consultants, constantly and carefully monitor fuel prices and foreign exchange rates on a 24h/daily basis, and take appropriate actions as and when required.

Hedging Framework *(con't)*

- The primary objective of the EFL hedging programme is to mitigate volatility on earnings arising from fluctuations in the global fuel price as well as movements in foreign exchange rates, both factors which are outside the control of EFL. The Company manages these risk exposures using various financial instruments. These instruments enable EFL to participate when prices are falling and also provide protection when prices are rising. The two instruments used by EFL to hedge its fuel purchases monthly is Brent Swap and Brent Option. The Hedge Policy of EFL mandates that maximum 35% of the total fuel that is hedged in a rolling 12 month period is executed using Brent Swaps and maximum 35% is hedged using Brent Options. The remaining 30% is unhedged and is bought at market. So at any point in time, the skew of the hedge ensures that EFL is protected at maximum 70% when fuel price is increasing (Swap (35%) + Option (35%)). On the other hand, it allows EFL to participate at maximum 85% when prices are falling.
- Why max 85%? Because say for example we are 50% hedged currently using 35% Options and 15% Swaps, and Oil drops from now, our downside participation from now will be 50% Unhedged + 35% Options = 85%).
- In order to optimise the procurement of hedging instruments, EFL adopts a rigorous approach by engaging with multiple counterparties (minimum 2) for obtaining quotes on Brent fuel and Foreign Exchange (FX). This strategy allows EFL to secure competitive pricing from diverse sources for both fuel price and foreign exchange requirements.
- During the fiscal year 2022, the EFL Hedging Programme encountered notable challenges, particularly the persistence of high fuel prices resulting from the Ukraine - Russia War in February 2022. Throughout this extended period, fuel prices remained elevated, necessitating careful consideration regarding the decision to hedge at significantly higher prices than our budgeted threshold. Moreover, prevailing market speculation indicated the likelihood of further escalations in fuel prices. To navigate such complex scenarios, the Risk Management Committee plays a pivotal role. Through weekly meetings, this committee conducts comprehensive analysis of the global financial markets, diligently evaluates factors influencing fuel prices and the USD exchange rate, and formulates an optimal strategy to effectively manage price volatility for both fuel and FX. This proactive and adaptive approach ensures the EFL Hedging Programme is equipped to make informed decisions that stabilise input costs and maximise overall profitability for EFL.

FCCC Regulated Grid Extension Policy and Capital Contributions

- The policy for Customer Capital Contribution requirements for Grid Extensions is regulated by the Regulator, Fijian Competition and Consumer Commission ("FCCC") since 2013 to set a framework for the prospective customer to pay for capital cost for EFL's power supply infrastructure development for a particular development.
- Capital Contribution is the cost of extending the power supply infrastructure to meet the power supply requirements of a new development, or that of an existing installation (development) which is being upgraded. It includes all costs that will be incurred by EFL up to the revenue/tariff meter. The customer is responsible for all costs after the meter, including the consumer service mains.
- As per current policy, last approved in December 2017 and effective from 2018, the key features are as tabulated below:

Type of Development	Capital Contribution Requirements
Industrial or Commercial	• Customer is required to contribute 100% of capital cost upfront as a refundable deposit • For every 12 months after connection of the development/installation to the supply grid, the customer gets a refund equivalent to 50% of revenue generated from consumption of electricity (kWh) from the installation/development • Customer will continue to get such refunds until the initial capital contribution is recovered, and has until end of six years from time of connection to grid to get such refunds
Sub-divisions	• EFL will contribute 25% of capital contribution required for power supply infrastructure development, up to a limit of $250,000.00 • Developer is required to contribute the balance as a non-refundable contribution
Domestic and institutional customers	• Customer is required to contribute 100% of capital cost as a non-refundable deposit • In case of domestic customers, the Government provides the contribution under the Rural Electrification Program funding

- EFL works with its customers (existing and prospective) to keep them informed of the FCCC- Capital Contribution policy

Supply Chain Disruptions

- The cost of shipping and freight to Fiji rose exponentially during and after the COVID-19 pandemic
- At EFL, we are part of the global supply chain and experienced the disruptions in terms of commodity shortage, shipping delays, port congestions, freight and shipping cost increases and sourcing of raw materials from both local and overseas suppliers
- This affected the timely implementation of EFL's capital expenditure plan and the procurement of essential equipment, spare parts and critical inventories for ongoing repairs and maintenance work
- Customer-funded projects for power supply infrastructure development were also affected and as a result, the execution time stretched significantly since 2021, due to extremely long lead times in sourcing critical equipment
- The lead-time (from placing of orders to receiving of the items) for items such as transformers, switchgears, cables, cable accessories and other line hardware increased from 14 weeks (pre-Covid-19) to 40 weeks (during and after Covid-19). The delays have affected our planning and also meeting the expectations of new customers/new developers who on a daily basis apply for power supply for their developments
- Key strategies adopted by EFL to mitigate the impact of the supply chain disruptions include:
  - Having a contingency plan for supply chain emergencies
  - Regularly monitoring supply chain vulnerability
  - Identify back up suppliers and engage with multiple suppliers to spread out the risk
  - Having minimum stock levels based on historical usage and known forward workloads

Loss of Skilled Personnel & Mitigation Plans

- EFL's staff turnover rate from 2020 to-date (end May, 2023) is given below:

Year	Overseas		Local		Others	Total	Overseas		Local	
	Employment	Study	Employment	Study			Technical	Non- Technical	Technical	Non -Technical
2020	10	0	7	0	0	17	9	1	3	4
2021	2	1	3	0	8	14	1	1	4	8
2022	46	7	24	1	14	92	46	8	12	26
2023	65	2	14	2	30	113	74	7	13	19
Total	**123**	**10**	**48**	**3**	**52**	**236**	**130**	**17**	**32**	**57**

- As a result of loss of skilled personnel, service delivery and execution of projects have been impacted. EFL, and other service providers associated with the energy industry (eg. EFL Contractors) continue to face this challenge.
- Key strategies EFL have in place to deal with this challenge are as follows:
  - On-going Recruitment
    - Apprenticeship Scheme – Recruitment of Apprentices, Graduate Engineers, and Trainee Technicians.
    - 162 employees resigned in the last 3 years and we recruited 380 for the last 3 years. The balance were the recruitment of Apprentices, Trainees and GEs.
  - Keep Training
    - EFL has invested on an Apprentice scheme. EFL recruits Graduate Engineers from the local universities, USP, FNU and UoF, and provides on-the-Job training for 3 years before they become senior engineers.
  - Succession Planning
    - EFL has undertaken a succession planning exercise and identified likely successors to all critical positions from the Tradesperson Team Leader to the Chief Executive Officer level. Training and development plans have been put together to ensure that these employees are ready to replace the position holders when the need arises.

Existing Government Support & Funding Initiatives

- The Fijian Government provides financial support towards households having a combined income of ≤$30,000 by contributing 16.34 cents per unit (VEP) for first 100 units consumed in a month by such households.
- For primary and secondary schools, a step-up subsidy is in place, where the first 200 units consumed in a month are subsidized at a rate of 12.85 cents per unit (VEP), with the school contributing the remaining 21.16 cents per unit (VEP).
- Given below are details of subsidy provided and number of beneficiaries since 2016:

Year	2016	2017	2018	2019	2020	2021	2022
Domestic Customers							
Customer Numbers	9,583	12,443	29,150	29,713	40,294	50,437	54,755
Value of Subsidy - FJ$M	1.09	1.32	3.34	4.69	5.78	11.42	9.69
Primary & Secondary Schools							
Customer Numbers	650	712	749	688	830	789	858
Value of Subsidy - FJ$M	0.12	0.14	0.15	0.15	0.21	0.14	0.17
Total Customers - Subsidy Scheme	**10,233**	**13,155**	**29,899**	**30,401**	**41,124**	**51,226**	**55,613**
Total Value of Subsidy - FJ$M	**1.21**	**1.46**	**3.49**	**4.83**	**6.00**	**11.56**	**9.86**

- EFL's Contribution during the COVID-19 crisis towards low income earners totaled $6.77M
  - April 2020 - December 2020 - $4.93M
  - Jan 2021 – March 2021 - $1.84M

Rural Electrification Development Program

- The Fijian Government has increased its budget allocation towards Rural Electrification Development Program over the last seven (7) years, in order to provide access to electricity to those who do not have electricity in rural areas.
- EFL has also increased its internal resources over this period, and EFL has facilitated development of the electrical contracting industry by training and upskilling Contractor's personnel.
- Rural electrification comprises of EFL grid extension, which EFL and its contractors has historically undertaken. House wiring is also funded by the Government which EFL outsources to registered electrical contractors.
- Shown below is a summary of Government funded Rural Electrification Development program from 2016 to 2022.

	2015	2016	2017	2018	2019	2020	2021	2022
Total Spent on Rural Electrification	$6.3M (Govt & FEA)	$2.5M	$10.2M	$11.92M	$14.83M	$6.50M	$9.6	$9.25
Completed Schemes	55	40	71	127	72	70	28	32
Households Connected	2,324	796 (TC Winston)	3,328	2,600	1,759	1,031	1,197	1,478

EFL's Power Supply Reliability Performance Indices

- Two internationally accepted power supply reliability indices are System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI").
  - SAIDI measures the duration a customer was without power on an average during the year.
  - SAIFI measures the number of times (frequency) a customer was without power on average during the year.
- Energy Fiji Limited has been committed to improving the reliability of power supply and preventing power interruptions through continuous monitoring of its SAIDI and SAIFI indices, in line with international best practices.
- Improvement in SAIDI & SAIFI in the last 10 years is as as per table below.

	Units	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
SAIDI (Controllable)	Minutes per customer	511	490	412	448	242	300	241	255	127	255
SAIFI (Controllable)	No. of outages per customer	11	8	5	6	3	4.74	5.26	6.01	3.23	4.23

  - Our SAIDI (Controllable) has improved by 50% since 2013 (511 down to 255 mins/customer)
  - Our SAIFI (Controllable) has improved by 62% since 2013 (down to 4.23 outages/customer)
- Controllable means the cause of the unplanned power outage could have been controlled.
- Uncontrollable means the cause of unplanned power outage could not be controlled, as it was beyond EFL's control.

Causes of Power Supply Disruptions

- Electricity supply is through a system of interconnected equipment, which includes:
  - Generators in power stations which produce power
  - Overhead lines, underground cables, power transformers, overhead line hardware such as power poles, cross-arms, insulators etc. which are used to transmit and distribute electricity
  - Customer-owned service mains and customer-equipment
- Planned power outages are undertaken where customers are notified one week in advance (SMS) and one day in advance (print) so that EFL teams can safely perform critical repair or timely maintenance work on the electricity infrastructure.
- Unplanned power outages are typically caused by events beyond EFL's control, such as:
  - natural disasters or damage to EFL assets such as power lines or power poles
  - accidents caused by third party affecting EFL's power infrastructure
  - uncontrolled fires near power lines,
  - illegal high loads breaking overhead power lines,
  - unauthorized digging near underground power cables, etc.
  - Foreign objects, including vegetation in close proximity of or coming into contact with overhead power lines
- Unplanned outages due to unsafe conditions such as damaged or broken consumer service mains, house/premises on fire is also a key contributor towards unplanned customer interruptions.
- When a Customer's consumer service mains (overhead black wire) that connects the customer premises to the EFL grid/power pole has broken/dislodged due to normal wear and tear being exposed to natural elements such as rain, wind and sun. Consumer service mains are susceptible to natural elements like rain, wind, and sun, and customers must have them regularly inspected for wear and tear utilizing the services of registered electrical contractors.
- "When the Consumer Service mains break, our highest priority is to protect Fijians and lives, and we take all necessary measures possible to prevent injury or loss of life by someone accidentally coming into contact with a live wire" We are receiving complaints of 5-10 cases of broken service mains on a daily basis which is causing disruption to power supply to our valued customers.

Mitigation Plans for Power Outages

- EFL's network consists of 11,546km of overhead lines and underground cables, and 91% of this is overhead lines.
- In addition to this, the EFL network is predominantly radial and only a small portion of the network has some level of redundancy
- Mitigation options to reduce unplanned power outages are:
  - Building redundancy in the network, i.e., having more than a single path of supply to the customers at all levels, and having sufficient power generation online reserve capacity
  - Building climate resilience or undergrounding existing overhead power lines
  - Replacing ageing equipment in timely manner
  - Improving condition monitoring by using modern or advanced tools as are used in developed countries
- EFL is already actively carrying out a number of the identified activities above, such as replacement of aged equipment, and condition monitoring of assets
- Mitigation action items require significant capital investment, and also time for execution. Significant changes to existing electricity tariffs will be required to enable EFL to carry out such large investments.
- Building redundancy at all levels (from generation source to the point customer is connected to the EFL grid) will require significant capital investment and will significantly contribute to reduction in customer interruptions.

Impact of Natural Disasters

- Fiji being in the tropical zone, is subjected to different types of natural disasters, and each of these have a different effect on the EFL power supply infrastructure.
- Cyclones affect a significant portion of EFL's network of power lines, which are pre-dominantly overhead, and restoration time is affected by the damages incurred and accessibility for damage assessment and repair works.
- Excessive rainfall leading to flooding also affects significant portion of EFL's networks, and following any such event of flooding, EFL has to carry out thorough inspection of its infrastructure, carry out the necessary repairs, before energizing them.
- EFL has also experienced droughts at generally 10-year cycles in the past, with the last significant event being in 2014. This year, we received below average rainfall at the Monasavu Dam. As a result, we have activated a Contingency Plan by hiring 65MW of diesel generating sets and are in the process of connecting them to the Viti Levu grid as and when they arrive by the end of October, 2023. As about 50% of EFL's power generation is from hydro-power plants, droughts affect the power generation mix and EFL has to burn expensive fuel to replace the hydro-power generation. EFL closely works with the Meteorological Services department to keep track of weather patterns and weather forecast, so it can plan in advance for any contingencies.

Summary – Climate Change & Resilience

- Pacific is adversely impacted by Climate Change
  - Sea Level Rise
  - Changes in weather conditions (drought, flooding, etc)
  - Increased frequency & intensity of Tropical Cyclones
  - Out from a prolonged drought that impacted the Monasavu Catchment
  - Impending El Nino in the months ahead
- Climate Change is fact – How do we mitigate and built resilience to survive?
- Climate Change needs positive action as it impacts everyone, some are more venerable than others
- Adaptation to Climate Change and Resilience Building – We need to prepare to survive
- El Nino forecasted for the later part of 2023
- In preparation for the 2023-2014 El Nino season, EFL has already started with the implementation of its Contingency Plan to minimize the adverse impact

Summary – Climate Finance & Resilience

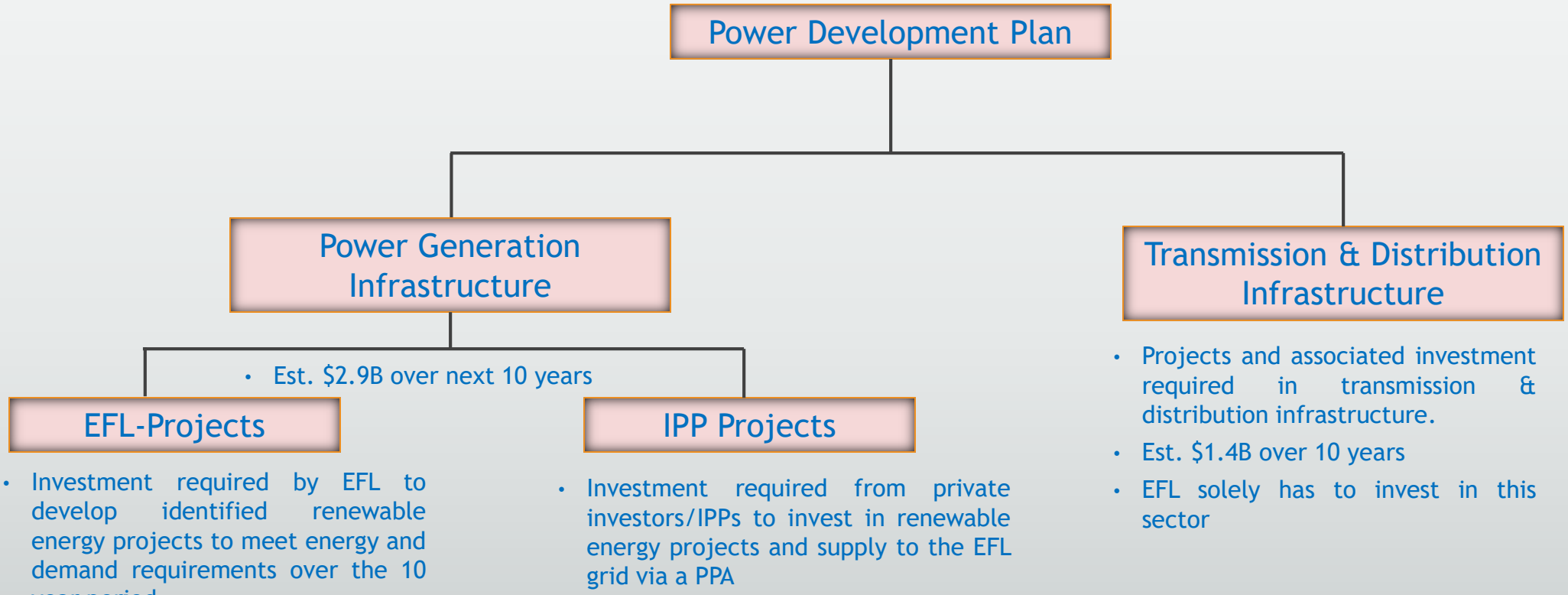
- Climate change, disaster recovery & resilience initiatives – Requires technical & financial support
- Challenges brought about by natural disasters and how you managed to stir out of it
  - Prepare for the rainy day – Disaster Restoration Fund
  - Tropical Cyclones in past 10 years – Total of 12 (Cat 1 – 3, Cat 2 – 3, Cat 3 – 3, Cat 4 – 1 & Cat 5 – 2)
  - Average Cost - $5.2M/annum for EFL

Opex	Comments	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Flash Floods	Massive Flooding		$169,169									$169,169
TC Winston	Category 5				$31,816,153	$1,066,561						$32,882,714
TC Zena	Category 3				$409,792							$409,792
TC Josie	Category 1						$696,615					$696,615
TC Keni	Category 3						$1,323,028					$1,323,028
TC Mona & Pola	Category 2							$441,389				$441,389
TC Sarai	Category 2								$589,494			$589,494
TCTino	Category 3								$106,642			$106,642
TC Harold	Category 4								$2,708,595			$2,708,595
TC Yasa	Category 5								$1,126,406			$1,126,406
TC Ana	Category 1									$349,696		$349,696
TC Cody	Category 1										$635,764	$635,764
Total		**Nil**	**$169,169**	**Nil**	**$32,225,945**	**$1,066,561**	**$2,019,643**	**$441,389**	**$4,531,137**	**$349,696**	**$635,764**	**$35,922,708**

- Lost Opportunity
  - Loss & Damage Assessment – Private Sector is not accounted
  - Financial Modalities & Climate Funding towards – Risk Reduction, Preparedness, Recovery & Response

Ten-Year Power Development Plan

- The demand for electricity is forecasted to continue to increase over the next 10 year forecasting period. A number of projects are therefore planned to be implemented over the next five year period to enable EFL to meet the increasing power demand.
- EFL has a ten-year Power Development Plan (PDP), last reviewed in 2022, which provides a roadmap for development of generation, transmission and distribution infrastructure to meet forecasted electricity demand over the ten-year period. Key components of this plan are as shown below:



Renewable Energy Development & National Development Plan

- Number of projects and technology types have been identified to meet future power generation requirements
- Technologies which are mature and commercially-stable have been considered
- While hydro-power forms a significant component of the future power generation technology, solar PV systems are also expected to play a crucial role
- Due to the sizes of the various EFL grids, demand patterns and other factors, solar PV systems have to be carefully integrated into the networks so long-term power supply stability is not affected and the intermittency associated with this technology can be adequately managed without negatively impacting reliability and quality of supply
- Significant investment is required in both power generation and transmission infrastructure, and grid-stabilization technologies (such as battery-energy storage systems) as the transition to renewable energy sources is made
- Such transition will require both significant capital investment and time to implement, expertise skill and capacity building within EFL and the industry

Renewable Energy Development Program

Viti Levu

Type of Source	Key Details of Project
Hydro-Electric Schemes	**Qaliwana Hydro-electric Scheme with Upper Wailoa Diversion** • Project identified in Qaliwana, feasibility study completed in January 2023, peer review process underway • Expected energy output of 46GWh with firm capacity of 21MW • Enables enhancement of existing Nadarivatu HPP scheme by adding 37GWh to energy output and 18MW in capacity • Estimated project cost – USD 185M **Lower Ba Hydro-electric scheme** • A cascade of three projects, feasibility completed for first in cascade, ie, Vatutokotoko scheme, in January 2023, peer review underway • Expected energy output of 56GWh with firm capacity of 28MW at an estimated project cost of USD 155M • Feasibility for other schemes to be conducted later, depending on funding availability **Namosi Hydro-electric scheme** • Three power plants collectively give an output of 120GWh with firm capacity of 32MW • Feasibility to be carried out by AIFFP. Presently in the process of appointing Consultants for feasibility.
Solar Farms	• Power Purchase Agreement signed with Sunergise Dratabu Pte Limited for 5MW solar power plant in Dratabu, Nadi, expected commissioning Q4 2024 • 3x solar power plants in Nadi, Ba and Tavua are under due diligence by IFC and to be tendered out for either IPP or JV development model by 2023 Q4. Collective capacity of 19MW with energy output of 35GWh • EFL is working with one of its shareholders, Chugoku Electric Power Co. Ltd to develop a 5MW solar power plant in Lautoka area by 2025

Renewable Energy Development Program (cont'd)

Vanua Levu

Type of Source	Key Details of Project
Solar Farms	**10MW Solar Power Plant in Seaqaqa Area with Battery Storage** • Project identified in conjunction with IFC, due diligence underway, will displace 30% of diesel-generation • Upon completion of due diligence and feasibility study, tenders will be called for either IPP or JV model development by Q1 2024 **Solar Power Plant in Labasa Area** • Project identified by prospective IPP in Labasa area, feasibility study is currently underway

Ovalau

Type of Source	Key Details of Project
Solar Farm	**4MW Solar Power Plant in Bureta with Battery Storage** • Project initially identified by GGGI but picked up by IPP Envelops Co., Ltd. of South Korea • Power Purchase Agreement to be signed in July 2023 • Will displace about 50% of diesel generation in Ovalau

Taveuni

Type of Source	Key Details of Project
Solar Farm	**1MW Solar Power Plant in Mua with Battery Storage** • Project under development with funding support from KOICA – Project Completion 2024
Hydro	• Project identified by prospective IPP, full feasibility yet to be carried out. • Potential to supply to Vanua Levu but requires significant investment in developing transmission network

Transmission & Distribution Development Plan

Virarara to Koronubu Transmission Lines - 132KV

- The 132kV transmission network development project from Virarara to Koronubu in Ba, was initiated in 2016 to improve the quality, reliability, and security of power supply and adding power transmission capacity to the north-west of Viti Levu. The Fijian Government, in 2015, had declared the corridor between the Ba-side of Matawalu River and Korovou as Tax-Free Zone for a number of initiatives.
- Virarara to Koronubu Transmission Network is being built to meet the growing demand in the Tax-Free Zone and to provide supply redundancy
- Tapping off from the existing 132kV line from Wailoa to Vuda
- Project cost is $80M, commenced construction in 2023 and anticipated to be completed in 2024
- The key elements of this 132kV transmission network development project includes:
  - Establishment of a new 132kV Switching Station at Virarara, Ba, near existing 132kV tower T92 on the Nadarivatu – Vuda transmission line
  - Establishment of a new 132kV/33kV Substation at Koronubu, Ba with 2 x 25MVA transformation capacity
  - Construction of a new 30km, 132kV Transmission line from Virarara to Koronubu
  - Linking of the Koronubu Substation with existing 33kV sub-transmission network by extending a new 33kV line from Rarawai Substation to Koronubu Substation and loop-in loop-out of existing Rarawai – Tavua 33kV sub-transmission line

Water Authority of Fiji (WAF) Viria Water Treatment Plant Project Transmission Circuit - 33KV

- Sub-transmission Network Development for Water Authority of Fiji (WAF) at Viria to cater for a new water pumping station for the WAF at Viria
- EFL is extending a 33kV circuit from Sawani Substation to a new proposed Substation at Gusuisavu, and extending the 11kV grid from Gusuisavu to the WAF site at Viria
- Project cost of $10.6M, commenced in 2020 (design, wayleaves, procurement) and is anticipated to be completed by July, 2023
- This project involved:
  - Construction of a new 33kV circuit from Sawani Zone Substation to Gusuisavu – Commissioned in June 2023
  - Establishment of a new 33kV/11kV Zone Substation at Gusuisavu - Commissioned in June 2023
  - Extension of a new 11kV circuit from the New Gusuisavu Zone Substation to the WAF Viria Water Treatment Plant – (95% completed) Anticipated to be completed in July, 2023 together with WAF associated works at the site.

Operational IPPs

- Tropik Wood Industries Ltd (TWIL) has a Power Purchase Agreement (PPA) with EFL for the supply to the EFL power grid.
- FSC supplies energy to the EFL grid during the crushing season from their Lautoka, Labasa & Ba Sugar Mills
- Nabou Green Energy Limited (NGEL) has a 12MW biomass plant and started feeding into the EFL grid since September, 2017. However they have challenges in meeting the deemed quantity due to fuel sustainability issues.
- Solar – Individual rooftop installations feed in the excess (surplus energy) into the EFL grid. The number of such installations connected to the EFL grid is as follows:
  - 2019 – 167
  - 2020 – 176
  - 2021 – 197
  - 2022 – 203
- IPP Feed-in Tariff Rates
  - Average selling price = Total Sales/Total Units Sold = 38.4cents per kwh(unit)-VEP
  - TD&R = 12.7cents per kwh(unit)-VEP
  - Therefore, Maximum Payable IPP Tariff = 38.4 less 12.7 = 25.7cents per kwh(unit)-VEP - Without any profit to EFL
  - If EFL makes a minimal profit of 1.7cents, then IPPs could get 24cents per kwh(unit)-VEP
  - IPP Feed-in Tariff Rate cannot be based on the avoided cost of diesel, PPAs are signed for 20-25years.

Five Year Business Plan

- EFL is a highly capital-intensive industry, investing substantially in the power generation and transmission and distribution network every year.
- EFL's Business Plan for next five years includes CAPEX of $910,152M, as shown below:

Proposed CAPEX Plan (2023 – 2027)					
2023 ($'000)	2024 ($'000)	2025 ($'000)	2026 ($'000)	2027 ($'000)	Grand Total ($'000)
$113,268	$240,799	$253,574	$192,165	$110,346	$910,152

- Bulk of the above CAPEX will be funded via surplus cash generated from EFL's profitability as well as long term loans which will be largely supported by EFL's approved tariff methodology through periodic (4 yearly) increases in the electricity tariff.
- Currently, EFL has a Syndicate Banking Loan Facility with a credit limit of $335M with ANZ, WBC and BSP Banks and is negotiating with the Syndicate Bankers to increase the credit limit to around $500M.
- In the short-term (over 3 year period), a thermal power plant project will be developed that will allow EFL to meet growing electricity demand over the short-term in Viti Levu. This will be through a 20MW power plant in Kinoya (in Central Region) and 30MW in Vuda (in Western Region), combined capacity of 50MW, requiring an investment of close to FJD 185M, based on feasibility study conducted in 2022. Once renewable energy power plants are developed, this 50MW thermal power plant will be used as back-up capacity only and as and when required.

Existing Electricity Retail Tariff

- The existing electricity tariff rates, as approved and effective from 1st October 2019, for all consumer categories:

Tariff Categories	Current tariff rates (cents/unit)(VEP) Effective 1st Oct 2019
Domestic Category Domestic Tariff - Government Subsidy/EFL Discount - This Tariff only applies if customer has combined household income less than to (<=) $30,000.00 per annum and registered for government subsidy. Customers who qualify and are registered will be subidized for the first 100 units of consumption per month. Consumption above 100 units will be charged 34.01 cents/unit VEP.	34.01 cents (16.34 cents/unit willbe subsidized by the Government and customer pays 17.67 cents/unit for the first 100 units)
Domestic Tariff - domestic customers who do not qualify for Government subsidy. All consumption will be charged at the rate of 34.01 cents per unit	34.01 cents
Commercial & Industrial Category Commercial and Industrial Tariff Cents per unit - for units up to 14,999kWh per month Cents per unit - for units in excess of 14,999kWh per month	 40.99 cents 42.95 cents
Maximum Demand Tariff (i)Demand > 1000kW Demand Charge $ per kW per month Energy Charge in cents per kWh	$39.24/kW 32.70 cents
(ii)Demand > 500kW to 1000kW Demand Charge $ per kW per month Energy Charge in cents per kWh	$37.57/kW 30.26 cents
(iii)Demand between 75kW to 500kW Demand Charge $ per kW per month Energy Charge in cents per kWh	$35.33/kW 27.81 cents
Excess Reactive Energy penalty fee in cents per kVARh	42.95 cents
Institution Tariff c/kWh An institution is defined as a Primary School, Secondary School and a Place of Worship (Church, Temple and Mosque) Energy Charge in cents per kWh.	 34.01 cents
Primary Schools and Secondary Schools Energy Charge in cents per kWh - for units up to 200 kWh per month.	34.01 cents (12.85 cents/unit will be subsidized by the Government and customer pays 21.16 cents/ unit for the first 200 units)
Primary Schools and Secondary Schools Energy Charge in cents per kWh - for units in excess of 200 kWh per month.	34.01 cents
Street Light Tariff c/kWh Energy Charge in cents per kWh	 34.01 cents

- Fiji has the lowest electricity retail tariffs in the South Pacific, and electricity retail tariffs are cheaper compared to parts of Australia and New Zealand.

Tariff Regime

- The Regulator, Fiji Competition and Consumer Commission, has approved the tariff regulatory framework for EFL and this has come into force in October 2019. Prior to that, the tariff rates were revised in 2010 and 2013.

Year	Change in Tariff
2010	• Change approved to be implemented in three phases; • Phases 1 and 2 implemented in 2010, Phase 3 implemented in 2013
2013	Tariff reduced by 5% across all tariff categories
2019	Tariff increased by 2.74% across all categories

- As per the new tariff regulatory framework, the tariff review process will be conducted every 4 years. The next review will be held in October 2023. EFL has commenced with the process for this tariff review exercise.
- The approved tariff regime provides for the recovery of all operating costs under the Allowable Revenue Methodology and the ability to achieve the required rate of return on EFL's Regulated Asset Base. Therefore, tariff reviews play an important role in the timely development of the Industry.
- The tariff methodology has a component on the Ad-hoc review of the tariff to account for extra ordinary events such as natural disasters and any unbudgeted fuel cost incurred by EFL due to the uncontrolled increase in the global fuel price.
- Due to high CAPEX requirements to fund the renewable energy development program and other projects under the power development plan, EFL must have proper checks in place (such as solvency tests) to ensure it is able to meet investment requirements and shareholder return on investment expectations.

Industrial Relations

- EFL staff are members of two unions – CETWUF & FEWA.

Background to CETWUF

- Prior to the Essential National Industries (Employment) Decree 2011 coming into force in September 2011, EFL engaged with CETWUF for a Collective Agreement to come into force, however, CETWUF, decided to withdraw at the last minute to sign a new Collective Agreement.
- With the repeal of the Essential National Industries (Employment) Decree in September 2015, CETWUF, once again wrote to EFL to re-engage to develop and establish a Collective Agreement.
- CETWUF does not have a Collective Agreement in place with EFL. A Collective Agreement is an agreeable administrative document between two (2) parties and the Collective Agreement must be first established before proceeding to further any Log of Claims. We cannot have different sets of terms & conditions of employment for the same category of workers.
- CETWUF itself registered its 2019 Log of Claims with the Arbitration Court directly on 10th March 2020. The Arbitration Court is yet to rule on the matter.
- CETWUF proceeded to carry out the secret ballot for a strike on their Log of Claims for 2020, 2021, 2022 and 2023 which according to the Employment Relations Act is a contempt of Court and EFL is challenging this.
- Energy Fiji Limited (EFL) has continued to build its relationship with CETWUF over the last 7 years. EFL and CETWUF engaged on many occasions to discuss in order to come to an agreement on a Collective Agreement for its Trade and Staff category of employees
- EFL has always agreed to requests from CETWUF to meet its financial members who are EFL employees in their respective work locations at regular intervals.
- Since latter part of 2015, EFL and CETWUF engaged on many occasions to discuss and come to an agreement on a Collective Agreement for its Trade and Staff category.
- In 2017, Mediation and Compulsory Conference as under the Employment Relations Act failed resulting in referral to the Arbitration Court.
- Since 2019, the Chief Registrar of the Arbitration Court held multiple meetings with both EFL and CETWUF till 30th January 2020. The Chief Registrar instructed both parties that the Arbitration Court will sit and listen with both the Employer and Employee representatives in the Court.
- Despite the said matter being still at the Arbitration Court, EFL, continued to meet with the Union in good faith to come to an agreement. However, the Union has now decided to carry out a secret ballot to strike.
- EFL has instructed its Lawyers to put a stay order on the execution of the secret ballot.

Industrial Relations

Background to the Fiji Electricity Workers Association (FEWA) Union

- EFL has a signed Collective Agreement with FEWA (the second Union) since 1st August 2015 and both EFL and FEWA have been working very closely and in harmony.
- FEWA each year submits its Log of Claims to EFL and post negotiations taking into consideration EFL's overall ability to pay and finance Capital Expenditure and with the approval of the EFL Board, both EFL and FEWA has come to an agreement.
- The terms and conditions of the Log of Claims are applicable to all employees below the Senior Management

FEA/EFL Increments to Employees Over the Years

- Listed below are the increases provided to the employees over the years since 2015.

Salary Increase	Effective Date	Application
4%	1.1.2015	Tradesperson and Staff below Senior Management
3%	1.1.2017	Tradesperson and Staff below Senior Management
	2017	Entire Organisation equally shared a special one off Bonus payout of $1.5M for exceptional performance post TC Winston
3%	1.1.2018	Tradesperson and Staff below Senior Management
3%	1.1.2019	Tradesperson and Staff below Senior Management
	2020 (COVID-19)	▪ No pay cuts ▪ No reduced hours ▪ Maintained 10% FNPF contribution rather than reducing it to 5% as a statutory requirement as declared by the Government ▪ Performance Payout to all employees
	2021 (COVID-19)	▪ No pay cuts ▪ No reduced hours ▪ Maintained 10% FNPF contribution rather than reducing it to 5% as a statutory requirement as declared by the Government ▪ Performance Payout to all employees
5%	2022	▪ Tradesperson, Staff and Senior Staff ▪ Maintained 10% FNPF contribution rather than reducing it to 5% as a statutory requirement as declared by the Government
5% (Board approved, yet to be paid out)	2023	▪ Maintained 10% FNPF contribution rather than reducing it to 7% as a statutory requirement as declared by the Government

- Every employee has been on a PMS since 2009 and paid out annually based on set KPIs

VINAKA

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