

**STANDING
COMMITTEE ON
ECONOMIC AFFAIRS**

**Consolidated Review
Report of the Energy Fiji
Limited Annual Reports
2023 and 2024**

Appendices

ANNEX 1

WRITTEN SUBMISSIONS

- **Energy Fiji Limited**
- **Consumer Council of Fiji**
- **Fijian Competition and Consumer Commission**

Submission to Parliament Economic Committee – Energy Fiji Limited 2023 and 2024 Annual Report

Financial Performance

1. What were the key revenue streams for EFL during this period, and how did they evolve over the years?

EFL's principal revenue stream continued to be electricity sales, supported by other operating incomes such as contract sales, service and licence fees, lease rentals from fibre optic and power pole assets, grant amortisation, sales and commissions, and other recoveries. Electricity sales increased from **\$387.02 million in 2023** to **\$421.22 million in 2024**, reflecting higher energy demand, customer growth, and increased commercial and industrial activity. Total revenue also increased from **\$399.56 million in 2023** to **\$431.99 million in 2024**.

2. Can EFL provide insights into the major expenditures and how they contributed to operational efficiency?

The major expenditure items were fuel costs, electricity purchases, personnel costs, depreciation, and other operating expenses. Fuel remained the largest cost component, increasing from **\$192.97 million in 2023** to **\$211.07 million in 2024**, largely due to low rainfall affecting hydro generation and the continued use of hired diesel generation to maintain security of supply. These expenditures supported operational continuity by ensuring reliable electricity supply despite hydrological challenges. Expenditure on repairs, maintenance, asset upgrades, network reinforcement, protection systems, and staff retention also contributed to system reliability, operational resilience, and service continuity.

3. Were there any significant financial challenges faced between 2023 and 2024, and how they were addressed?

Between 2023 and 2024, EFL faced significant financial pressures from below-average rainfall, high fuel prices, increased diesel generation costs, foreign exchange exposure, staff retention pressures, and the need to maintain ageing strategic assets. In 2023, EFL recorded a loss after tax of **\$24.80 million**, driven mainly by high fuel costs, generator hire costs and increased operating costs. In 2024, EFL returned to a profit after tax of **\$7.17 million**, supported by higher electricity sales, fuel and foreign exchange hedging gains, disciplined cash-flow management, and continued compliance with debt covenants. EFL also continued to pursue its long-term Power Development Plan, renewable energy transition, and prudent debt management to strengthen financial sustainability.

4. How does EFL ensure the accuracy and reliability of its financial statement?

EFL ensures the accuracy and reliability of its financial statements through strong corporate governance, Board oversight, the Audit and Finance Sub-Committee, internal audit, external audit, risk management, segregation of duties, authorisation controls, reconciliations, and compliance with applicable accounting standards. The Audit and Finance Sub-Committee oversee financial reporting and works with management, internal audit, and the external auditor. Internal Audit provides independent assurance over internal controls, risk management, and governance processes, while the external auditor provides an independent audit opinion on the annual financial statements.

Policy and Regulatory Changes

5. What major policy changes were implemented during this period, and how did they impact the core function of EFL?

During the 2023–2024 period, there were no major policy changes that materially altered Energy Fiji Limited's (EFL) core mandate, governance structure, or operational responsibilities as a public company limited by shares. EFL continued to operate under the provisions of the Companies Act 2015, the Electricity Act 2017, and other applicable laws and regulations governing the electricity sector.

The Company's core function remained the generation, transmission, distribution, and sale of electricity throughout Fiji while ensuring the provision of safe, reliable, and affordable power to customers.

While there were no significant policy changes directly affecting EFL's corporate structure or operating mandate, the Company continued to align its strategic direction with Fiji's national energy and climate objectives. These included the Government's renewable energy targets and Fiji's commitment to achieving net-zero emissions by 2050. As a result, EFL accelerated its renewable energy development programme, including solar, battery energy storage, hydropower, and grid modernisation initiatives.

In addition, EFL continued to engage with Government, regulators, development partners, and international financial institutions on policy matters relating to energy security, renewable energy integration, infrastructure investment, and the long-term sustainability of electricity tariffs. These initiatives supported EFL's strategic objectives but did not constitute changes to the Company's core legislative or regulatory framework.

6. Were there any amendments to regulations that directly affected EFL stakeholders, including customers?

During the 2023–2024 reporting period, there were no significant amendments to the Electricity Act 2017 or other sector regulations that directly altered the rights, obligations, or service arrangements applicable to electricity customers.

Customers continued to receive electricity services under the existing regulatory framework administered by the Fijian Competition and Consumer Commission (FCCC), which remains responsible for the regulation of electricity tariffs and customer protection matters.

EFL continued to operate in accordance with the Electricity Act 2017 and maintained its Memorandum of Agreement (MOA) with the FCCC to undertake certain technical and regulatory functions on behalf of the regulator. The Company also continued to comply with all applicable regulatory requirements relating to safety, service quality, network reliability, and customer service standards.

Although no major regulatory amendments directly impacted customers during the period, EFL continued to work closely with the FCCC and other stakeholders on matters relating to electricity tariff reviews, renewable energy integration, grid expansion, and service improvements to ensure that customers receive reliable, safe, and affordable electricity services.

Infrastructure Development

7. What were the key infrastructure projects undertaken between 2023 and 2024, and how did they improve service delivery?

Between 2023 and 2024, EFL undertook several critical infrastructure projects to strengthen generation capacity, improve network reliability, support rural electrification, and prepare the grid for increased renewable energy integration.

Key projects included:

a. Mua 1MW Solar Photovoltaic Farm with Battery Energy Storage System, Taveuni

The 1MW grid-connected solar photovoltaic plant with battery energy storage at Mua, Taveuni was successfully commissioned in March 2024. This project is expected to contribute at least 1GWh of energy annually to meet Taveuni's electricity demand. It also supports EFL's renewable energy objectives and improves energy security on the island by reducing reliance on diesel generation.

b. Thermal firm-generation capacity for Viti Levu

EFL progressed additional firm-generation capacity to address increasing electricity demand and manage risks associated with low rainfall at hydro schemes. In 2024, EFL paid advance payments for the development of a 20MW thermal power plant at Kinoya and a 30MW thermal power plant at Vuda. EFL also procured 1MW diesel generator sets to strengthen contingency generation capacity. These investments were necessary to maintain security of supply, avoid rotating blackouts and power

rationing, and ensure continuity of electricity services during periods of reduced hydro generation.

c. **132kV Transmission Network from Virara, Ba to Koronubu/Rarawai, Ba**

EFL continued work on the 132kV transmission network development project from Virara Settlement to Koronubu and Rarawai, Ba. The project includes a 30km 132kV transmission line, a 132kV switching station at Virara, a 132kV/33kV substation at Koronubu, and interconnection to the existing Rarawai and Tavua substations. This project is intended to improve reliability and quality of power supply in the north-western region of Viti Levu, increase transmission capacity, and enable the evacuation of power from existing and future renewable energy projects, including hydro and solar developments.

d. **Grid extension and rural electrification works**

EFL also progressed grid extension works from Weilagi to Mua and towards Naselesele in Taveuni, as part of rural electrification works funded under the Fijian Government's Rural Electrification Programme. In 2024 there were 1,141 installations successfully connected to the grid through house wiring projects administered by EFL and the Department of Energy. These initiatives expanded access to electricity and improved service reach for rural communities.

e. **Transmission, substation and protection upgrades**

EFL continued upgrading its transmission and substation infrastructure, including 132kV circuit breaker and transformer protection works, mimic panel upgrades, tower refurbishment, and zone substation upgrades. These works improved operator safety, strengthened system protection, and enhanced the reliability and security of the Viti Levu Integrated Power System.

Collectively, these projects improved service delivery by strengthening generation adequacy, expanding renewable energy supply, reducing outage risks, improving grid reliability, supporting rural electrification, and preparing the network for future demand growth and renewable energy integration.

8. How did EFL ensure sustainability in its infrastructure development plans?

EFL ensures sustainability in infrastructure development through a combination of renewable energy planning, environmental compliance, technical standards, risk management, and long-term investment planning.

EFL's mission is to provide clean and affordable energy solutions to Fiji, with at least 90% of energy requirements to be met through renewable sources by 2035. Infrastructure planning is therefore aligned with EFL's 10-year Power Development Plan and Fiji's broader renewable energy transition. During 2023 and 2024, EFL progressed solar, battery storage, hydro, transmission and grid-modernisation projects that support this transition.

For infrastructure projects, EFL applies internationally accepted engineering standards and codes of practice, while also complying with local laws and regulatory requirements. Environmental and social due diligence is undertaken where required, including for renewable energy projects such as grid-connected solar developments in Ba, Tavua and Nadi. EFL also follows environmental impact assessment processes under Fijian laws and implements projects in accordance with approval conditions and performance requirements.

Sustainability is also embedded through long-term system planning. EFL's transmission investments are designed not only to improve present reliability but also to enable future renewable energy evacuation from hydro, solar and other generation sources. Similarly, battery energy storage investments improve renewable integration and energy security, particularly for island grids such as Taveuni.

In addition, EFL works with development partners such as ADB, IFC, EIB, AIFFP and other institutions to ensure that projects are technically robust, financially viable, environmentally responsible, and aligned with international best practice. This approach supports the development of resilient infrastructure that can perform over its intended lifecycle while minimising adverse environmental and social impacts.

9. Were there any delays or budget overruns in major projects, and what measures were taken to mitigate them?

During 2023 and 2024, EFL faced external challenges that placed pressure on project delivery, including global supply-chain constraints following COVID-19, weather-related disruptions, accessibility constraints, shortage of skilled and experienced personnel, and geopolitical impacts such as the Russia–Ukraine conflict.

For the 132kV transmission network from Virara to Koronubu/Rarawai, progress in 2023 was affected by disruptions in concrete supply and weather-related delays. In 2024, progress was again affected by adverse weather and accessibility constraints, particularly low river crossings. Despite these challenges, EFL continued to progress construction activities, including installation of major plant, erection of monopole and lattice tower structures, conductor stringing, 33kV interconnection works, and relocation of existing overhead 11kV and 415V lines.

Certain transmission maintenance and upgrade works, including replacement of 132kV disconnectors, isolators and earth switches, were also delayed due to global supply-chain disruptions and system operational constraints. These works were rescheduled to align with generation availability and outage requirements, with completion expected in later periods.

In relation to budget performance, EFL's 2024 approved a capital expenditure budget of \$234 million for 2024, against which EFL spent \$152 million. The capital expenditure was

funded through internal cash flows and the syndicate banking facility. Major funded projects included the 20MW Kinoya thermal power plant, the 30MW Vuda thermal power plant, and the 132kV transmission network from Virara Settlement to Rarawai, Ba. To mitigate delays and cost pressures, EFL applied several measures, including continued Board and management oversight, phased project implementation, use of syndicate banking facilities for major capital projects, engagement with development partners and technical advisers, procurement planning, design reviews, factory acceptance testing, and prioritisation of projects that directly supported reliability and security of supply. Overall, while some projects experienced delays due to factors largely outside EFL's direct control, EFL continued to manage these risks through active project monitoring, contingency planning, prudent financing, and prioritisation of works necessary to maintain reliable electricity supply to customers.

Public Engagement and Transparency

10. How did EFL engage with the public and stakeholders to ensure transparency in its decision-making?

Energy Fiji Limited (EFL) remains strongly committed to transparency, accountability, and stakeholder engagement as part of its corporate governance framework. EFL recognizes that maintaining public trust requires open communication, timely disclosure of information, and meaningful engagement with customers, communities, regulators, government agencies, shareholders, development partners, and the wider public. The Company's commitment to transparency is reinforced through its Board-approved Corporate Governance Framework, which emphasizes ethical conduct, stakeholder engagement, robust reporting and disclosure processes, risk management, and accountability. The Audit and Finance Sub-Committee oversees financial reporting and disclosure practices to ensure stakeholders have access to timely, accurate, and relevant information.

Media and Public Communications

EFL maintains a proactive communications programme to keep customers and stakeholders informed of key operational matters, infrastructure developments, planned maintenance, safety initiatives, service disruptions, renewable energy projects, and corporate developments.

Information is disseminated through:

- Official media releases to national media organisations including Fiji Times, Fiji Sun, Fiji Broadcasting Corporation (FBC), Fiji Television, Communications Fiji Limited (CFL), and other media outlets.
- EFL's corporate website.

- Social media platforms.
- Newspaper advertisements and public notices.
- Radio and television announcements.
- Customer SMS notifications and digital communication channels where appropriate.

These communication channels are regularly used to advise customers of planned outages, emergency restoration works, public safety information, project developments, and service improvement initiatives.

Customer Engagement and Accessibility

EFL continues to provide accessible customer service through its nationwide network of Customer Care Centre's located in Suva, Nausori, Sigatoka, Nadi, Lautoka, Ba, Rakiraki, Labasa, and Savusavu.

Customers can also engage with EFL through:

- 24-hour Contact Centre services.
- Telephone support.
- Email correspondence.
- Online customer services.
- Live chat facilities.
- Social media platforms.
- Mobile communication channels.

This multi-channel approach ensures customers can easily access information, report faults, raise concerns, and seek assistance regardless of their location.

Community Outreach and Public Awareness

EFL actively engages communities throughout Fiji through public awareness campaigns, community meetings, school visits, stakeholder briefings, and electrical safety programmes.

During 2023 and 2024, EFL conducted extensive customer engagement activities in support of major initiatives, including:

- The national prepayment meter upgrade programme.
- Rural electrification projects.
- Renewable energy developments.
- Electrical safety awareness campaigns.
- Energy conservation and efficiency programmes.

As part of the prepayment meter upgrade programme, EFL teams undertook extensive community outreach, directly engaging thousands of households and visiting villages and settlements throughout Fiji to ensure customers understood the upgrade process and had opportunities to raise concerns and seek clarification.

Stakeholder Consultations and Strategic Partnerships

EFL regularly consults with key stakeholders including:

- Government Ministries and Departments.
- Fijian Competition and Consumer Commission (FCCC).
- Department of Energy.
- Consumer Council of Fiji.
- Municipal Councils.
- Provincial and community leaders.
- Landowners and affected communities.
- Commercial and industrial customers.
- Development partners including ADB, World Bank, IFC, EIB, AIFFP, JICA and other international agencies.

These engagements support decision-making on major infrastructure projects, renewable energy investments, grid expansion initiatives, environmental and social considerations, electricity tariff matters, and long-term energy planning.

The 2024 Annual Report highlights EFL's strengthened collaboration with international development partners, including the Asian Development Bank and the World Bank, to develop renewable energy roadmaps and support Fiji's transition toward achieving over 90% renewable energy generation by 2035.

Customer Focus Through Satisfaction Surveys

EFL places customers at the centre of its operations. The Annual Customer Satisfaction Survey provides customers with a formal opportunity to evaluate EFL's performance and identify areas for improvement.

Survey areas include:

- Reliability of power supply.
- Complaint response times.
- Communication during planned and unplanned outages.
- Billing accuracy and timeliness.
- Customer service quality.
- Energy conservation awareness.
- Electrical safety education.

A combination of digital platforms, printed surveys, community outreach activities, and rural engagement programmes ensures participation from customers across Fiji, including remote and maritime communities.

Feedback collected through these surveys is analysed and used to improve operational performance, customer service delivery, communication strategies, and future planning. Through these combined initiatives, EFL seeks to ensure that stakeholders are not only informed but are also actively involved in helping shape the future development of Fiji's electricity sector.

11. Were there any public consultations or feedback mechanisms that influenced policy changes?

Yes. EFL actively seeks, values, and incorporates stakeholder feedback into its planning processes, service delivery improvements, infrastructure development programmes, and engagement with policymakers and regulators.

While there were no major legislative or policy changes directly affecting EFL's mandate during the 2023–2024 period, stakeholder feedback continued to play an important role in informing operational decisions, customer service improvements, infrastructure planning, and regulatory discussions.

Tariff Review Consultations

EFL regularly engages with the Fijian Competition and Consumer Commission (FCCC) on tariff-related matters. Public consultation processes undertaken through the FCCC provide opportunities for customers, businesses, industry representatives, and community groups to express views regarding electricity pricing, service expectations, affordability concerns, and future investment requirements.

These consultations help inform regulatory decision-making and ensure that customer perspectives are considered during tariff review processes.

Infrastructure and Renewable Energy Consultations

Major infrastructure and renewable energy projects undertaken by EFL involve ongoing consultation with:

- Landowners
- Communities
- Government agencies
- Environmental authorities
- Development partners
- Technical specialists and consultants.

Feedback received through these consultations contributes to project planning, environmental management, social impact mitigation measures, and overall project design.

Customer Feedback Mechanisms

EFL maintains multiple channels through which customers can provide feedback or raise concerns:

- 132 333 (Landline)
- 5333 (Mobile Users)
- 913 (Emergency Only)
- customers@efl.com.fj
- www.efl.com.fj

- Customer Care Centres Nationwide
- Social Media Platforms
- Live Chat Services

Customer enquiries, complaints, and suggestions are monitored and analysed to identify trends and opportunities for service improvements.

Community and Survey Feedback

Insights gathered through annual customer satisfaction surveys, village visits, community meetings, school outreach programmes, and public awareness campaigns help shape EFL's communication strategies, customer service initiatives, and operational priorities. This ongoing engagement ensures that stakeholder perspectives contribute meaningfully to continuous improvement and informed decision-making across the organisation.

12. How did EFL address complaints and concerns raised by its customers regarding services it provides?

EFL recognises that prompt and effective resolution of customer concerns is essential to maintaining public confidence and delivering high-quality electricity services. Accordingly, EFL has established structured customer service processes designed to ensure complaints are managed fairly, transparently, and efficiently.

Accessible Customer Support Channels

Customers can report faults, make enquiries, and lodge complaints through a variety of accessible channels, including:

- 24-hour Contact Centre services
- Customer Care Centres nationwide
- Email correspondence
- Online customer service portals
- Live chat facilities
- Social media platforms
- Emergency reporting services
- Direct engagement during community outreach programmes.

These channels ensure customers can access support at any time and through their preferred method of communication.

Structured Complaint Management Process

All complaints and service requests are formally recorded and tracked through EFL's customer service systems. Matters are assigned to the relevant operational teams for investigation, response, and resolution.

Where necessary, issues are escalated through management channels to ensure accountability and timely follow-up.

Complaint categories typically include:

- Power outages
- Voltage fluctuations
- Metering issues
- Billing enquiries
- New connection requests
- Service quality concerns
- Electrical safety matters.

Customer Communication During Service Interruptions

EFL places significant emphasis on communication during planned and unplanned outages. Customers are informed through media releases, social media updates, SMS notifications, public notices, and direct engagement where appropriate.

This approach helps customers understand the nature of service interruptions, expected restoration timelines, and progress updates during emergency response situations.

Community-Based Resolution and Outreach

In addition to digital and office-based support, EFL teams regularly engage directly with communities through outreach programmes, village visits, customer awareness campaigns, and stakeholder meetings. These interactions provide opportunities to address concerns face-to-face, explain technical issues, and build stronger relationships with customers.

Continuous Improvement Through Feedback Analysis

Customer complaints and feedback are regularly reviewed to identify recurring issues and areas requiring improvement. Lessons learned are incorporated into operational planning, maintenance programmes, customer service enhancements, staff training, and communication strategies.

This continuous improvement approach enables EFL to strengthen service delivery, improve response times, enhance reliability, and provide a better overall customer experience.

Through these measures, EFL seeks not only to resolve individual complaints but also to continuously improve the quality, reliability, accessibility, and responsiveness of the services it provides to the people of Fiji.

SDGs and Gender

13. How are the Sustainable Development Goals (SDGs) achieved, how are they aligned to EFL's long-term goals, and can EFL highlight its progress?

Energy Fiji Limited (EFL) plays a critical role in supporting Fiji's sustainable development agenda and is directly aligned with several United Nations Sustainable Development Goals (SDGs), particularly:

- **SDG 7 – Affordable and Clean Energy**

- **SDG 9 – Industry, Innovation and Infrastructure**
- **SDG 11 – Sustainable Cities and Communities**
- **SDG 13 – Climate Action**
- **SDG 17 – Partnerships for the Goals**

As Fiji's principal electricity utility, EFL's core mandate is closely aligned with **SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.**

Alignment with EFL's Long-Term Strategic Goals

EFL's long-term vision is to provide safe, reliable, affordable, and increasingly sustainable electricity to all Fijians while supporting national economic growth and climate resilience.

The Company's strategic direction is aligned with:

- Fiji's National Development Plan
- Fiji's Nationally Determined Contributions (NDCs)
- Fiji's Low Emissions Development Strategy (LEDS)
- Fiji's commitment to achieve net-zero emissions by 2050
- Government's renewable energy targets
- EFL's Power Development Plan.

To support these national objectives, EFL has committed to transitioning its generation portfolio to **at least 90% renewable energy by 2035**. Achieving this target requires significant investment in generation, transmission and distribution infrastructure, with planned investments exceeding **\$4.5 billion over the next decade**.

Progress Towards SDG 7 – Affordable and Clean Energy

Reliable and Affordable Electricity Supply

EFL continues to provide some of the most affordable electricity tariffs in the Pacific region, as benchmarked through Pacific Power Association comparisons.

The Company also continued to improve service reliability through targeted investments in generation, transmission and distribution infrastructure.

Key reliability indicators improved significantly:

Indicator	2022	2023	2024
Controllable SAIDI (minutes/customer)	239	223	218
Controllable SAIFI (interruptions/customer)	4.23	3.23	3.08

These improvements demonstrate EFL's continued focus on reducing outages and improving customer service outcomes.

Renewable Energy Transition

EFL continued to accelerate its renewable energy programme during 2023 and 2024.

Key milestones include:

Mua Solar PV and Battery Energy Storage Project (Taveuni)

The 1MW Solar Photovoltaic Farm and Battery Energy Storage System at Mua, Taveuni was commissioned in March 2024 and is expected to generate approximately 1GWh of clean energy annually.

This project reduces dependence on diesel generation and improves energy security for Taveuni.

Renewable Energy Pipeline

EFL continued development and planning for:

- Utility-scale solar projects
- Battery Energy Storage Systems (BESS)
- Hydro generation enhancements
- Grid modernisation projects
- Renewable energy integration infrastructure.

The Company also continued collaboration with development partners including:

- Asian Development Bank (ADB)
- International Finance Corporation (IFC)
- European Investment Bank (EIB)
- Australian Infrastructure Financing Facility for the Pacific (AIFFP)
- World Bank and other international partners.

Sustainable Infrastructure Development

EFL's investment programme supports SDG 9 through:

- Expansion of the 132kV transmission network
- Grid reinforcement projects
- New substations and switching stations
- Rural electrification initiatives
- Modernisation of protection and control systems
- Integration of renewable energy resources.

In 2024, EFL connected over 1,100 households through rural electrification programmes implemented in partnership with the Department of Energy and the Government of Fiji.

Climate Action and Environmental Stewardship

Supporting SDG 13 remains a major strategic priority.

EFL continues to:

- Reduce reliance on imported fossil fuels
- Increase renewable generation capacity
- Improve network efficiency
- Reduce greenhouse gas emissions
- Support Fiji's climate commitments.

Environmental and social safeguards are incorporated into project planning through environmental assessments, compliance monitoring, stakeholder consultations, and adherence to international development partner requirements.

Partnerships for Sustainable Development

EFL recognises that achieving the SDGs requires strong partnerships.

The Company works closely with:

- Government Ministries and Departments
- FCCC
- Department of Energy
- Development partners
- Independent Power Producers (IPPs)
- Local communities and landowners
- Regional and international energy organisations.

These partnerships support financing, technical assistance, policy alignment, and implementation of major infrastructure projects.

Summary of Progress

During 2023–2024, EFL demonstrated measurable progress towards the SDGs through:

- Improved network reliability
- Expansion of renewable energy generation
- Commissioning of the Mua Solar PV and Battery Storage Project
- Continued investment in transmission and distribution infrastructure
- Expansion of rural electrification programmes
- Strong stakeholder partnerships supporting Fiji's energy transition.

These achievements position EFL to continue supporting Fiji's sustainable development objectives while maintaining affordable and reliable electricity services for customers.

14. How does EFL maintain gender equality in its staffing and recruitment processes?

EFL is committed to providing an inclusive, diverse, and equitable workplace where employment decisions are based on merit, capability, qualifications, experience, and performance.

The Company's Human Resources policies and practices promote equal employment opportunities and prohibit discrimination based on gender, ethnicity, religion, age, disability, or other personal characteristics.

Gender Equality in Staffing

EFL continues to encourage female participation across all areas of the organisation, including technical, engineering, operational, professional, and leadership roles.

The Company's recruitment, promotion, training, and succession planning processes are designed to provide equal opportunities for all employees.

Gender representation during the reporting period was as follows:

EFL Gender Data	2023	2024
Female Employees	110	127
Male Employees	764	800
Total Employees	874	927

Executive Leadership Positions

Executive Position Holders	2023	2024
Female	1	1
Male	8	9
Total	9	10

Between 2023 and 2024, female employee representation increased by approximately 15%, reflecting EFL's ongoing efforts to encourage broader workforce participation and diversity.

Gender Equality in Recruitment

EFL's recruitment framework is based on fairness, transparency and equal opportunity.

Key principles include:

- Merit-based recruitment and selection
- Equal access to employment opportunities
- Structured recruitment and interview processes
- Objective assessment criteria
- Equal remuneration principles
- Professional development opportunities for all employees

EFL actively encourages women to pursue careers in engineering, technical trades, information technology, finance, customer service and leadership roles.

Recruitment Statistics by Gender

EFL Gender Data	2023	2024	Comment
Vacancy Applicants – Female	529	227	
Vacancy Applicants – Male	2,775	496	
Total Vacancy Applicants	3,304	723	Recruitment volumes vary by year
Successful Applicants – Female	102	18	
Successful Applicants – Male	438	59	
Total Successful Applicants	540	77	
Female Success Rate	19.3%	7.9%	Successful female applicants as a percentage of female applicants

Male Success Rate	15.8%	11.9%	Successful male applicants as a percentage of male applicants
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The recruitment data demonstrates that female candidates continue to participate actively in EFL's recruitment processes and are assessed using the same merit-based selection criteria as all applicants.

It should be noted that historical recruitment records may vary slightly due to limitations in the collation and recording of gender-specific recruitment data in previous years. EFL continues to improve its human resource information systems and reporting capabilities to strengthen workforce analytics and diversity monitoring.

Workplace Inclusion and Employee Development

EFL continues to invest in people development through training, leadership development, succession planning, employee wellness programmes and workforce capability enhancement.

The Company supports employee growth through:

- Graduate programmes
- Apprenticeship and trainee programmes
- Technical and leadership training
- Professional certification support
- Succession planning initiatives

EFL recognises that a diverse workforce contributes to stronger decision-making, innovation, customer service and organisational performance.

Accordingly, EFL remains committed to fostering a workplace culture that values diversity, inclusion, respect and equal opportunity while continuing to increase female participation across technical, professional and leadership positions throughout the organisation.

General

15. What challenges are faced by EFL with its current staff turnover?

Like many utilities and infrastructure organisations globally, EFL continues to face workforce challenges arising from increased competition for skilled labour, migration of experienced professionals, and the growing demand for specialised technical expertise required to support Fiji's energy transition.

As Fiji's national electricity utility, EFL's operations depend heavily on a highly skilled workforce comprising engineers, technicians, electricians, line mechanics, power system operators, project managers, information technology specialists, and other technical professionals. Staff turnover therefore presents several operational and strategic challenges.

Loss of Critical Technical Expertise

One of the most significant challenges is the loss of experienced technical personnel who possess specialised operational knowledge developed over many years of service.

These employees often have critical expertise in:

- Power generation operations
- Transmission and distribution systems
- System protection and control
- Network planning and design
- Asset maintenance and reliability management
- Renewable energy integration
- Project management and commissioning.

The departure of experienced personnel can result in the loss of institutional knowledge that is not easily replaced within Fiji's relatively small technical labour market.

Migration and Regional Competition for Talent

EFL continues to experience the impacts of global and regional labour mobility, particularly the migration of skilled workers to larger overseas markets such as Australia and New Zealand.

This trend has intensified competition for qualified engineers, technicians, tradespersons, and other professionals, creating recruitment and retention challenges across the utility sector.

Attracting and retaining suitably qualified personnel remains a key organisational risk, particularly as EFL embarks on a significant infrastructure and renewable energy investment programme.

Workforce Capability Requirements for the Energy Transition

As EFL progresses towards its target of achieving at least 90% renewable energy generation by 2035, the organisation requires new and increasingly specialised skills in areas such as:

- Solar photovoltaic systems
- Battery energy storage systems
- Renewable energy integration
- Grid modernisation
- Digital technologies
- Advanced power system operations
- Environmental and sustainability management.

Competition for these emerging skill sets further increases workforce pressures.

Increased Workload and Resource Constraints

Where vacancies arise in critical positions, existing employees may be required to assume additional responsibilities while replacement personnel are recruited and trained.

This can result in:

- Increased workload pressures

- Greater operational demands
- Longer onboarding and training periods for new staff
- Potential impacts on project delivery timelines.

EFL continues to actively manage these risks through workforce planning and resource allocation strategies.

Safety and Operational Risks

The electricity industry is inherently high-risk, involving work on high-voltage systems, generation facilities, transmission infrastructure, and field operations.

A workforce with reduced experience levels can increase operational and safety risks if not adequately supported through training, supervision, and competency development programmes.

For this reason, EFL places strong emphasis on technical competency, certification, supervision, and continuous safety training.

Leadership Succession and Organisational Continuity

Staff turnover among experienced employees can also affect succession planning and leadership development.

The loss of senior technical and managerial personnel can create challenges in maintaining organisational continuity, mentoring future leaders, and retaining institutional knowledge required for long-term business sustainability.

This is particularly important given EFL's ambitious capital investment programme and long-term renewable energy transition objectives.

16. How is EFL addressing these challenges?

EFL recognises that its people are among its most important assets and has implemented a range of initiatives aimed at attracting, developing, retaining, and supporting a skilled and capable workforce.

The Company's People and Culture Strategy focuses on workforce capability development, succession planning, employee engagement, leadership development, and knowledge transfer.

Investment in Local Talent Development

EFL continues to invest significantly in developing local talent to build a sustainable pipeline of future technical and professional employees.

This includes partnerships with educational institutions such as:

- Fiji National University (FNU)
- The University of the South Pacific (USP)
- Technical and vocational training institutions.

Through these partnerships, EFL provides:

- Graduate employment opportunities

- Industrial attachments
- Internships
- Apprenticeships
- Technical training programmes.

These initiatives help strengthen Fiji's local skills base while reducing long-term reliance on external recruitment.

Graduate, Apprentice and Trainee Programmes

EFL continues to operate structured development programmes for:

- Graduate Engineers
- Graduate Professionals
- Apprentice Electricians
- Apprentice Line Mechanics
- Trainee Technicians
- Technical Cadets.

These programmes enable EFL to identify and develop future technical specialists and leaders from within the organisation.

EFL continues its commitment to building internal capability to support future operational and infrastructure requirements.

Workforce Upskilling and Continuous Learning

To support emerging technologies and changing industry requirements, EFL continues to invest in:

- Technical certification programme
- Leadership development programmes
- Safety training
- Project management training
- Digital and information technology skills
- Renewable energy and battery storage competencies.

This ensures employees remain equipped to manage modern electricity infrastructure and support Fiji's renewable energy transition.

Employee Retention and Engagement Initiatives

Recognising the challenges posed by overseas migration and increasing competition for talent, EFL continues to implement measures aimed at improving employee retention and engagement.

These include:

- Competitive remuneration reviews within market constraints
- Career development opportunities
- Internal promotion pathways
- Employee recognition programmes

- Staff wellness initiatives
- Improved workplace communication and engagement.

The objective is to provide employees with rewarding and meaningful career opportunities while fostering a strong sense of commitment to EFL's national service role.

Knowledge Transfer and Succession Planning

EFL has strengthened knowledge management and succession planning initiatives to ensure critical expertise is retained within the organisation.

Key measures include:

- Structured mentorship programmes
- Coaching and leadership development
- Documentation of technical procedures and operating standards
- Succession planning for critical positions
- Cross-functional training and exposure.

Where appropriate, experienced employees may also be engaged in advisory or consultancy capacities to facilitate knowledge transfer and support workforce continuity.

Strong Safety Culture

Safety remains a core organisational priority.

EFL maintains comprehensive health, safety and wellbeing programmes that include:

- Safety inductions for new employees
- Competency assessments
- Regular refresher training
- Toolbox meetings
- Incident investigations and lessons learned programmes
- Compliance with industry safety standards and procedures.

These measures help ensure that new and existing employees can perform their duties safely and effectively.

Strategic Workforce Planning

EFL continues to strengthen workforce planning processes to ensure that future staffing requirements are aligned with the Company's strategic priorities, infrastructure development programme, and renewable energy transition plans.

The Company regularly reviews workforce requirements, identifies critical skills gaps, and develops targeted recruitment and training initiatives to ensure EFL maintains the capability required to deliver reliable electricity services to Fiji.

While staff turnover and competition for skilled labour remain significant challenges, EFL has adopted a proactive and comprehensive workforce strategy focused on talent development, employee retention, succession planning, continuous learning, and

workplace safety. These initiatives are helping to build a resilient workforce capable of supporting EFL's long-term objectives and Fiji's energy future.

Capital Expenditure

17. Provide a complete accounting of EFL's actual capital expenditure versus approved capital expenditure for each financial year from 2019 to 2025

EFL has prepared the detailed year-by-year investment expenditure reconciliation in **Appendix 1**. Based on Appendix 1, the summary position is as follows:

Year	Approved CAPEX F\$M	Actual CAPEX F\$M	Underspend F\$M
2019	105.37	62.77	42.60
2020	96.23	43.71	52.53
2021	133.72	33.58	100.14
2022	145.83	44.54	101.29
2023	111.98	56.37	55.61
2024	233.83	152.23	81.61
2025	298.96	147.11	151.85

(a) Projects deferred

The detailed list of deferred projects is provided in Appendix 1. The major deferred or carried-forward projects included, among others:

In 2019, deferred or carried-forward works included the Wailoa Half Life project, Transmission 132kV Tower Replacement, Transmission Workshop at Kinoya, Asset Management System, Telecom Tower Upgrade, UPS replacements, IT platform refresh and HRIS/payroll system works.

In 2020, deferred or delayed works included the Aged Asset Replacement Programme, Monasavu Hydro Electric Scheme Half Life Refurbishment, and certain property and facilities retention works.

In 2021, deferred works included 6.6kV to 11kV distribution upgrades, Pacific Lumber and Malau feeder upgrade, AMR project, GIS/Asset Management System, FMIS/HRIS upgrade, Hibiscus Park transformer replacements, New Kinoya transformer relocation, and several network building and depot projects.

In 2022, deferred works included replacement of ageing high-speed generators, Wartsila PLC control system upgrade, Penstock upgrade works, refurbishment of turbine generator, controls and HV switchgear, 415V board refurbishment, GIS/Asset Management System, billing and CRM system upgrade, and repeater station projects.

In 2023, deferred works included Lower Ba hydro-electric scheme, development of 33/11kV substations, Nawai and Yaqara network development works, replacement of

Labasa power station units, Wailoa fire system upgrade, billing and CRM system upgrade, PABX upgrade, land acquisition for solar, and various depot/property works.

In 2024, deferred works included aged asset replacement, Pacific Lumber and Malau feeder upgrade, Vuda transformer replacements, Wailoa fire system upgrade, Sabeto-Waqadra-Qeleloa reconfiguration, Maro zone substation upgrade, Waqadra switchgear upgrade, fault level management works, and property/depot projects.

In 2025, major deferred works included Lower Ba hydro-electric scheme, Grid Extensions for IFC Solar Interconnectivity, Wailoaloa Substation and 33kV linking works, Yaqara/Fiji Water substation and 33kV line extension, Pineapple Corner transformer replacements, USP 33kV/11kV substation and Vatuwaqa-USP cable, Transmission Workshop Kinoya, Penstock Upgrade Works, Komo Park feeder augmentation, Wainiqueu refurbishment works and various depot/property projects.

(b) Reasons for deferral

The principal reasons were operational, implementation and funding constraints, including:

COVID-19 related disruptions, including delays in procurement, project mobilisation, contractor availability and international supply chains; shortages of skilled manpower due to migration and competition for specialist engineering and utility skills; reprioritisation of urgent reliability, safety and generation-security works; land access, land acquisition and external stakeholder delays; deferral of non-critical works due to cashflow discipline and cost containment; retention payments and multi-year project timing; and deferral of projects assessed as not urgent at the relevant time.

These reasons are consistent with EFL's operating context. EFL is a capital-intensive utility that must continue investing in ageing assets, reliability, transmission, generation and renewable-energy transition while maintaining financial sustainability and debt covenant compliance. EFL proposed a 31.7% tariff increase in 2024 but received a nil increase, while capital expenditure commitments remained significant.

(c) Tariff revenue collected corresponding to deferred projects

EFL's capital expenditure programme after the 2019 tariff determination was not funded through a dedicated CAPEX allowance approved under that tariff determination. Rather, it was largely funded through retained earnings, internal cashflows and, where necessary, borrowings under EFL's banking facilities. The 2019 tariff adjustment was focused on operational expenditure sustainability and did not fully support the level of CAPEX required by EFL.

It is important to note that in 2019, EFL submitted a tariff adjustment request of **17.27%**, but only **2.7%** was approved. That determination expired in September 2023. Since then, EFL has had to absorb inflation, supply-chain shocks, freight and duty changes, higher

insurance costs, fuel-price volatility and wage pressures without these costs being fully passed through to customers.

By comparison, cumulative inflation from 2019 to 2025 is approximately 11%, and forecast cumulative inflation to 2029 is approximately 18%, against the 2.7% tariff increase approved in 2019. This inflation impact alone materially exceeds the tariff increase approved, before considering the additional cost pressures from freight, insurance, fuel, and global competition for technical and engineering personnel.

EFL will not compromise public safety, employee safety, system reliability or security of supply. Accordingly, where funding, manpower, procurement or sequencing constraints arose, EFL reprioritised critical works and deferred lower-priority or non-urgent projects. This approach ensured that essential electricity services continued to be delivered safely and reliably while EFL managed its cashflow and financial obligations responsibly.

EFL's 2025 CAPEX was funded from internal cashflows and the syndicate banking facility, and that EFL remained focused on funding critical transmission, thermal generation and renewable-transition infrastructure.

In summary, the underspend against approved CAPEX should not be interpreted as tariff revenue collected for projects but not utilised. The underspend reflects timing differences, project deferrals, implementation constraints and prudent reprioritisation under a tariff framework that did not adequately fund EFL's full CAPEX and OPEX requirements.

Dispatch Management

18. The Monasavu Dam level was 736 metres in May 2026 — below EFL's preferred dry season threshold of 740 metres. What was the dam level on the same date in each of the previous five years, and what contingency arrangements exist to manage the intersection of dry season hydrology failure and global fuel price shocks simultaneously?

The operation of the Monasavu Hydro Scheme and Wailoa Power Station is highly dependent on rainfall patterns, catchment inflows and the water storage level at Monasavu Dam. As hydro generation remains EFL's lowest-cost and most environmentally sustainable source of electricity, dam level management is a critical component of EFL's generation planning and energy security strategy.

The table below presents the Monasavu Dam levels recorded on **13 May** of each year and the corresponding generation strategy adopted by EFL.

Year	Monasavu Dam Level (m)	Wailoa Generation Strategy
2026	736.99	Approximately 35% Wailoa contribution
2025	740.86	Maximum Wailoa utilisation
2024	743.20	Maximum Wailoa utilisation

2023	737.72	Approximately 25%–30% Wailoa contribution
2022	744.34	Maximum Wailoa utilisation

The data demonstrates that 2026 experienced one of the lowest dam levels during the period under review and was below EFL's preferred dry-season operating threshold of approximately 740 metres. Similar conditions were experienced in 2023 when water levels also fell below the preferred threshold.

When dam levels fall below preferred operating levels, EFL deliberately moderates hydro generation to preserve water storage for critical system reliability requirements and to ensure continuity of supply through the remainder of the dry season. This strategy seeks to balance immediate generation requirements against future hydrological uncertainty.

Contingency Arrangements for Concurrent Hydrology Failure and Fuel Price Shocks

EFL maintains a multi-layered generation security and fuel-risk management framework to address circumstances where reduced hydro availability coincides with elevated global fuel prices.

The principal contingency measures include:

a. Optimised Hydro Resource Management

EFL continuously monitors rainfall forecasts, catchment inflows, reservoir levels and seasonal weather outlooks. During periods of reduced inflows, hydro generation is carefully rationed to preserve strategic water reserves while maintaining system stability. This allows hydro resources to be deployed when they provide the greatest system and economic benefit.

b. Maximisation of Independent Power Producer (IPP) Generation

EFL maximises dispatch from Independent Power Producers where economically and technically feasible. The increasing contribution of IPPs provides diversification of generation sources and reduces reliance on imported fossil fuels during periods of hydrological stress.

c. Maximisation of Lower-Cost Heavy Fuel Oil (HFO) Generation

Where thermal generation is required, EFL prioritises the operation of more efficient HFO-based generation assets ahead of higher-cost diesel generation wherever system conditions permit. This minimises the overall fuel cost burden on the power system and customers.

d. Diversified Generation Portfolio

EFL continues to invest in a diversified generation portfolio comprising hydro, thermal, solar and Independent Power Producer generation sources. This diversification reduces exposure to any single generation technology, weather event or commodity price movement.

The commissioning and integration of utility-scale renewable energy projects form a key component of EFL's long-term strategy to reduce both hydrological and fuel-price risks while supporting Fiji's national renewable energy targets.

e. Strategic Fuel Supply and Inventory Management

EFL maintains fuel procurement arrangements and inventory management practices designed to reduce supply disruption risks. Fuel stock levels are continuously monitored to ensure adequate reserves are available during periods of abnormal hydro conditions, extreme weather events or global fuel market volatility.

f. Generation Asset Reliability Programme

EFL maintains reserve thermal generation capacity to ensure electricity supply can be maintained during periods of reduced hydro output. Significant investments have been undertaken in recent years in generation plant refurbishment, asset replacement and preventative maintenance programmes to improve system resilience and availability. This approach is particularly important during prolonged dry periods when thermal generation becomes the primary source of system support.

g. Renewable Energy Transition Programme

EFL's current capital investment programme places significant emphasis on expanding renewable generation capacity, grid strengthening and renewable integration infrastructure. The purpose of these investments is to progressively reduce Fiji's exposure to imported fuel price volatility while improving long-term energy security.

h. Financial and Operational Risk Management Framework

EFL's Board and Executive Management regularly review enterprise risks associated with hydrology, fuel prices, climate variability and security of electricity supply. These risks are incorporated into EFL's corporate planning, operational planning, capital investment programme and financial management framework.

The utility continuously evaluates generation dispatch strategies to minimise the combined impact of adverse hydrological conditions and fuel-price shocks on customers while ensuring security, reliability and safety of electricity supply.

While the Monasavu Dam level in May 2026 was below EFL's preferred dry-season threshold, EFL has established operational, technical and financial contingency measures to manage such circumstances. These measures include prudent hydro resource management, maximisation of lower-cost generation sources, utilisation of Independent Power Producers, maintenance of strategic thermal reserves, fuel inventory management, and ongoing investment in renewable energy and grid infrastructure.

Collectively, these arrangements are designed to ensure that Fiji's electricity supply remains secure, reliable and resilient even during periods where reduced hydrological inflows coincide with elevated international fuel prices.

Government Support

19. What is the total quantum of direct and indirect government financial support provided to EFL since the 2021 divestment, broken down by year and by type (fuel duty concessions, direct subsidies, domestic electricity subsidy payments, the April/June 2026 fuel rebate, and any other budget support)?

Energy Fiji Limited confirms that, since the 2021 divestment, it has not received direct Government financial support in the form of shareholder grants, capital injections, operating subsidies, debt forgiveness, or budget support provided for EFL's corporate benefit.

The Government has, however, continued to provide targeted electricity assistance to eligible low-income domestic customers. This subsidy is a consumer-support measure, not a subsidy to EFL. EFL administers the subsidy through customer billing, but the economic beneficiary is the eligible household.

Under the domestic electricity subsidy scheme:

Year	Government Domestic Electricity Subsidy (FJ\$)
2021	12,837,918
2022	9,692,029
2023	9,104,633
2024	9,226,917
2025	9,302,168
Total	50,163,665

The subsidy applies to eligible low-income households with combined annual income of FJ\$30,000 or less. It applies to the first 100 units of monthly electricity consumption, with Government meeting 48.05% of the applicable tariff and customers paying 51.95%.

Approximately 60,000 households benefit from the scheme.

Accordingly, the FJ\$50.16 million paid under this programme from 2021 to 2025 should be classified as Government support to consumers, not financial support to EFL.

During the 2026 fuel-price crisis, Government introduced additional economy-wide relief measures, including fuel-related concessions and absorption of certain tariff impacts.

These measures were designed to reduce the impact of global fuel-price shocks on consumers and businesses, particularly low-income households and MSMEs.

The relevant measures included:

1. Government absorption of the 5.91 cents per unit interim fuel surcharge for eligible low-income households and MSMEs
2. Interim subsidy support estimated at approximately FJ\$300,000 per month and

3. Foregone fuel duties and related charges estimated at approximately FJ\$2 million per month.

These measures reduced the burden on customers and the wider economy. They should not be characterised as direct shareholder funding or budget support to EFL.

Therefore, EFL's position is as follows:

Category	Amount to EFL
Direct Government grants to EFL since 2021 divestment	Nil
Government capital injection into EFL	Nil
Government operating subsidy to EFL	Nil
Government debt forgiveness or loan support to EFL	Nil
Domestic electricity subsidy	Paid for benefit of eligible consumers
2026 fuel relief measures	Consumer/economy relief, not shareholder support to EFL

Conclusion: The total quantum of direct and indirect Government financial support provided to EFL since the 2021 divestment is **Nil**. Government support during this period has been directed to consumers and businesses, not to EFL as a company.

20. The Government's April 2026 \$56 million fuel crisis package includes fuel rebates to EFL of 20 cents/litre on diesel and 12 cents/litre on HFO. What is the estimated total fuel rebate that will flow to EFL under this arrangement, how long is the rebate period, and is the rebate structured as a grant or a repayable facility? If it is a grant, what shareholder agreement provisions require Chugoku's consent for government support of this nature?

The Government's April 2026 fuel crisis package included fuel-related relief applicable to EFL's generation fuel costs, comprising a rebate or concession of:

- 20 cents per litre on diesel; and
- 12 cents per litre on heavy fuel oil.

Based on EFL's estimated eligible fuel volumes, the total estimated value of the rebate/concession over the implementation period is approximately **FJ\$8.22 million and not FJ\$56 million**, broken down as follows:

Month	Estimated Amount (FJ\$)
April 2026	1,954,975
May 2026	1,933,632
June 2026	2,122,234
July 2026	2,210,036

Total	8,220,878
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The rebate/concession applies over a four-month period from **April 2026 to July 2026**.

The arrangement operated in two phases:

1. **April 2026 rebate phase** — refund mechanism for fiscal duty already paid on eligible diesel and HFO purchases and
2. **May to July 2026 concession phase** — fuel supplied at concessionary rates through duty-free or adjusted tax treatment at the point of purchase.

The arrangement is **not a repayable facility**. It does not create a loan, debt obligation or repayment liability for EFL. For accounting purposes, the concession may be treated as a Government grant under IAS 20 to the extent that it offsets eligible operating costs associated with electricity generation.

From a governance perspective, the proposal for a fuel duty concession was initiated by EFL Management, considered and approved by the EFL Board, and then formally submitted to the Ministry of Finance. The EFL Board includes representation from Chugoku Electric Power, meaning shareholder-level oversight was incorporated through the Board approval process.

On the question of whether Chugoku's separate consent was required, the key point is that the fuel rebate/concession was not a shareholder capital injection, not a new debt facility, not a transfer of shares, and not a change to EFL's ownership structure. It was a temporary fiscal concession approved by Government to mitigate extraordinary fuel-price pressures and protect consumers from a sharper tariff shock.

Subject to confirmation against the final executed Shareholders' Agreement, a measure of this nature would generally only require separate shareholder consent if it fell within a reserved matter.

Summary position:

Item	Response
Estimated total rebate/concession	Approximately FJ\$8.22 million
Period covered	April to July 2026
Duration	4 months
Structure	April refund/rebate; May–July concession at point of purchase
Repayable?	No
Accounting treatment	Government grant/concession under IAS 20, subject to audit confirmation
Chugoku approval	Board approval included Chugoku representation

Separate shareholder consent	Not expected unless required under a specific reserved matter in the Shareholders' Agreement
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EFL's position is therefore that the 2026 fuel rebate/concession was a temporary Government fiscal relief measure to cushion consumers and the electricity sector from extraordinary global fuel-price volatility. It should not be treated as ongoing Government financial support to EFL or as a repayable facility.

Shareholder Interest

21. What contracts, sub-contracts, or procurement arrangements have been entered into between EFL and Chugoku Electric Power Company, its subsidiaries, or affiliated entities since April 2021? What was the procurement process (open tender, restricted tender, direct award) for each such contract, and what was the total value?

Energy Fiji Limited confirms that, based on the contract registry records available, the following consultancy arrangements have been entered into with The Chugoku Electric Power Company, Incorporated since April 2021.

Contract / Reference	Date Signed	Description	Procurement Process	Contract Value
M37/22	21 June 2022	Consultancy services for the expansion of power generation capacity in Fiji	Direct / specialist consultancy engagement	USD 180,000
M38/2025	14 August 2023	Amendment to Agreement	Amendment to existing consultancy arrangement	Amendment – No change in value.
M30/2026	2 June 2026	Addendum No. 1 — Consultancy services for hydro civil engineering in Fiji	Addendum to existing consultancy arrangement	Amendment – No change in value.

The primary engagement identified is **M37/22**, signed on **21 June 2022**, for consultancy services relating to the expansion of power generation capacity in Fiji, with a contract value of **USD 180,000**.

Subsequent registry entries, namely **M38/2025** and **M30/2026**, relate to amendments or addenda to existing consultancy arrangements.

EFL has continued to pursue major generation, renewable energy, hydro, transmission and grid-strengthening investments. In that context, specialist technical advisory support from experienced international utilities is required for generation planning, hydro civil engineering, renewable integration and system reliability matters.

Chugoku Electric Power is a strategic shareholder of EFL. Accordingly, any procurement or contracting arrangement involving Chugoku, its subsidiaries or affiliated entities must be managed with appropriate governance safeguards, including declaration and management of conflicts of interest, Board oversight where required, and compliance with EFL's procurement and delegated authority policies.

For completeness, EFL also notes that there is one current open tender involving Chugoku as a bidder:

Tender No.	Description	Date Called	Tender Closed	Status
MR 47/2026	Owner's Engineer for Ground Mounted Solar Farm with BESS at Tavua, Ba and Qeleloa, Viti Levu	25 March 2026	22 April 2026, extended to 29 April 2026	Under evaluation

This tender is not a concluded contract and therefore should not be reported as a contract entered into with Chugoku. It is disclosed for transparency only because Chugoku Electric Power Company has submitted a bid and the tender is currently under evaluation.

EFL's position is therefore as follows:

1. The only confirmed contract value presently available from the registry is **USD 180,000** under M37/22.
2. M38/2025 and M30/2026 are recorded as an amendment and addendum respectively.
3. MR 47/2026 is an open tender under evaluation and no contract has yet been awarded.
4. Any award to Chugoku or its affiliates must comply with EFL's procurement rules, conflict-of-interest requirements, Board governance requirements and any applicable shareholder agreement provisions.
5. EFL support the business rationale for obtaining specialist technical expertise in generation expansion, hydro engineering, renewable energy and grid integration, but do not remove the need for proper procurement and related-party governance.

In summary, since April 2021, the confirmed Chugoku-related procurement arrangement recorded in the registry is the **USD 180,000 consultancy contract signed on 21 June 2022**, together with subsequent amendments/addenda. The current 2026 Owner's Engineer

tender remains under evaluation and should not be treated as an awarded contract unless and until EFL completes the procurement process and issues a formal award.

10 Year Development Plan

22. EFL's 2024 Annual Report refers to a \$5 billion ten-year investment programme.

What is the funding plan for this programme in detail — by year, by project, by funding source, what Board-approved financial model underpins this plan, and what tariff assumptions does it depend upon?

EFL confirms that the \$5 billion ten-year investment programme referred to in the 2024 Annual Report is a long-term strategic capital investment programme. It represents the estimated investment required to maintain and modernise Fiji's electricity infrastructure, strengthen energy security, replace ageing assets, expand generation capacity, support renewable energy integration, improve grid resilience and meet future demand growth. The programme is not intended to be interpreted as a fully committed, fully funded project-by-project capital budget already approved for expenditure. Rather, it is a strategic investment pipeline that will be implemented progressively, subject to Board approval, regulatory approval, project feasibility, procurement outcomes, financing availability, tariff adequacy and affordability considerations.

1. Main investment categories

The ten-year investment programme is expected to cover the following broad categories:

Investment Area	Purpose
Renewable generation projects	Solar, hydro and other renewable energy projects to reduce dependence on imported fuel
Grid and transmission strengthening	Network reinforcement to improve reliability and enable renewable energy connection
Distribution upgrades	Replacement of ageing distribution assets and improvement of customer supply quality
Thermal generation reliability	Maintenance, refurbishment or replacement of critical backup generation capacity
Hydro asset refurbishment	Civil, mechanical and electrical works to extend the life of strategic hydro assets
Battery Energy Storage Systems	Grid stability and renewable-energy integration
ICT, SCADA and system modernisation	Digital platforms, system control, billing, cyber security and operational efficiency

Land, property and depot infrastructure	Operational support infrastructure
Rural and customer-driven extensions	Network extensions, customer growth and national electrification support

2. Funding sources

The programme is expected to be funded through a combination of sources, not one single source.

Funding Source	Expected Role
EFL internal cashflows / retained earnings	Funding for routine capital expenditure, asset replacement and part of priority projects
Commercial loans and banking facilities	Funding for major grid, generation and infrastructure projects
PPP / IPP arrangements	Private-sector investment in generation projects, particularly renewable energy
Concessional climate finance	Potential funding for renewable energy, battery storage, resilience and decarbonisation projects
Development partner financing	Potential support for strategic infrastructure and climate-aligned projects
Government grants or budget support	Not assumed as the primary funding source; may apply only to specific national, rural, social or climate-priority projects if approved
Customer contributions / externally funded works	For specific customer-driven extensions or third-party works where applicable

EFL's preferred approach is to maximise least-cost funding, reduce reliance on imported fuel, and use PPP/IPP structures where these provide value for money and transfer appropriate development and financing risks to the private sector.

3. Indicative year-by-year funding approach

The detailed project-by-project funding schedule will be finalised through annual capital budgeting and Board approval. At a strategic level, the funding approach is expected to be phased as follows:

Period	Funding Focus
2025–2026	Priority asset replacement, urgent reliability works, generation security, early renewable integration and preparatory studies
2027–2029	Major renewable generation, BESS, grid strengthening, transmission upgrades and hydro/thermal reliability works

2030– 2034	Larger-scale system expansion, deeper renewable penetration, grid modernisation, resilience projects and long-term replacement of ageing assets
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Each project will be subject to business case approval, procurement review, financing confirmation and Board approval before commitment.

4. Board-approved financial model

The investment programme is underpinned by EFL’s long-term corporate financial model and tariff submission model. This model is used to assess EFL’s capital expenditure requirements, operating cost requirements, debt capacity, cashflow adequacy, financing requirements, return on regulated assets and tariff path required to maintain financial sustainability.

The model supports EFL’s 2025–2029 tariff proposal and is aligned to EFL’s corporate planning and Board-approved strategic direction. It incorporates:

- forecast electricity demand
- capital expenditure requirements
- operating expenditure
- fuel price assumptions
- hydrology assumptions
- inflation and exchange-rate assumptions
- borrowing and interest-rate assumptions
- debt covenant requirements
- depreciation and asset replacement needs
- renewable energy and IPP integration
- required return on assets and
- customer affordability considerations.

5. Tariff assumptions

The programme depends on a tariff framework that allows EFL to recover prudent and efficient costs while maintaining financial sustainability.

EFL’s 2019 tariff application requested a 17.27% adjustment, but only 2.7% was approved. That tariff determination expired in September 2023. Since then, EFL has absorbed significant inflation, fuel-price volatility, supply-chain cost increases, insurance increases, freight escalation and wage pressures.

EFL’s 2025–2029 tariff proposal is therefore critical to the investment programme. Without a cost-reflective tariff path, EFL’s ability to internally fund capital expenditure, raise debt, maintain assets, integrate renewable energy and preserve reliability will be constrained.

6. Important clarification

The \$5 billion programme should not be viewed as an immediate call on tariffs, Government or debt. It is a long-term investment requirement. The actual annual expenditure will depend on:

- project readiness
- Board approval
- procurement results
- financing availability
- tariff approval
- concessional finance opportunities
- IPP/PPP participation
- land and environmental approvals
- system demand growth and
- customer affordability.

EFL's \$5 billion ten-year programme is a strategic infrastructure investment pipeline required to secure Fiji's electricity future. It is expected to be funded through a blended financing structure comprising EFL internal cashflows, borrowings, PPP/IPP investment, concessional climate finance and, where applicable, targeted Government or development partner support.

The programme is underpinned by EFL's long-term financial and tariff model. Its successful implementation depends on a tariff path that is sufficient to maintain EFL's financial sustainability, support prudent borrowing, fund essential capital works and enable Fiji's transition to a more secure, reliable and renewable electricity system.

Shareholder Technical Assistance & Interest

23. What role has Chugoku Electric Power Company played in the design or development of EFL's renewable energy strategy, its PPP procurement model, and the ADB transaction advisory arrangement? Has CEPCO or any of its affiliates expressed interest in participating as an Independent Power Producer (IPP) or equipment supplier in any of EFL's renewable energy tenders?

EFL confirms that Chugoku Electric Power Company, Incorporated is a strategic shareholder of EFL and has Board representation. In that capacity, Chugoku contributes to Board-level oversight, technical discussion and strategic guidance on matters affecting EFL's long-term generation planning, renewable energy transition, grid stability, system reliability and investment programme.

However, EFL's renewable energy strategy, PPP procurement model and ADB transaction advisory arrangement remain EFL-led and are subject to EFL's governance, procurement, Board approval and regulatory processes.

Chugoku's role should therefore be understood as follows:

Area	Chugoku's Role
Renewable energy strategy	Strategic shareholder and technical input through Board-level oversight and specialist utility experience
PPP procurement model	No exclusive design role; procurement model remains EFL-led and subject to transparent procurement and governance requirements
ADB transaction advisory arrangement	No decision-making or controlling role; ADB advisory support is independent and structured to support competitive procurement
IPP participation	No awarded IPP contract to Chugoku
Equipment supplier role	No awarded equipment supply contract to Chugoku or its affiliates

EFL has separately engaged Chugoku for specific technical consultancy support, including consultancy services relating to the expansion of power generation capacity in Fiji and hydro civil engineering advisory services. These engagements are distinct from any role as an IPP, developer or equipment supplier.

EFL also notes that Chugoku has submitted a bid for **MR 47/2026 — Owner's Engineer for Ground Mounted Solar Farm with BESS at Tavua, Ba and Qeleloa, Viti Levu**. This tender was called on **25 March 2026** and closed on **22 April 2026**, with an extension to **29 April 2026**. The tender remains under evaluation and has not been awarded. Accordingly, it should not be treated as a contract or evidence of Chugoku being selected as an IPP or supplier.

For governance clarity, if Chugoku, its subsidiaries or affiliates express interest in any future EFL renewable energy tender as an IPP, contractor, owner's engineer, equipment supplier or adviser, EFL would be required to manage the matter in accordance with its procurement rules, conflict-of-interest procedures, Board governance requirements and any applicable shareholder agreement provisions. This would include ensuring that Chugoku does not receive preferential treatment, confidential tender information, or an unfair competitive advantage as a result of its shareholder position.

EFL's renewable energy and PPP programme is intended to attract competitive private-sector participation, reduce reliance on imported fuel, support Fiji's renewable energy targets and deliver value for money to electricity customers. Any procurement involving

Chugoku or its affiliates must therefore be handled on an arm's-length basis, with appropriate probity controls and transparent evaluation.

In summary:

1. Chugoku contributes to EFL through strategic shareholder oversight and technical experience.
2. EFL's renewable energy strategy and PPP procurement model remain EFL-led and Board-governed.
3. The ADB transaction advisory arrangement is independent and supports competitive procurement.
4. No awarded IPP or equipment supply contract to Chugoku.
5. Chugoku has submitted a bid for the 2026 Owner's Engineer tender, but that process remains under evaluation.
6. Any future participation by Chugoku or its affiliates must be managed through strict conflict-of-interest and arm's-length procurement safeguards.

ENERGY FIJI LIMITED - 2023 & 2024 ANNUAL REPORTS, CURRENT SITUATION AND FUTURE PLANS

Submitted to : Parliament Standing Committee of Economic Affairs
Tuesday 23rd June 2026

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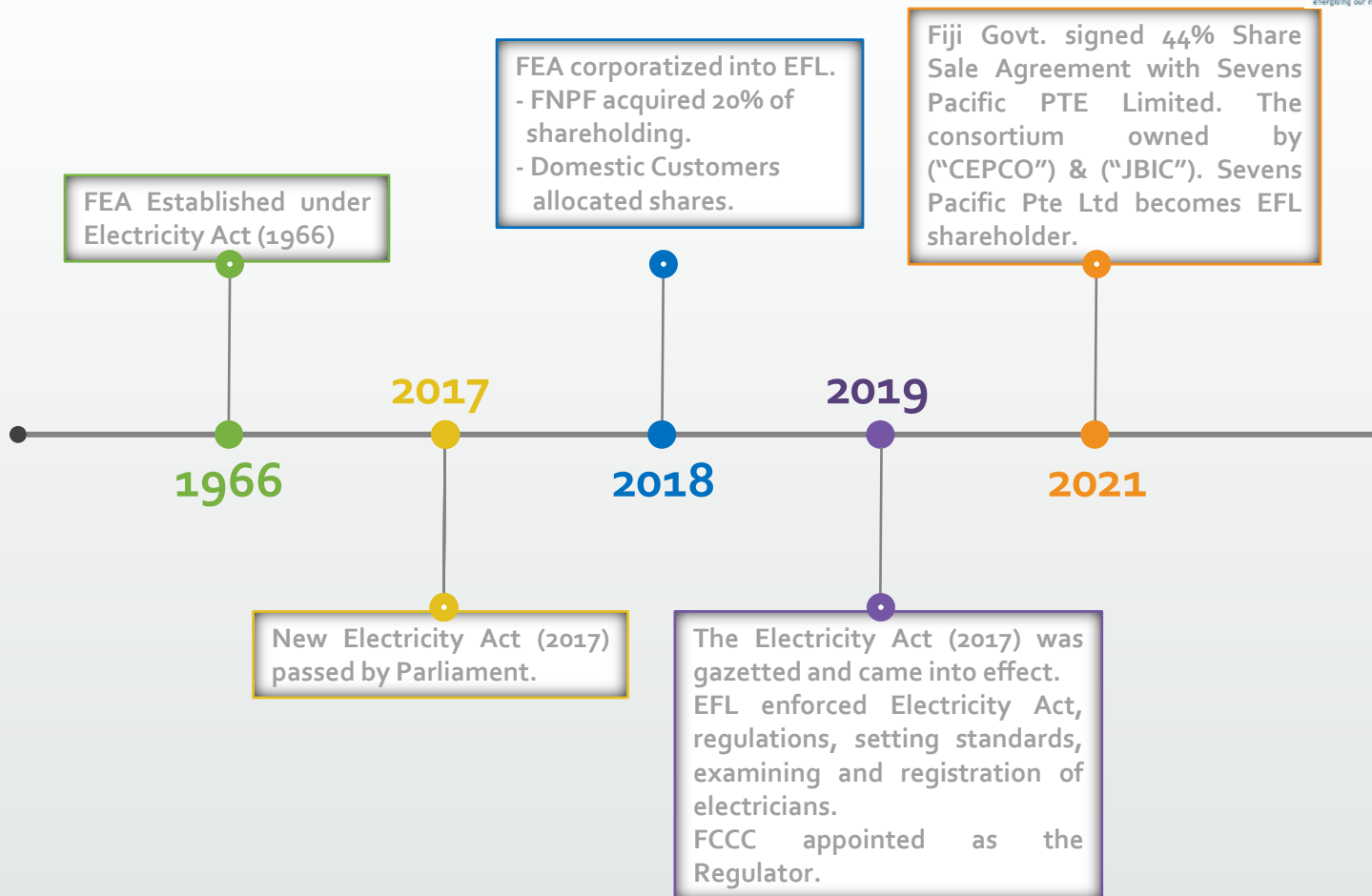
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EFL Overview & History

- ▶ EFL is responsible for power generation, transmission, & retail of electricity in the larger islands of Viti Levu, Vanua Levu, Ovalau & Taveuni.
- ▶ EFL is a public company limited by shares, is governed by the Companies Act and is no longer under the Public Enterprises Act.
- ▶ EFL's major generation sources are from Monasavu, Nadarivatu, Wainikasou, Wainiqueu, 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.
- ▶ EFL envisages injecting more diversified renewable energy (Hydro, Solar & Biomass) into the EFL grid in the years to come.
- ▶ EFL Electricity Rates are the cheapest in the South Pacific Islands and most parts of Australia & New Zealand.



2023, 2024 & 2025 IN BRIEF

Financial KPIs (2023–2025)

Financial KPI	2023	2024	2025	2025 vs 2024
Profit/(Loss) After Tax (FJD M)	(24.80)	7.17	22.00	+206.8%
Electricity Sales Revenue (FJD M)	387.02	421.22	430.66	+2.2%
Total Assets (FJD B)	1.51	1.58	1.69	+7.0%
Shareholders' Equity / Value (FJD M)	886.12	895.62	913.98	+2.0%
Total Loans / Borrowings (FJD M)	169.50	225.06	286.54	+27.3%
Fuel Costs (FJD M)	192.97	211.07	206.91	-2.0%
Debt-to-Equity Ratio	19.1%	25.1%	31.0%	+5.9pp
Asset-to-Liability Ratio	2.42 : 1	2.29 : 1	2.20 : 1	Slightly lower
Gearing Ratio	16.1%	20.1%	23.87%	+3.8pp

Operational KPI Highlights

Customers increased from **219,853** in 2023 to **227,607** in 2025.

Electricity production increased from **1,120,981 MWh** to **1,248,104 MWh**.

Network route length expanded to **11,983 km**.

Reliability improved, with **SAIDI** and **SAIFI** both trending downward.

EFL continues progressing toward **60% renewable energy** by 2029 and **90% by 2035**.

Financial KPI Highlights

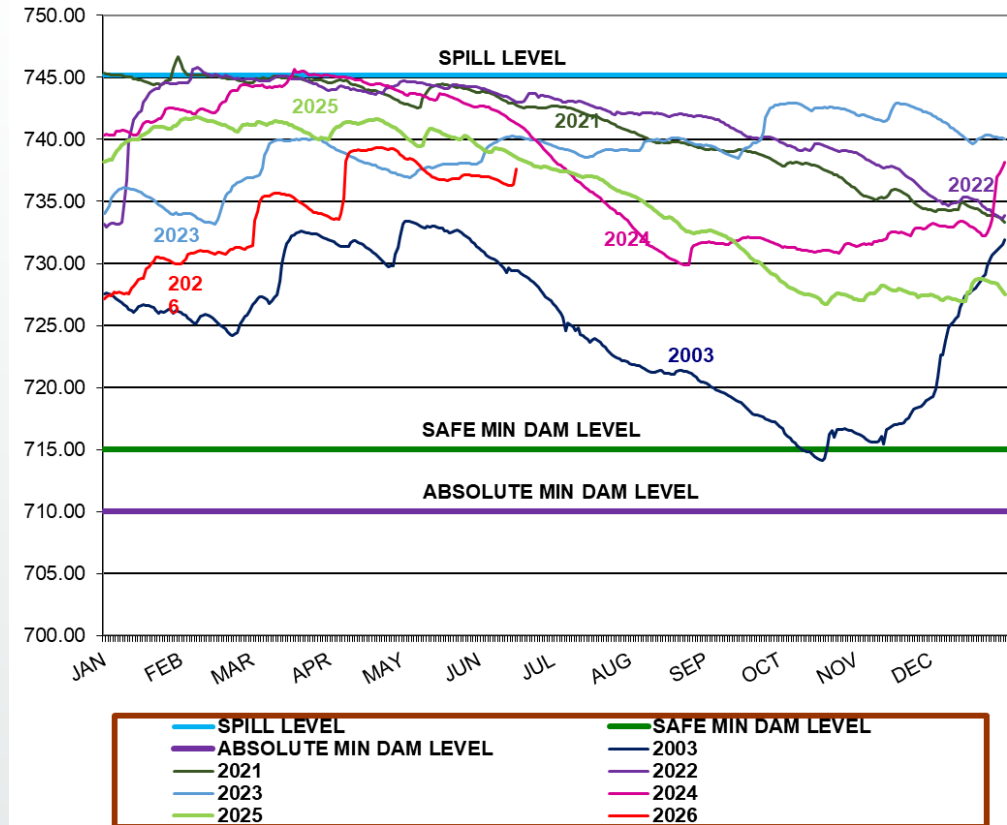
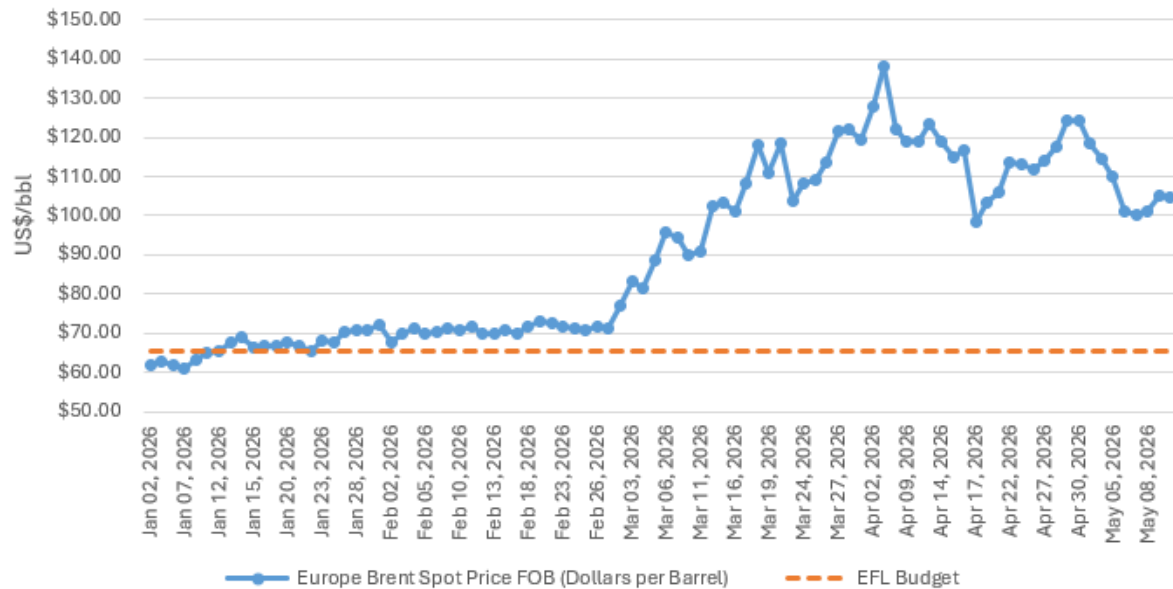
- EFL achieved a strong turnaround from a **\$24.8M loss in 2023** to a **\$22.0M profit in 2025**.
- Electricity sales revenue increased from **\$387M to \$431M**, reflecting demand and customer growth.
- Total assets grew from **\$1.51B to \$1.69B**, driven by continued infrastructure investment.
- Borrowings increased to support major generation, transmission and renewable energy projects.
- Fuel costs remained high but reduced slightly in 2025 despite higher electricity production.

2. Operational & Technical KPIs (2023–2025)

Operational / Technical KPI	Unit	2023	2024	2025	2025 vs 2024
Total Customers	No.	219,853	223,539	227,607	+1.8%
New Connections	No.	5,620	4,963	5,254	+5.9%
Electricity Generated	MWh	1,120,981	1,218,906	1,248,104	+2.4%
Power Line Route Length	km	11,692.62	11,871	11,983	+0.9%
Employees	No.	883	937	967	+3.2%
SAIDI (Controllable)	Minutes/Customer	223	218	214*	Improved
SAIFI (Controllable)	Interruptions/Customer	3.23	3.08	2.94*	Improved

2026 in PERSPECTIVE

- Challenging hydrological periods in recent years.
 - 13 May 2026, the Monasavu Dam level stood at approximately 737 metres, below EFL's preferred dry-season operating threshold of approximately 740 metres.
- Hydro generation - Fiji's cheapest source (40 to 55%)
- Thermal – balancing source
 - 90% HFO
 - 10% IDO
- Global fuel markets – volatility (Middle East Crisis – Strait of Hormuz)
- The combination of reduced hydro availability and elevated fuel prices presents significant operational and financial challenges for any electricity utility.

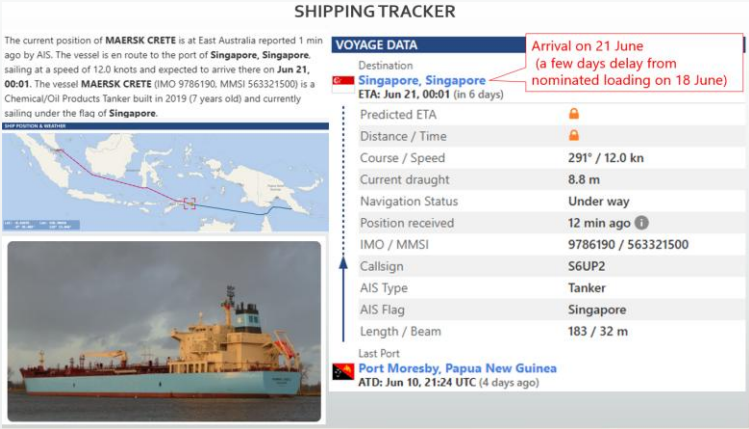


- Global fuel markets – volatility (Middle East Crisis – Strait of Hormuz)
- Brent crude prices rise from USD67.70/bbl to a peak of USD138.21/bbl before easing to around USD94.69/bbl. Post MOU reduce to \$74. MOPS + refinery premiums
- Prices will remain above spot of USD 68 BBL prior crisis. Budget at USD 65 BBL

2026 FUEL CRISIS

- Optimise hydro
- Maximise IPP
- Prioritise HFO then IDO
- Strategic fuel procurement
 - Shipping Tracker
 - Supplier Tank Capacity : 1.5 to 2 months
 - EFL Tank Capacity 3 to 16 days
- Maintain thermal reserve
- Continuous monitoring of hydrology, weather forecasts and fuel markets.
- Active Board and management oversight
- Temporary fuel-duty relief and Lifeline Support - Government
- ITAF Framework – FCCC
- Taveuni Island @ 100 % Renewable – **NOT AFFECTED**

Voyage No.	Loading date range	Port	Tentative ETA	Cargo nomination (MT)	Final date for confirmation	Signal	Note
				ULSD			
P523	7 - 9 May	Vuda	23 - 26 May	3,000	25-Mar-26	Discharged	Arrived on time
		Suva	26 - 29 May	2,100			
P524	22 - 24 May	Vuda	7 - 10 Jun	3,250	10-Apr-26	Loaded	Enroute. ETA on schedule
		Suva	10 - 13 Jun	2,200			
P525	7 - 9 Jun	Vuda	27 - 30 Jun	3,100	25-Apr-26	Firmed	
		Suva	30 Jun - 3 Jul	1,200			
P526	26 - 28 Jun	Vuda	14 - 17 Jul	3,400	21-May-26	Firmed	
		Suva	17 - 20 Jul	2,200			
P527	12 - 14 Jul	Vuda	1 - 4 Aug	3,300	4-Jun-26	Tentative	
		Suva	4 - 7 Aug	2,000			
P528	29 - 31 Jul	Vuda	16 - 19 Aug	3,300	21-Jun-26	Tentative	
		Suva	19 - 22 Aug	2,000			



Terminal	Safe Fill Level - MT	Stock (01/06) MT	Shipment ETA	Other Customers (May) MT	Balance for EFL (May) MT	June EFL Demand (Forecast) MT	Days Cover (Based on Forecast) MT	Estimated Stock - Out Date	Next Receipt	Stock Days on Arrival
VUDA	8,405	5,243	15-Jul	1,173	4,070	1,700	72	11-Aug	15-Jul	28
SUVA	14,365	4,662	3-Jun	-	4,662	7,500	19	19-Jun	3-Jun	17
Total HFO	22,770	9,905		1,173	8,732	9,200	28	29-Jun	3-Jun	26

Cargo						
ETA		Vuda Stock Days		Suva Stock Days		Comments
		Cargo	Stock Cover	Cargo	Stock Cover	
Maersk Corsica COR02	30-May	2,800	39	10,600	38	Vuda Received Suva discharge to complete 06/06/26
Maersk Crete CRT03	15-Jul	4,000	43	9,950	36	Nominated - Loading from 18th June
Maersk Corsica COR03	5-Aug	2,000	21	3,500	13	Nominated - Loading from 12th July
Maersk Tahiti TAH01	22-Aug	2,100	22	6,300	23	Nominated - Loading from 20th July

Fuel Cost Adjustment in kWh =	Actual IDO and HFO Cost – Budgeted IDO and HFO Cost + / - Hedging Gain / Loss - Government Subsidy on Surcharge – Duty Adjustment
	10% System Loss Electricity Sales for the Month (in kWh)

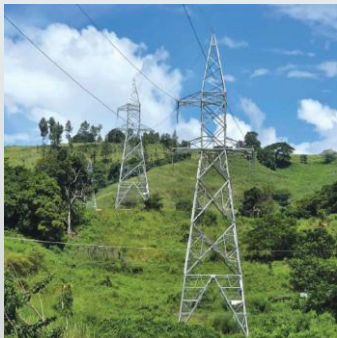
Key Performance Indicators (KPIs)

EFL's business strategy focuses on delivery of the major renewable generation projects over the next 4 years as the first phase to meet Fiji's 90% renewables target by 2035

90% of 2026-2029
Capex Plan Delivered by
Mid 2029

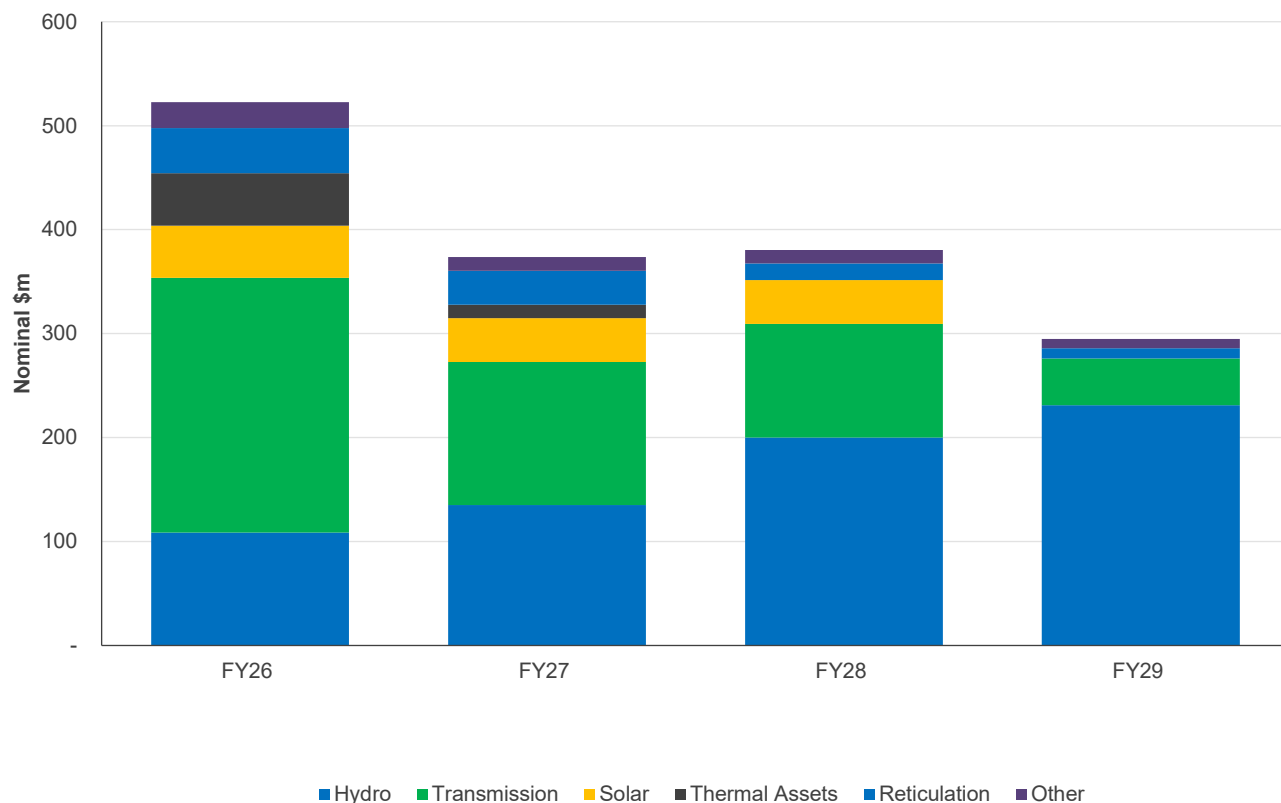
60% Renewable
Generation by 2030

90% Renewable
Generation by 2035



EFL investment plans to achieve 60% by 2029

EFL will invest nearly \$2 billion on renewables and grid projects between FY26 and FY29.



SOLAR GENERATION

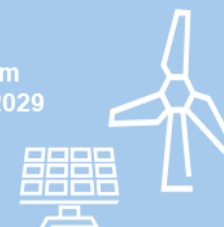
\$200M
co-investment in
grid-scale solar
farms



RENEWABLE GENERATION

60%
of electricity from
renewables by 2029

90%
by 2035



HYDRO GENERATION

\$363M
for new Lower Ba
River project

\$290M
for new Upper Wailoa
Rover project



THERMAL GENERATION

\$251M
for new power stations at
Vuda, Kinoya & Labasa

\$62M
for upgrades to
existing plants



TRANSMISSION ASSETS

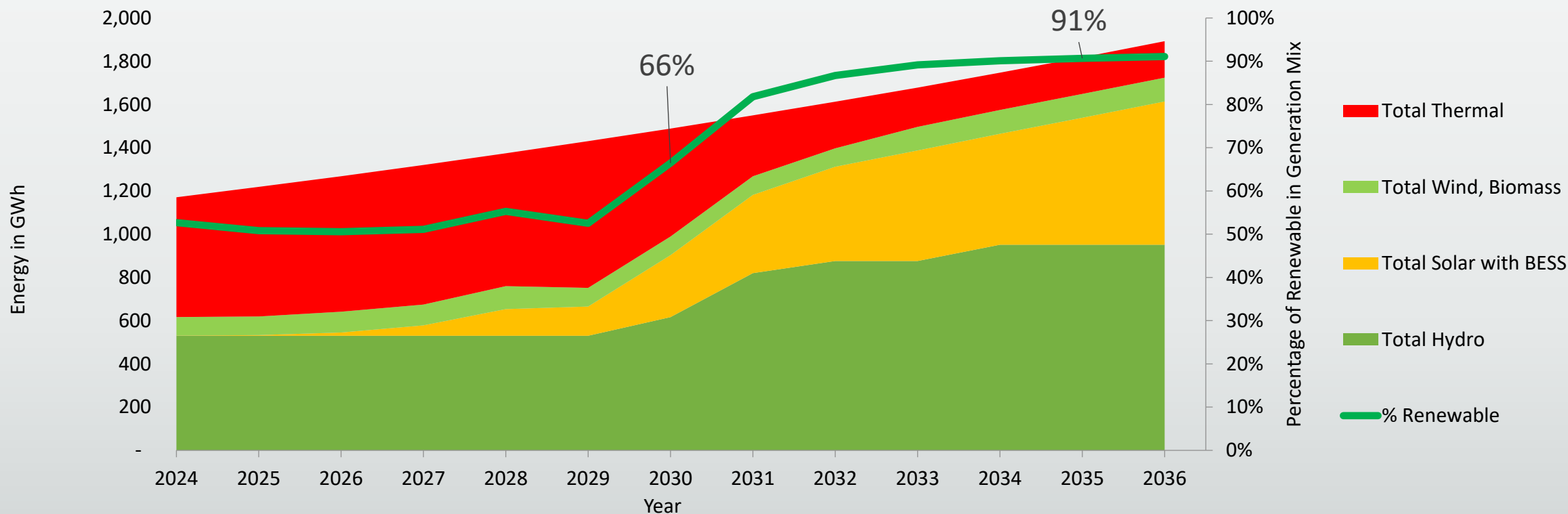
\$731M to strengthen and expand
the grid



Energy Fiji's path to 90% renewables

EFL plans to meet these KPIs involves investments in new hydro and solar generation, which will displace older less efficient thermal generation over time

Projected Generation and Renewables Uptake (2025 - 2036)





CORPORATE GOVERNANCE & EFL PEOPLE



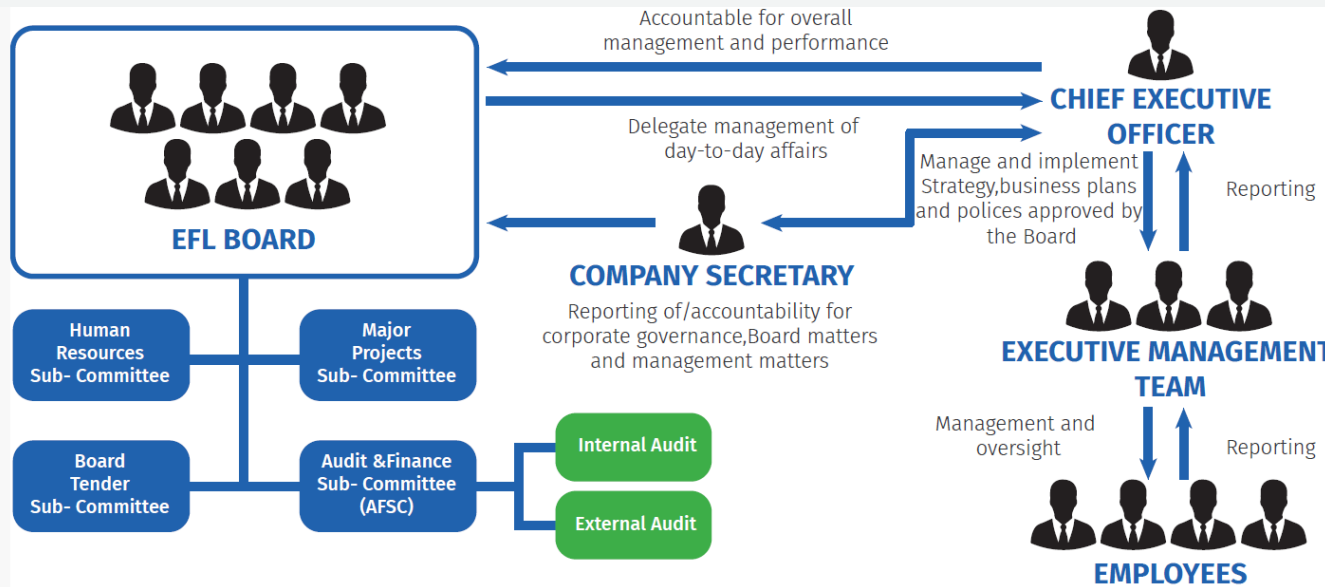
Our Vision
Energising our Nation



Our 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.



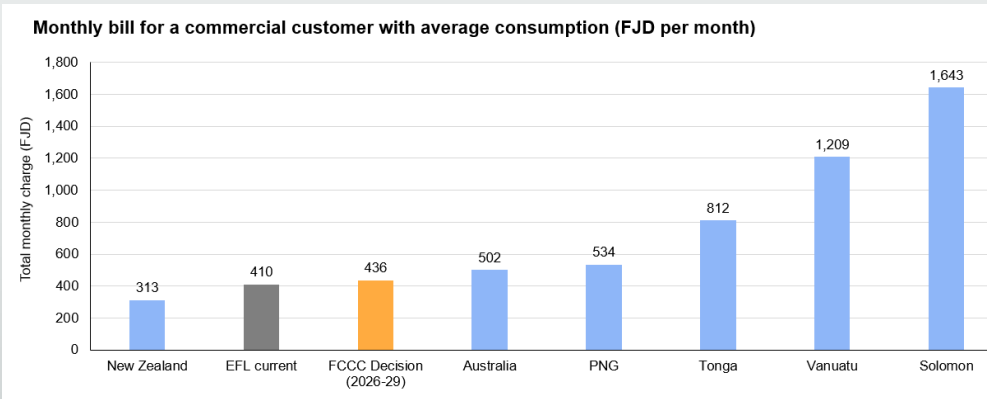
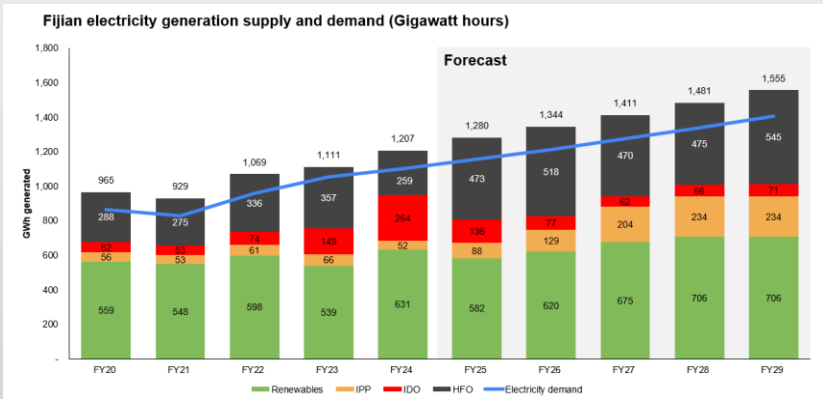
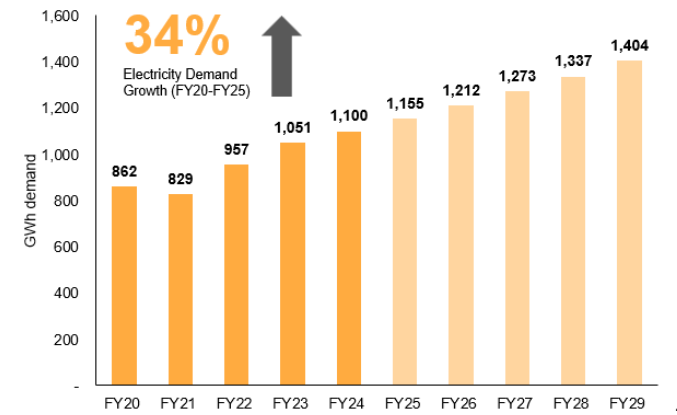
Our Values
*Customer focus, Honesty
Do what is right for EFL
Team work, Individual accountability,
Transparency, Innovativeness,
Compliance*



CONCLUSION

- Safe, reliable, affordable, sustainable electricity
- Challenges :
 - Climate variability, ageing infrastructure, workforce shortages, rising costs and increasing demand
- Clear strategy.
 - Energy security.
 - Improve reliability.
 - Invest in future infrastructure.
 - Renewable energy development.
 - Support national economic growth.
 - Cleaner, more resilient and more sustainable electricity system for future generations.

Electricity demand growth (Gigawatt hours per annum)



Thank You!



VINAKA

| Energy Fiji Limited |





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Consumer Council of Fiji



www.consumersfiji.org



Mobile App



Submission to Parliament Standing Committee on Economic Affairs:

Deliberations on the 2023 and 2024

Energy Fiji Limited Annual Reports

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Consumer Evaluation and Scrutiny of the Energy Fiji Limited (EFL) 2023 Annual Report

1. Executive Summary

This submission provides a formal analysis of the Energy Fiji Limited (EFL) 2023 Annual Report, focusing on the socio-economic implications for Fijian consumers. While EFL operates as a commercialized entity, it remains a state-protected monopoly providing an essential public service. Consequently, its financial trajectory, operational efficiency, and governance decisions directly dictate the cost of living and commercial viability nationwide.

The 2023 financial year marked a severe downturn for EFL, shifting from a \$58.1 million profit in 2022 to a \$24.8 million net loss after tax. A critical evaluation of the drivers behind this loss reveals systemic structural vulnerabilities, and escalating internal overheads. A close examination of these findings is critical to prevent operational waste and aggressive shareholder strategies from being shifted onto the public in the form of tariff hikes or taxpayer-funded rescues.

2. Regulatory Oversight and Tariff Pressure

In August 2023, EFL submitted a formal proposal to the Fijian Competition and Consumer Commission (FCCC) seeking a comprehensive **31.7% electricity tariff increase**.

Had this tariff adjustment been approved, it would have introduced an unsustainable financial burden on domestic households and triggered a severe inflationary cascade across commercial and industrial sectors, drastically increasing the cost of basic goods and services.

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While the FCCC protected consumers by rejecting the proposal on February 29, 2024, the structural pressure remains. EFL's \$24.8 million net loss creates an aggressive impetus for the corporation to repeatedly lobby for tariff revisions.

Question: *What internal cost-saving mechanisms and operational efficiencies has EFL implemented to stabilize its balance sheet following the rejection of the 31.7% tariff hike, rather than relying on future price increases to cover financial shortfalls?*

Recommendation: We, as the Consumer Council of Fiji, respectfully call upon EFL to demonstrate, with full transparency, that it has exhausted all internal cost-containment and operational efficiency measures before seeking to recover its deficit through consumer tariff increases. A state-protected monopoly must not be permitted to resolve balance-sheet deficits by imposing financial burdens on consumers particularly when such deficits are attributable to internal cost escalations and procurement choices within EFL's control.

3. Infrastructure Vulnerabilities and Contingency Expenditure

The annual report highlights a significant escalation in operating expenses, which rose sharply to \$402.9 million (up from \$305.9 million in 2022). A key driver of this volatility was an emergency mitigation strategy executed from June 2023 onwards.

According to the report, this was due to critical generation shortfalls at the Monasavu and Nadarivatu hydro stations, compounded by rising national demand, EFL was forced to expend \$21 million solely on the temporary hire of 65MW of containerized diesel generator sets from Aggreko (NZ) Limited to mitigate grid collapse and rolling blackouts.

This operational stopgap directly compounded EFL's exposure to international commodity markets, causing total fuel costs to surge by 39.5% to \$192.9 million.

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This heavy reliance on rented fossil-fuel infrastructure underscores a profound vulnerability in long-term power generation and planning. Despite national strategic mandates shifting toward renewable energy, the consumers continue to bear the financial and structural risks of an under-resourced grid that relies on emergency fossil-fuel interventions during adverse weather cycles.

Question: *Why did long-term generation planning fail to anticipate these hydro shortfalls, consumers asked to foot for emergency diesel rentals rather than investing in permanent renewable infrastructure that would shield households from future fuel price shocks and what specific safeguards are being put in place to ensure that consumers are not asked to fund multi-million-dollar emergency diesel rental contracts?*

Recommendation: Initiate a comprehensive review into EFL's long-term generation planning to determine why \$21 million in emergency rental generator costs was necessary, and expedite accountable, diversified renewable energy partnerships to permanently insulate consumers from global fuel shocks. *"For the consumer's benefit, a clear timeline ensures that we are not perpetually stuck in "emergency mode"; it guarantees that our electricity grid is built on sustainable, locally sourced energy, reducing our dependence on imported diesel and ultimately lowering long-term costs for every household and business in Fiji."*

4. Capital Management and Operational Costs Contradiction

The 2023 financial year saw EFL record a net loss, a significant decline when compared to 2022. While external factors such as below-average rainfall and rising global fuel prices contributed to this outcome, a substantial portion of the loss was driven by internal cost escalations and operational decisions that were not fully budgeted for, including the FJD 21 million emergency hire of diesel generators.

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Furthermore, EFL declared FJD 40.7 million in dividends during a loss-making year, drawing down liquid reserves from FJD 159.3 million to FJD 84.6 million. This raises legitimate questions about the consistency of prioritising shareholder returns while simultaneously seeking a 31.7% tariff increase from consumers to fund capital expenditure and maintain financial viability.

From a consumer perspective, prudent management of internal costs is essential before any consideration of tariff increases. Consumers should not be asked to fund operational inefficiencies or shareholder dividends. EFL must demonstrate that all reasonable cost-containment measures have been exhausted before seeking to recover its deficit through consumer tariffs.

Question: *Given that EFL's loss was partly driven by unbudgeted internal cost escalations, what specific cost-containment measures has EFL implemented to ensure prudent management of resources, and what assurance do consumers have that these measures have been exhausted before seeking tariff increases to fund its 10-year development plans?*

Recommendation: We respectfully call upon EFL to exercise prudent management of internal resources and demonstrate that all cost-containment measures have been exhausted before seeking tariff increases to fund its 10-year development plans. Consumers must not bear the burden of operational costs that could have been managed more effectively.

5. Additional Consumer-Centric Issues Identified

Furthermore, the following key consumer-centric metrics and disclosures are visibly absent from the 2023 report, representing significant transparency gaps:

5.1 Lack of Verifiable Customer Feedback and Survey Transparency

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Concern: EFL lists "Customer Focus" as its leading corporate value, yet the quantitative data underpinning this assertion is absent from the 2023 Annual Report. While the report mentions that customer satisfaction surveys are distributed via monthly bill inserts and digital applications, it fails to publish the actual sample sizes, participation rates, or specific grievance breakdowns for the 2023 financial year. Publishing a high-level satisfaction percentage without revealing the underlying methodology or the volume of unresolved complaints distorts the true reality of customer sentiment. For a state-guaranteed monopoly, transparency in how customer dissatisfaction is logged, tracked, and remediated through its 24/7 contact centre is essential for public accountability.

Recommendation: We respectfully call upon EFL to include an independent, third-party audited Customer Service Performance Report in its annual disclosures. This report should highlight customer effort scores, average call waiting times, complaint volumes by category, and dispute resolution timelines, ensuring that consumers can verify EFL's claims of customer focus.

5.2 Non-Disclosure of Rural Electrification Progress and Equity Milestones

Concern: The 2023 Annual Report lacks clarity on equity and rural development. It does not provide granular reporting on the exact number of new grid connections established under Government Rural Electrification Schemes during the financial year. Rural and peri-urban consumers cannot benefit from a report that focuses heavily on commercial capital expenditure without demonstrating how much of that capital is actively bridging the energy access gap for low-income or marginalized communities. Without this information, the public cannot assess whether rural electrification is progressing equitably.

Recommendation: We respectfully ask EFL to include a dedicated Social Impact Matrix in future annual reports, mapping out the specific geographic distribution of grid expansions and

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the direct socio-economic benefits delivered to rural households. This should include annual targets for new connections and progress reporting against those targets.

5.3 Vague Timelines on Renewable Energy Transition Costs

Concern: EFL reiterates its strategic mission to achieve at least 90% renewable energy generation by 2035. However, from a consumer pricing perspective, the roadmap is opaque. There is a lack of forward-looking financial modeling showing how much the capital transition to renewables will cost over the next five years, and how much of that cost is expected to be recovered via Independent Power Producers (IPPs) versus direct tariff adjustments. Consumers are left in the dark regarding the long-term affordability of their power. Without a transparent capital-expenditure roadmap for renewable integration, the public cannot assess whether EFL is planning efficiently or if consumers will be hit with sudden "green transition" levies or infrastructure surcharges in subsequent tariff reviews.

Recommendation: We respectfully call upon EFL to present a clear, consumer-impact fiscal roadmap alongside its 2035 renewable energy target. This roadmap should detail how localized renewable energy feeds will actively work to lower base tariff rates over time, and should disclose the cost of power purchased from IPPs compared to EFL's own generation costs, ensuring consumers understand the long-term affordability of their electricity.

5.4 Security Deposits: A Hidden Consumer Burden

Concern: EFL holds FJD 49.4 million in customer security deposits equivalent to two months' electricity consumption. This is a significant financial burden on households and small businesses, particularly low-income families who cannot provide bank guarantees. Consumers are effectively lending EFL millions of dollars at an undisclosed interest rate, while EFL simultaneously seeks tariff increases to cover its financial shortfalls.

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Recommendation: We respectfully ask EFL to disclose the interest rate paid on consumer security deposits and compare it to average commercial bank deposit rates. We also call for a reduction in the deposit requirement for consumers with a clean payment history, and a tiered deposit system based on consumption and reliability.

6. Conclusion and Recommendations to the Committee

The Energy Fiji Limited 2023 Annual Report indicates that the utility is entering a volatile financial phase, driven by external fuel dependencies and substantial internal cost growth. However, the mitigation strategies adopted, namely, liquidating cash reserves, escalating local commercial debt, and prioritizing high dividend payouts while absorbing heavy net losses, place an inequitable burden of risk on the Fijian consumer.

Therefore, it is respectfully recommended if EFL can look into the following as well in future for transparency and accountability purposes:

- 6.1 Strict Cost-Containment Measures:** EFL management to implement rigorous internal cost-containment measures before any subsequent tariff review applications are requested.
- 6.2 Review Dividend Policy Mandates:** Evaluate the statutory frameworks governing EFL's dividend distributions, establishing clear provisions that prohibit capital distributions to shareholders during financial years where net losses are recorded or operational liquidity is compromised.
- 6.3 Audit Infrastructure Planning:** Initiate a comprehensive review into EFL's long-term generation planning to determine why \$21 million in emergency rental generator costs was necessary, and expedite accountable, diversified renewable energy partnerships to permanently insulate consumers from global fuel shocks.

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Consumer Evaluation and Scrutiny of the Energy Fiji Limited (EFL) 2024 Annual Report

1. Executive Summary

The 2024 financial year represents an accounting recovery for Energy Fiji Limited (EFL), with the company reporting a profit after tax of FJD 7.17 million, a stark reversal from the FJD 24.8 million net loss recorded in 2023. While this headline figure signals a welcome improvement, a deeper examination of the underlying drivers reveals persistent structural vulnerabilities that demand close regulatory scrutiny.

The profit recovery is largely overshadowed by sustained operational pressures, including record fuel costs of FJD 211 million and a continued heavy reliance on expensive diesel generation, reflected in FJD 31 million in generator hire expenses. These cost drivers, raise serious concerns about the long-term affordability of electricity for consumers.

The FCCC's initial rejection of EFL's tariff proposal in 2024 underscores the ongoing tension between the utility's financial sustainability and consumer protection. The Commission's earlier reservations, regarding EFL's slow transition to renewable energy, elevated borrowing levels, and the prioritisation of debt servicing over capital reinvestment remain entirely valid. These issues are further compounded by concerns raised by the Fiji Commerce and Employers Federation (FCEF), which has questioned EFL's dividend distribution practices, its high gearing levels, and the use of consumer security deposits.

Beneath the reported profit, a more troubling picture emerges: severe cash flow strain, accelerating local debt accumulation, and continuing operational fragility. The EFL needs to scrutinise these underlying financial dynamics closely. Without rigorous oversight, there is a material risk that EFL's capital management strategies and mounting long-term debt servicing costs will ultimately be passed on to the public, whether through future tariff increases or through taxpayer-funded bailouts. Ensuring that EFL's financial recovery does not come at the expense of consumer welfare must remain a paramount priority.

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2. The Tariff Increase Question: Profitability Versus Consumer Burden

EFL states on page 26 of its Annual Report 2024 that it requires "an appropriate tariff increase" to successfully implement its capital expenditure plan over the next three to four years, fund its transition to renewables, ensure reliability and security of power supply, reduce CO2 emissions, offer affordable feed-in tariffs for Independent Power Producers, improve service reliability, and meet its debt covenants signed with lenders. However, multiple contradictions emerge from EFL's own report that cast serious doubt on the necessity of such an increase.

First, EFL has demonstrably returned to profitability, recording an FJD 7.17 million profit after tax in 2024, a complete reversal from the FJD 24.8 million loss experienced in 2023. Second, the company boasts a "very strong balance sheet" with an asset-to-liability ratio of 2.4:1 and a conservative debt-to-equity mix of 25% debt to 75% equity, indicating substantial financial resilience. Third, EFL maintains FJD 295 million in available banking headroom as at 31 December 2024, with total approved syndicate banking facilities of FJD 550 million, suggesting ample access to commercial financing for capital projects. Fourth, the Board approved a CAPEX budget of FJD 234 million for 2024, yet EFL only spent FJD 172 million, representing an under-spend of FJD 62 million that raises serious questions about the urgency of the claimed capital needs. Finally, EFL achieved a net realised gain of FJD 4.8 million through its hedging programme, demonstrating effective financial risk management that could be expanded rather than passing costs to consumers through tariff increases. Why should consumers face higher electricity bills when EFL is already profitable and possesses massive untapped credit lines? If EFL cannot fund its long-term assets through commercial financing and its existing \$1.58B asset base, it represents a structural failure to protect vulnerable household budgets from inflation.

Question: *If EFL has returned to profitability, possesses a strong balance sheet, and maintains over \$295 million in banking headroom, why is it actively lobbying for a tariff increase that will worsen the cost-of-living crisis for everyday Fijians?*

Recommendation: We respectfully request that EFL transparently present a detailed, time-bound plan with measurable deliverables, before any tariff increase is requested, given that EFL's page 26 justification lacks concrete milestones. We also request that EFL transparently submit its capital expenditure plans to an independent third-party audit. If EFL cannot fund long-term assets through commercial financing and its existing FJD 1.58 billion asset base, the burden should not fall on consumers already struggling with inflation.

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3. Millions Spent on "Hired" Diesel Generators

EFL spent an all-time high of \$212M on fuel costs, alongside \$31M just to hire temporary diesel generating sets. EFL blames low rainfall at Monasavu for this crisis. However, the report later admits that Monasavu actually experienced "good rainfall" and achieved its *highest annual production in history* (504 million units). Our reading of the Annual report would suggest that the real reason behind the thermal fallback, was because EFL took an 18MW hydro-generating set offline for 13 weeks for maintenance during peak demand.

Consumers are paying the price for poorly timed maintenance scheduling. Furthermore, EFL is locking Viti Levu into fossil fuel reliance by investing \$220M into new 20MW (Kinoya) and 30MW (Vuda) *thermal* (diesel/heavy fuel) power plants which seems contradictory to its announced plans for more renewable energy projects.

Question: *EFL claims the \$31M diesel-hire crisis was due to low rainfall, yet the report highlights record-breaking hydro-generation at Monasavu. Why should consumers bear the financial brunt of operational scheduling gaps, and why is \$220M being spent on new thermal plants if the mandate is to transition to renewables?*

Recommendation: A full disclosure within the report should provide accounting of the decision-making process that led to scheduling the 13-week maintenance of Wailoa G4 during peak demand periods and quantify the additional cost to consumers directly attributable to this decision. Performance-linked regulatory penalties should be introduced for EFL when poor operational scheduling triggers emergency fossil fuel spending. EFL should also disclose how FJD 220 million thermal investment aligns with the renewable transition mandate.

4. The "90% Renewable by 2035" (Greenwashing Risks)

EFL heavily promotes its vision of reaching 90%+ renewable energy generation by 2035. However, a closer look at the actual 2024 generation mix reveals a stagnant reality. Solar energy, despite Fiji's climate, contributed an abysmal 0.01% to the national grid. Wind power contributed a near-invisible 0.06%.

The bulk of Fiji's "renewable" energy is legacy hydro-built decades ago. Total non-hydro, non-biomass renewable penetration (solar and wind combined) is under 0.1%. Consumers are being fed a futuristic narrative of clean energy leadership while their bills remain tied directly to volatile global oil prices.

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Question: *With solar and wind accounting for less than 0.1% of total generation in 2024, what specific guarantees can EFL provide that its 2035 renewable targets are realistic, and not just public relations masking continued fossil fuel spending?*

Recommendation: Require EFL to submit its 2035 Renewable Energy transition plans to a yearly independent third-party audit, with findings made publicly accessible to consumers. This ensures transparency and protects ratepayers from greenwashing. With solar and wind contributing less than 0.1% to the grid in 2024, an independent audit will hold EFL accountable to measurable, incremental milestones rather than letting them hide behind multi-million-dollar thermal investments masked by long-term PR promises.

5. Operational Inefficiencies & Broken Infrastructure

The Nagado Hydro Station has been completely non-operational since July 2016, representing over eight years of inactivity due to ongoing pipeline and water pressure issues with the Water Authority of Fiji. The Butoni Wind Farm lay completely dormant from 2022 until late 2023, and the report notes that parts to fix damaged turbines "are still arriving." These are ratepayer-funded assets sitting idle for years while EFL spends millions on expensive diesel generation. If these assets were functional, thermal fuel costs would drop significantly, and consumer bills could be lowered. The FJD 31 million spent on hired diesel generators in 2024 could have been substantially reduced if Nagado and Butoni were operational.

Question: *Why has the Nagado Hydro Station been allowed to sit idle since 2016? What is the quantified financial loss to consumers because EFL and WAF have failed to resolve pipeline issues for nearly a decade?*

Recommendation: The Council respectfully recommends that EFL prioritise urgently restoring its non-functional, ratepayer-funded assets to full operational capacity, particularly the Nagado Hydro Station and Butoni Wind Farm, before pursuing tariff increases. We also encourage EFL to explore alternative pathways to financial sustainability, including expanding its successful hedging programme, reducing reliance on expensive diesel generation, and improving system efficiencies rather than defaulting to consumer tariff hikes.

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6. Falling Quality of Service: Blackouts & Dropping Subsidies

The System Average Interruption Duration Index increased to 218 minutes in 2024, up from 215 minutes in 2023, meaning when the power goes out, it takes longer for EFL to restore it. EFL attributes grid delays to an "exodus of skilled personnel" to neighboring countries, suggesting a human capital crisis the company has been unable to address. Simultaneously, the number of low-income families benefiting from the Government electricity subsidy decreased by 2,158 households in 2024, dropping from 58,920 to 56,762 households due to a "newly-restructured subsidy scheme" and "rigid entry criteria." This is deeply concerning during a cost-of-living crisis when safety nets should be expanding, not contracting.

Question: *Why are power outages taking longer to resolve in 2024 than in previous years? Furthermore, what steps is EFL taking to ensure that the 2,158 low-income households that lost their electricity subsidy are not being pushed into energy poverty?*

Recommendation: A plan to mitigate the time taken to restore the power and also transparent disclosure showing why some households lost their electricity subsidy under the newly structured subsidy scheme. During a cost-of-living crisis, safety nets should expand, not contract. EFL must simplify the application process, increase community outreach, and ensure vulnerable families are not pushed into energy poverty due to rigid bureaucratic barriers or a lack of awareness.

7. Lack of Consumer Transparency in Smart Metering

EFL announced the mass rollout of 50,000 Automatic Meter Reading (smart) meters over the next five years, featuring remote disconnection capabilities. While digitalisation offers efficiency benefits, the Council expresses serious concern that remote disconnections remove the human element from the process, making it easier to cut off struggling families without adequate notice or verification of billing disputes. Furthermore, EFL's practice of aggressively penalising commercial and industrial consumers for "excessive reactive energy" and conducting mandatory deposit reviews based on consumption changes raises additional red flags. The report provides no detail on consumer safeguards, dispute mechanisms, data privacy protections, or protocols for vulnerable household

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Question: As EFL rolls out 50,000 smart meters with remote disconnection capabilities, what consumer safeguards are being put in place to prevent arbitrary disconnections, and how will consumer data privacy be protected under this new digital grid?

Recommendation: EFL must draft and publish a Smart Meter Consumer Charter before expanding its AMR rollout. This charter must explicitly prohibit remote disconnections without a mandatory 14-day physical notice period, establish an independent dispute mechanism for contested data, guarantee strict consumer privacy protections with clear data collection and usage policies, and mandate comprehensive consumer education on smart meter features, rights, and recourse mechanisms.

8. Final Recommendations

The Council also would like to take this opportunity to propose the following recommendations for consideration:

First, EFL to provide a detailed, time-bound plan with specific measurable deliverables tied to consumer benefit, including reductions in outage duration, demonstrable progress toward renewable targets, and restoration of idle assets.

Second, EFL should be required to submit its 2035 Renewable Energy transition plans to a yearly independent third-party audit, with findings made publicly accessible to consumers.

Third, EFL and WAF may work on to present a joint, legally binding action plan with specific timelines for resolving the Nagado pipeline issues and restoring the station to full operational capacity.

Fourth, a comprehensive review of the government electricity subsidy framework should be conducted to identify why over 2,100 low-income households dropped off the program in 2024.

Fifth, EFL should draft and publish a Smart Meter Consumer Charter before expanding its AMR rollout, including protections against arbitrary disconnection, an independent dispute mechanism, and privacy guarantees.

Finally, EFL's be more transparent on its compliance with interest payment obligations on customer security deposits.

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Only through such scrutiny can Fijian consumers be protected from unnecessary tariff burdens and assured that their electricity provider is genuinely serving the public interest.

9. Conclusion

EFL's 2024 Annual Report paints a picture of a company that has returned to profitability but remains operationally fragile, heavily dependent on expensive fossil fuels, and increasingly insistent on tariff increases that would burden Fijian consumers. The company's claim that it requires a tariff increase is undermined by its own financial statements: an FJD 7.17 million profit, FJD 295 million in available banking headroom, a CAPEX under-spend of FJD 62 million, and a substantial asset base of FJD 1.58 billion. Consumers should not be asked to bear the cost of EFL's capital expansion when the company has substantial access to commercial financing and is already profitable.

The renewable energy transition narrative masks a stark reality: solar and wind combined contribute less than 0.1% of total generation in 2024, while EFL is investing FJD 220 million in new thermal power plants. The operational failures represented by Nagado and Butoni demonstrate a systemic failure to maintain existing renewable assets, costing consumers millions in expensive diesel generation.

At a time when Fijian families are struggling with the cost of living, rigorous oversight of EFL's financial management, operational performance, and tariff requests should be made crucial. Consumers deserve a utility that is efficient, transparent, and genuinely committed to the renewable energy transition, apart from continued lobby for tariff increases.

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“Confidential”

19 June 2026

The Secretariat

Standing Committee on Economic Affairs

Parliament of Fiji

SUVA.

Dear Secretariat,

Re: Review of Energy Fiji Limited (EFL's) Annual Report 2023-2024

Greetings from the Fijian Competition & Consumer Commission (FCCC).

1. Introduction

The Fijian Competition and Consumer Commission (FCCC) acknowledges the opportunity to provide a submission to the Parliamentary Standing Committee on Economic Affairs in relation to the review of the Energy Fiji Limited (EFL) Annual Report for the financial year 2023 – 2024.

As the independent regulator responsible for economic regulation, FCCC maintains its commitment in ensuring that the objective under the FCCC Act 2010 is met. This submission is intended to provide the Committee with observation from a regulatory perspective and does not seek to duplicate matters already addressed within EFL's Annual Report.

2. Regulatory Mandate

On an outset, FCCC's responsibilities in relation to the electricity sector include:

(a) FCCC Act 2010 provisions (under Part 1 (s.5)) stipulates; -

- *“Where the Commission is appointed the Regulator under the Electricity Act 2017, the Commission is to take on the role of the Regulator as fully detailed in the Electricity Act 2017 with all rights, duties, obligations and powers as prescribed in the Electricity Act 2017”.*
- *Pursuant to section 39 of the FCCC Act 2010, the Minister may, on a recommendation by FCCC, by order declare that the prices for goods or services in the order are controlled.*
- *The price pertaining to the supply of electricity is to be Authorised by the FCCC pursuant to section 41 of the FCCC Act 2010.*

- *Section 41 (1A) of the FCCC Act 2010 Authorises FCCC to issue Price Authorisation for price-controlled goods or services under the Act or any subsidiary legislation.*

(b) Electricity Act 2017 (under section 57) stipulates; -

“The Regulator may, for the purpose of preventing the charging of excessive rates for electricity, by order prescribe the maximum charges to be made by a licensee for the supply of electricity to consumers, and such order will take effect notwithstanding the existence of any licence or agreement relating to the charges to be made by such licensee for the supply of electricity to consumers”

3. Regulatory Framework – Electricity Sector

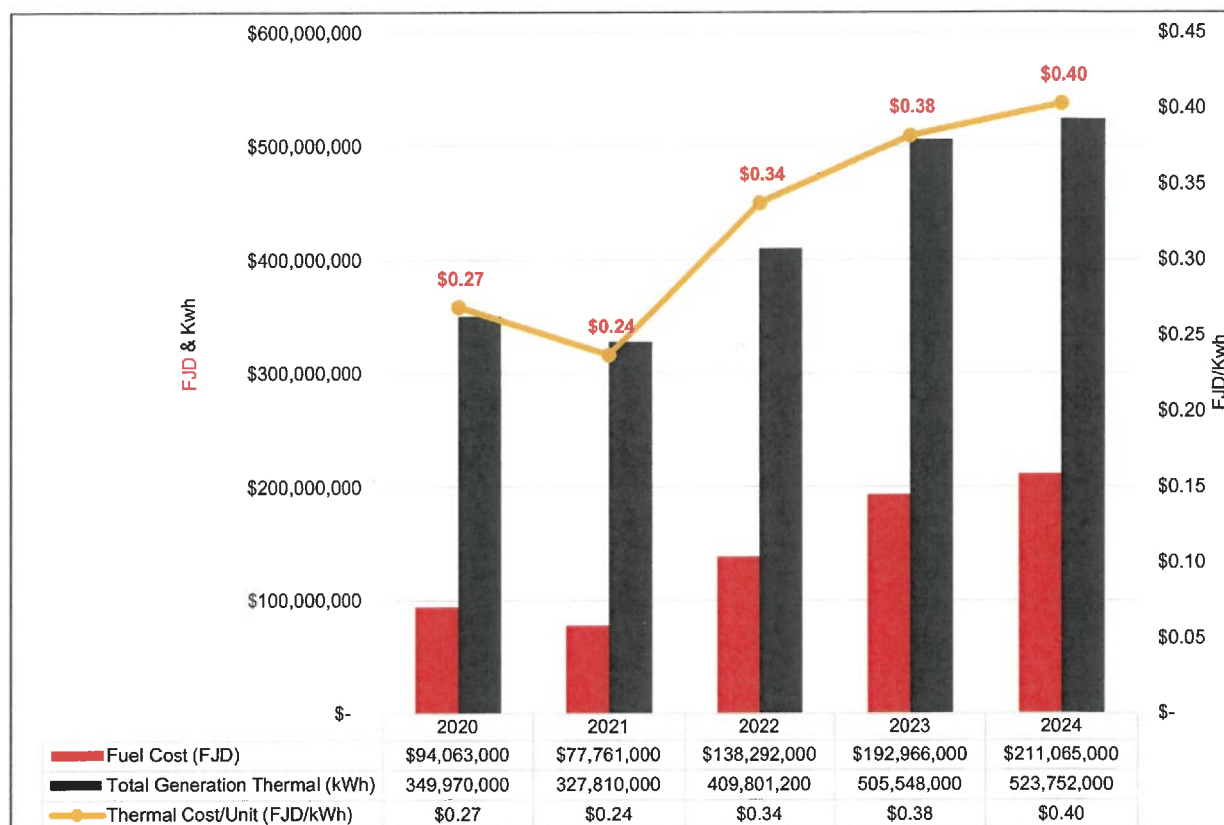
The FCCC implemented the Electricity Tariff Methodology (ETM) on 16 September 2019 with the following objectives:

- i) Cover the costs of supply of electricity – if the utility is unable to cover its costs, then the continued supply would require the government to provide subsidies;
- ii) Encourage efficiency in providing electricity – FCCC can encourage the utility to be efficient in providing electricity by ensuring that the utility achieves the required revenue and that all unnecessary expenditure that is controllable is monitored and controlled by the utility;
- iii) Promote efficient consumption – the regulated tariff would imply that the customers on the other hand understand the value of electricity and as such control their usage efficiently, as eventually the customers have to pay for electricity at the end of the month based on their usage;
- iv) Address affordability for poor households; and
- v) Ensure environmental sustainability – ensure that the utility obliges with their Power Development Plan that shall be approved via Capital Expenditure sought for renewable energy projects.

In the regulation of the electricity tariffs, there are essentially three (3) key aspects to consider:

- i) Allowable revenue requirements – the level of revenues that the regulated entity is allowed to recover prudently incurred costs plus a fair return to the investors;
- ii) Tariff Structure – the different tariff components and any differentiations applied, as well as the allocation of costs to different tariff components and/or customer categories; and

Graph 2: Thermal Generation Cost Assessment



(Source: EFL's Annual Report & FCCC's Assessment)

The graph above indicates that EFL 's Fuel Cost and Thermal Generation has continued to increase overtime from 2021 till 2024. In 2021, Fiji had COVID impact as such Generation and Fuel Cost decreased, however from 2022 till 2024, the FCCC has noted that the Fuel cost and thermal generation has consistently increased, resulting in Thermal unit cost of generation to increase from FJD 0.24/kWh to FJD 0.40/kWh.

Furthermore, analysis below indicates that in 2023, there was a substantial increase in Fuel cost of \$54 million or 40%, which has led EFL to report a loss of \$24 million in 2023.

	2020	2021	2022	2023	2024
Fuel Cost (FJD)	\$94,063,000	\$77,761,000	\$ 138,292,000	\$ 192,966,000	\$ 211,065,000
Fuel Cost Change (FJD)		(\$16,302,000)	\$60,531,000	\$54,674,000	\$18,099,000
Fuel Cost Change (%)		(17%)	78%	40%	9%

iii) Tariff level – the pricing levels of the different tariff components

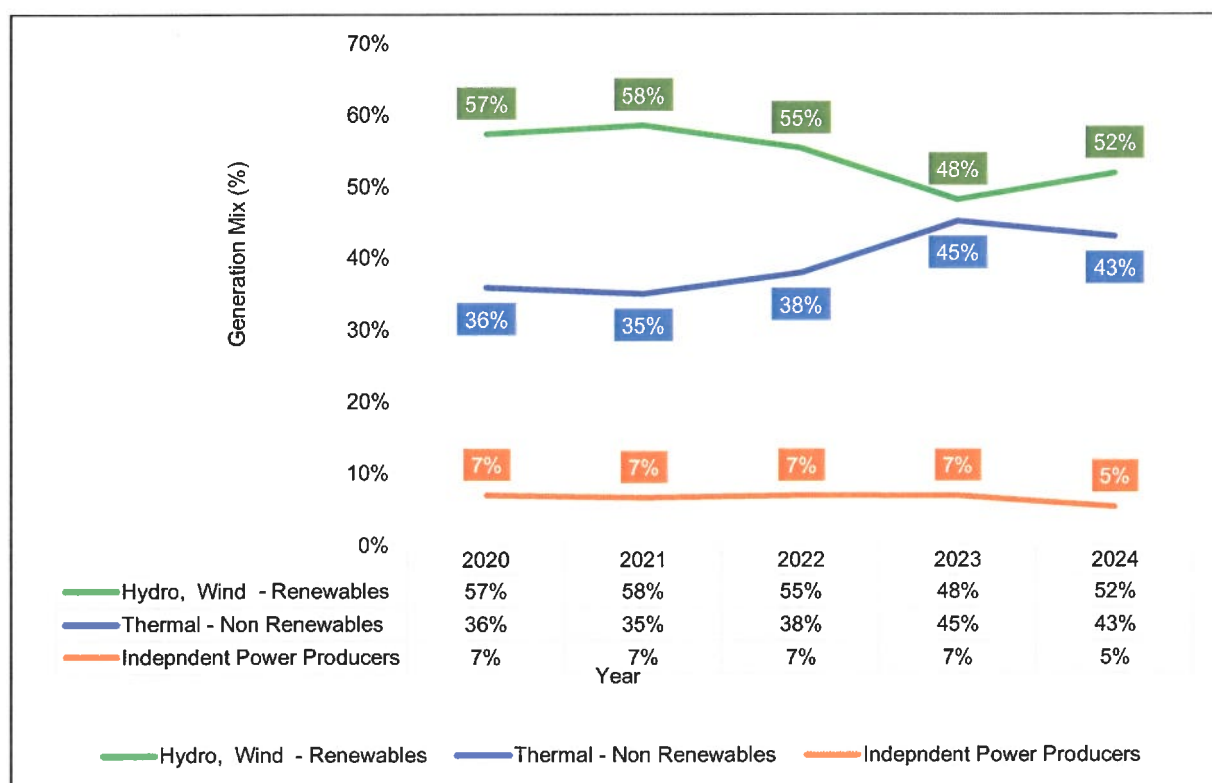
4. General Observations on EFL's Performance

FCCC notes that during the 2023 – 2024 reporting period, EFL continued to play a crucial role in ensuring the supply of electricity throughout Fiji while managing operational and financial challenges.

2023 & 2024 Annual Report

To make an informed representation to the Committee, the FCCC analyzed Generation Statistics from FY 2020 till FY 2020 and noted that EFL's Generation mix on renewables decreased substantially in 2023, while on the other hand Fuel Cost increased, as such this has attributed to EFL reporting loss in FY 2023. The graph below illustrates the Generation Mix for EFL from 2020 to 2024.

Graph 1: Generation Mix for EFL



(Source: EFL's Annual Report)

The FCCC also analyzed Fuel Costs in relation to Thermal Generation from FY 2020 till FY 2024 to study the Thermal Generation Cost change overtime. The analysis is noted below:

One of the key challenges faced by EFL, as per FCCC's assessment, continues to be continuous increase noted in the Fuel Costs overtime for thermal generation.

Furthermore, FCCC's independent analysis illustrates that EFL has not made any major investment in renewables, as such the utility continues to be exposed to Fuel cost volatility noted in the international market. This has been prevalent in FY 2023, FY 2024 and at current in FY 2026, whereby wars in Middle East have impacted the Fuel prices in Fiji drastically.

The FCCC's assessment of financial matrix is further noted below.

(a) Financial Performance

Table 1: EFL's Financial Performance for FY 2023 to FY 2024

Particulars	2023	2024	% Change
Revenue – electricity sales	\$387,021,000	\$421,221,000	8.84%
Other Operating revenue	\$12,538,000	\$10,772,000	(14.1) %
Total Expenses	\$402,956,000	\$426,859,000	5.9%
Profit after income tax	\$(24,806,000)	\$7,169,000	(128.9) %

(Source: FCCC Assessment)

The financial performance indicates that electricity sales revenue rose steadily from \$387 million in 2023 to \$421 million in 2024, increasing by 8.8%, reflecting consistent growth in demand. Other operating revenue decreased from \$12.5 million to \$10.7 million or 14.1%. Total expenses, however, increased sharply from \$402 million in 2023 to \$426.9 million or by 5.9% in 2024, which outpaced the growth in revenue.

The profit after income tax increased from a loss of \$24.8 million in 2023 to \$7.2 million or by 128.9% in 2024. Overall, while revenues have expanded, rising costs have eroded profitability and underscore the need for tighter expense management, and the need to shift towards renewables to ensure reliance on Thermal generation overtime reduces. Furthermore, the country as a whole needs to transition to green transport energy, to ensure that future shocks related to current Fuel crisis is mitigated. The Cash flow assessment is noted below:

(b) Cashflow for FY 2023 to FY 2024

Particulars	2023	2024	% change
Net cashflows from operating	44,343,000	30,976,000	(30.14) %
Net cashflows from investing	16,340,000	(142,139,000)	(969.88) %
Net cashflows from financing	(39,234,000)	57,130,000	(245.61) %
Cash at the end of the year	135,494,000	82,771,000	(38.91) %

(Source: FCCC Assessment)

EFL's cash flow position weakened notably between 2023 and 2024. Net cash flows from operating activities fell sharply from \$44.34 million in 2023 to \$30.97 million or by 30.14% in 2024, reflecting reduced cash flow from generation of core operations.

Cash flow from Investing activities consistently used cash, with outflows widening from \$16.34 million in 2023 to a significant \$142.14 million in 2024. Financing cash flows were negative through most years indicating debt repayments or dividend payments but turned positive in 2024 at \$57.13 million, suggesting new financing inflows that were injected into EFL.

As a result of weaker operating inflows and higher investment outflows, cash at year-end dropped from a peak of \$135.49 million in 2023 to \$82.77 million in 2024, highlighting increasing pressure on liquidity.

(c) Electricity Demand and Customer Numbers

Sales Demand:	Units	2023	2024
Demand for electricity	Mwh	998.65	1072.94
Change in electricity demand	Mwh	41.10	74.29
% Change	%	4.29%	7.44%
Customer Base:			
Customer Base Growth	Cust.no	219,853	223,539
Change in Customer Base	%	2.43%	1.68%

(Source: FCCC Assessment)

Despite EFL's Financial position, the FCCC has noted that electricity has been growing at an average of 4.29% per annum from 2023 to 7.44% in 2024 as shown above. The increase in demand has been attributed to an increase in economic activities in 2024. The FCCC has noted EFL's operations remain a highly capital-intensive industry, whereby the utility has continued investing in the development of power infrastructure and thermal generation to meet the demand of electricity increases day by day.

(d) Key Performance Indicators

- i. Financial & Investment Efficiency – performance metrics linked to return on investments, grid maintenance and renewable energy capital projects.
- ii. Ensuring CAPEX projects are completed as provided in the tariff application.
- iii. EFL to manage its gearing ratio and debt utilisation.

5. Consumer Protection Considerations

FCCC emphasizes the importance of maintaining affordable electricity services for households and businesses. In carrying out its regulatory functions, the Commission considers:

- (a) Impact of tariff adjustments on consumers.
- (b) Cost of living pressures faced by households.
- (c) Service quality and reliability.
- (d) Equity considerations for vulnerable.
- (e) Long-term sustainability of services.

6. Renewable Energy Transition

FCCC acknowledges EFL's ongoing investment and initiatives aimed at increasing the share of renewable energy in Fiji's electricity generation mix. This is evident from the EFL 2024 Annual Report with the major projects identified the following:

I. Renewable Energy Projects

- Qaliwana Hydro Scheme;
- Namosi Hydro Scheme;
- Solar PV developments in Ba, Tavua and Nadi;
- Ovalau Solar Project;
- Taveuni Solar Farm; and
- Additional renewable generation opportunities throughout Fiji.

II. Transmission Infrastructure

- Development of new 132kV transmission lines;
- Construction of switching stations and substations;
- Expansion of grid capacity to support renewable integration; and
- Reinforcement of network reliability and security.

From a regulator's perspective, this move is expected to;

- (a) Reduce Fiji's exposure to international fuel price volatility.
- (b) Improve energy security.
- (c) Support Fiji's position in climate commitments.
- (d) Improved long-term tariff stability for consumers.

Overall, the FCCC supports investment that is efficient, economically justified and deliver measurable benefits to consumers.

6. Regulatory Activities

The following were noted during the reporting period.

- The increased expenditure in hiring of diesel generation units requires evaluation of whether consumer should bear the full cost of emergency generation measures. It also necessitates the assessment of whether such expenditure was prudent and efficient and highlights the need for long-term generation planning.
- EFL's debt position increased significantly during the year as infrastructure investment activities expanded. Increased debt servicing obligations affect future cashflows and any planned CAPEX needs to be prudently assessed.
- In order to achieve renewable energy objectives there is a potential requirement for future tariff adjustments. There is also a need to balance affordability with infrastructure investment requirements and there is a requirement for rigorous economic and comprehensive assessments before any cost recovery approval is made.
- EFL's Annual Report highlighted the loss of skilled personnel through migration and overseas recruitment which potentially impacts service reliability and increases training and recruitment costs causing delays in project implementation.

Nevertheless, as part of FCCC's forward looking approach for utility performance, FCCC has delved in the development of a Performance-Based Regulatory Framework for energy supplies.

Lastly, FCCC wishes to highlight that the reason for its decision made in 2023. The summary decisions are as follows;

- a. Long Lead Times and Investment Requirements for Renewable Energy Developments
- b. Capital Expenditure and Funding Model Constraints
- c. Financial Sustainability Concerns with High Borrowing Levels
- d. Dependency on Private Investment and Risk of High Gearing Ratios

Considering the current Fuel crisis in the Middle East, which had affected the global economies, with Fiji being no exception as a price taker. These global geo-political events also has a bearing on EFL's cashflow, whereby the Fuel cost significantly increased by 71% from budgeted Fuel cost, as such as a way forward, the FCCC recommends following:

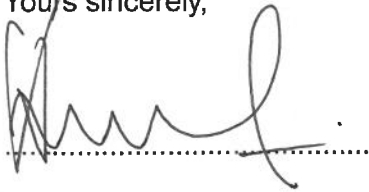
- a. EFL should be allowed to continue to invest in renewables, with support provided by the Government in securing land for development of renewable energy projects.
- b. FCCC to have weekly oversight of generation mix for EFL to further understand, how efficiently EFL is utilising energy resources to meet power demand in Fiji.

- c. FCCC and EFL to enter into an Enforceable Undertaking to ensure Fiji undertakes required Renewable Energy Projects that was part of the 2025 Tariff Application to Fiji, which would ensure that Fiji achieves 90% Renewables by 2035. Above projects will generate enormous amount of economic activities in Fiji, as well as ensure Fiji's electricity sector is independent from external threats from global fuel price volatilities.

7. Governance

As the independent regulator responsible for economic regulation in Fiji, FCCC is mandated under the FCCC Act 2010 to promote efficiency, fairness, transparency, and the long-term interests of consumers while ensuring the sustainability of regulated industries. In fulfilling this mandate, FCCC remains committed to ensuring that the objectives of the FCCC Act 2010 are achieved across all regulated sectors.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Senikavika Jiuta', written over a horizontal dotted line.

For

Senikavika Jiuta (Ms)

Chief Executive Officer

ANNEX 2

RESEARCH BRIEF

Comparative Analysis: Energy Fiji Limited (EFL) Annual Report 2023-2024

1.0 Overview: This brief is provided to the Standing Committee on Economic Affairs (“SC-EA” or “Committee”) as requested through its secretariat. This comparative analysis is a summary of some of the key issues in the Energy Fiji Limited Fiji (“EFL”) Annual Report (“AR”) for financial year 2023 and 2024. The summary is designed to assist Honourable Members of Committee undertake their comparisons and related analysis of the organisation’s performance as discussed in the ARs. The narrative provided here is only intended to assist the Committee with its appraisal of the reports and does not aim to provide in-depth oversight on the EFLs performance.

Activities	Annual Report 2023 & 2024	
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.	
Value	• Customer focus, • Honesty Do what is right for EFL Teamwork, • Individual accountability, • Transparency, • Innovativeness, • Compliance	
	2023	2024
Profit and Loss (PNL)	Loss after Tax \$24.80m	Profit after Tax \$7.17m
Electricity sales	\$387.02m	\$421.22m
Dividends declared and paid	\$40.68m	Nil
Total loans	\$169.50m	\$225.06m
Fuel costs	\$192.97m	\$211.07m
Number of employees	883	937
Shareholder value	\$886.12m	\$895.62m
Total electricity produced	1,120,981 MWh	1,218,906 MWh
Total assets	\$1.51b	\$1.58b
Power line route	11,692 km	11.871 km
Total New Connections	5,620	4,963
Total Customers	219,853	223,539
Electricity Demand	+4% compared to FY 22	+9% compared to FY 23
Diesel Generator cost	\$21.3m Hiring Cost	\$31m Hiring Cost
Domestic electricity price per unit	\$0.1634 per unit (VEP) First 100 kilowatt hours per month	\$0.1634 per unit (VEP) First 100 kilowatt hours per month
Household income less than 30k OR equal to 30k income.		
Standard Domestic Electricity Tariff Is	\$0.3401 cents per unit	\$0.3401 cents per unit
Electricity Supply in Fiji on the	91%	90%

main islands (Viti Levu, Vanua Levu, Ovalau, and Taveuni).		
Rural Electrification	A total sum of FJ\$26.5million was authorized for the rural, commercial/industrial, system reinforcement projects and contract works as at 31st December 2023. Included in this was \$12.54m worth of Rural Extension Projects enabling access to 1,158 customers in rural villages and settlements.	A total sum of \$34.515 million was authorized for the rural, commercial/industrial, grid extension and system reinforcement projects and contract works as at 31st December 2024. Included in this was \$8.66m worth of Rural Extension Projects enabling access to 842 customers in rural villages and settlements.
Capital Structure and Gearing (Debt-to-assets, excluding cash)	16.06%	20.08%
Debt-to-equity Ratio	67% Equity and 33% Debt	75% Equity and 25% Debt
Power Development plan for next 10 year – Trajectory	\$4.3b investment requirement	\$4b investment requirement
Digital Transformation Online Bill Checking Tool	20,000 Clicks per Month	22,000 Clicks per month
Noqu EFL app (Paperless initiative)	50% Daily Queries on app	50% Daily Queries on app

3.0 Financial Management Technology and Rural Development

Financial Management information System implementation	The upgrade of the Financial Management Information System (FMIS) – Phase 2 has been completed with the satisfactory conclusion of the due diligence and sign-off on the detailed scope of works. The third and final Phase officially began in December 2023 and is on schedule for completion in 2024.	In 2024, was the upgrade of the Financial Management Information System (FMIS), which is on track for a 2025 go-live. This upgrade aims to modernize financial processes, enhance reporting accuracy, and improve system integration across business functions.
Rural Electrification and Network Expansion	The Company has recorded assets generated from the Rural Electrification Schemes as part of its Property Plant and Equipment in Note 11. Government have not yet transferred the ownership of these assets to the Company. Auditors opinion is not modified in respect of this matter.	In 2024, numerous communities were connected to the grid for the first time or received improved power supply through EFL's programs. These efforts contribute to Fiji's development and improve quality of life, while also enabling more consumers to benefit from renewable energy as the generation mix gets greener.

4.0 Project updates

Activities	2023	2024
EFL is advancing multiple renewable energy projects to meet its Renewable Energy Plan. These projects include:	Qaliwana Hydro-Electric Scheme: Feasibility study completed, with development decisions expected in 2024.	Following the peer review of the feasibility study for Qaliwana hydro-electric scheme with Upper Wailoa Diversion, EFL continued working with European Investment Bank (“EIB”) to revisit aspects of the feasibility study to address the findings from the peer review study.
	Vatukotokoto Hydro-Electric Scheme: Feasibility study completed, with development decisions expected in 2024.	Following the detailed feasibility study for the Vatukotokoto hydro-electric scheme, which is the first of three in a cascade of hydro-electric schemes on the Ba River, by Studio Pietrangeli of Italy (Consultant appointed by European Investment Bank), EFL has progressed further assessment of the prospective hydro-power electric scheme with its shareholding partners as it aims to finalize the development of the project.
	Namosi Hydro-Electric Scheme: Feasibility study to begin in 2024, funded by AIFFP.	Current Progress: • A consultant has been appointed to assess development options. • Multiple consultations held in 2024 resulted in a shortlist of options for further study. • A LiDAR survey of the catchment area has been completed. Support Provided: AIFFP has supplied hydrometric gauging instruments to EFL for the study.
	132kV Transmission Network: Development of a new transmission line and substation to improve power supply in the Ba region. Construction began in 2021, with work expected to continue in 2024.	Progress: • Detailed design largely completed by 2022. • Major equipment manufactured and delivered; installation began late 2024. • Monopole and lattice tower structures nearing completion; 60% of conductor stringing done. • Adverse weather and accessibility issues impacted progress in 2024. Future Work: • EFL is constructing 33kV interconnecting lines and



		relocating existing overhead lines. • Project expected to advance in 2025, facilitating power evacuation from existing and new hydro-projects, as well as potential solar PV plants in the region.
	Dratabu 5MW Solar Plant: Construction expected to begin in 2024.	Progress: Sunergise Dratabu Pte Limited is actively working to obtain necessary regulatory and agency approvals for the development of the solar power plant. Next Steps: Approval processes are ongoing to move forward with the project development.
	1MW Solar PV Farm at Mua: Construction and grid-extension work progressing, plant to be commissioned in 2024	The 1MW grid-connected solar photovoltaic plant with battery energy storage was successfully commissioned in March 2024. The project is expected to contribute at least 1GWhr of energy to meet the energy demand of Taveuni. EFL continues to work with the Fijian Government for grid extension works to increase the reach of the EFL electricity supply grid.
	Grid-Connected Solar PV Plants in Viti Levu: Due diligence completed for solar plants in Ba, Tavua, and Nadi, with additional plans in Vanua Levu.	Current Progress: • In December 2023, Expressions of Interest were sought from prospective developers. • EFL is finalizing the project development structure and has published tenders for the design, development, operation, and maintenance of these solar PV power plants. Partnership Model: The project will be executed under a Public-Private Partnership model.
	132kV Transmission Network Redundancy: Feasibility study to enhance the network's capacity for renewable energy projects.	Collaboration: EFL is partnering with the Asian Development Bank (ADB) to explore investment needs for enhancing the 132kV transmission network. Investments Focus: • New 132kV transmission lines. • 132kV switching stations. • 132kV/33kV interconnecting

		substations. Renewable Energy Transition: ADB will help EFL develop a roadmap aimed at producing at least 90% of its energy from renewable sources by 2035.
	Ovalau Agro-Photovoltaic Solar Power Plant: Construction expected to begin in 2024, with support from KOICA for battery storage.	Current Progress: - Ovalau Agro-Solar Pte Ltd is actively working on obtaining necessary regulatory and agency approvals. - Efforts are underway to reach financial close as part of fulfilling obligations under the Power Purchase Agreement.
	Lautoka Grid-Connected Solar Project: Feasibility study in progress for a new solar plant.	Current Progress: Following a preliminary assessment, EFL has published tenders for a pre-feasibility study for the solar PV power plant project.
	Thermal Power Reinforcement: Development of 20MW at Kinoya and 30MW at Vuda, with environmental assessments underway.	Current Progress: - Additional land has been acquired at Vuda for the project. - Engineering assessments and survey work have been completed. - EFL awarded tenders for: - Design and construction of the 20MW thermal power plant at Kinoya with an associated step-up substation. - Design and construction of the 30MW thermal power plant at Vuda with an associated step-up substation. Next Steps: Following the tender award for the Kinoya plant, engineering design development is underway, and major manufacturing for the project has commenced.
	Land Acquisition for Renewable Projects: Ongoing coordination with stakeholders to secure land for future energy projects.	Current Progress: The EFL lands team has successfully negotiated and secured a lease of sixty-five (65) acres for the development of a solar PV power plant project at Seaqaqa in Macuata, Vanua Levu.

		Stakeholder Engagement: Ongoing liaison with landowners and stakeholders continues to facilitate the acquisition process for future renewable projects.
		Exploring Geothermal Energy: ADB's involvement guarantees that future solar, wind, and possibly geothermal projects are effectively designed, financially viable, and able to attract competitive investments.

5.0 Partnership

Institution	2023	2024
ADB	EFL is continuing to liaise with the Asian Development Bank ("ADB") to commence the detailed feasibility study on the development of the 132kV transmission network for Viti Levu.	• Partnership Formation: In 2024, ADB partnered with EFL to enhance Fiji's renewable energy transition. • Support Provided: ADB offers technical, financial, and advisory support for new clean energy projects. • Focus on PPPs: The partnership emphasizes structuring public-private partnerships (PPPs) for solar, wind, and geothermal initiatives. • Project Quality: Ensures projects are well-designed and bankable, attracting competitive investment. • International Standards: Adheres to rigorous international procurement standards. • Concessional Financing: Facilitates concessional financing through ADB's Renewable Energy Integration program. • Fossil Fuel Reduction: Aims to reduce reliance on fossil fuels in Fiji's energy sector. • Financial Viability: Improves the financial viability of renewable projects. • Investor Confidence: Boosts investor confidence in Fiji's energy sector.
World Bank	NA	World Bank Partnership for Vanua Levu Energy Planning



		Partnership & Collaboration: • EFL partnered with World Bank in 2024 via Memorandum of Understanding • Focus on developing long-term renewable energy roadmap for Vanua Levu What the World Bank is Planning: • Assess renewable resource base (solar and wind potential) in the North • Forecast future demand growth in tourism, agriculture, and manufacturing sectors • Design optimal mix of sustainable energy investments • Plan for increased renewable generation capacity • Strengthen grid infrastructure (submarine cables and microgrids) • Develop strategy to retire diesel-based generation World Bank's Expertise & Tools: • Global analytical tools and modeling capabilities • Energy storage optimization studies • Grid stability analyses • Renewable integration expertise • International best practices in energy planning Comprehensive Approach: • Beyond power plants: includes policy, regulatory, and community considerations • Development perspective: energy access, job creation, just transition • Alignment with broader socio-economic goals Expected Deliverables: • Investment-ready renewable energy projects • Blueprint for replication across Fiji and Pacific Islands • Access to World Bank financing instruments and guarantees • Long-term sustainable energy transition plan
Chugoku Electric Power Company (CEPCO)	CEPCO will continue to contribute to the management of EFL	Continue to assist EFL in same priority areas in 2023.

	including the power generation, transmission and distribution, retail business, and new electric power related business, by leveraging the technologies and experience cultivated in the domestic and overseas electric power business and from the following perspectives: • Strategic plan; • Financial Planning, Demand Forecasting, Tariff renewal and Sales Planning, Fuel Procurement and Planning, Recruitment and Education, Human Resources Utilization and Succession Planning to prevent employees from leaving EFL; • Power and Network Development Plan; • Development of hydro, solar and network facilities in line with the Power Development Plan; • Operation and Maintenance Plan; • Operation and maintenance procedures for hydro, solar and network facilities. • Information technology; and Corporate Governance and Business Compliance.	
Japan Bank for International Cooperation (JBIC)	• Strategic Alliances: JBIC has established a trilateral partnership with the United States (DFC) and Australia (Export Finance Australia) to fund infrastructure and energy projects. • FOIP Goal: These collaborations directly support Japan's "Free and Open Indo-Pacific" policy by fostering stability and development in the region. • Support for Fiji: By investing in EFL, JBIC is strengthening diplomatic ties with Fiji and promoting high-quality local infrastructure. • Business Expansion: JBIC is facilitating the international growth of Chugoku Electric	• In 2024, JBIC continued to support EFL by facilitating introductions to other Japanese clean technology providers and by exploring co-financing opportunities for large projects (such as new hydropower plants or extensive grid upgrades). This collaborative financing approach can reduce the cost of capital for EFL and diversify our funding sources. It also instils a high level of governance, since JBIC as a policy-driven bank adheres to stringent compliance and environmental standards.

	Power Company (CEPCO), helping maintain the global competitiveness of Japanese industry. • Sustainability Focus: A primary objective is assisting EFL in meeting renewable energy targets, contributing to regional decarbonization and environmental goals.	
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6.0 Suggested Relevant Questions

- How will the transition to renewable energy, particularly through EFL's fuel cost savings, affect domestic electricity prices for consumers in the near future?
- What is the representation of women in technical and leadership roles within the company?
- Does partnership with international organizations enable EFL to sustain lower tariffs? If so, is it feasible to consider a tariff increase? Conversely, if a tariff rise is not advisable, how might such an increase significantly contribute to future projects and strategic objectives?
- What potential impacts could a tariff increase have on the advancement of these initiatives?
- Can pre-prepared electricity meter be controlled online? If yes, how are cyber threats managed?
- What is the measure imposed to secure cyber threats or data security of the app users?

References

Limited, E. F. (2023). *Energy Fiji Limited 2023 Annual Report*. Retrieved May 12, 2026, from <https://parliament.gov.fj/wp-content/uploads/2024/07/69-Energy-Fiji-Limited-Annual-Report-2023.pdf>

Limited, E. F. (2024). *Energy Fiji Limited 2024 Annual Report*. Retrieved May 12, 2026, from <https://parliament.gov.fj/wp-content/uploads/2025/07/75Energy-Fiji-Limited-Annual-Report-2024.pdf>

12 May 2026

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ANNEX 3

VERBATIM REPORTS

- **Energy Fiji Limited**
- **Consumer Council of Fiji**
- **Fijian Competition and Consumer Commission**

[VERBATIM REPORT]

STANDING COMMITTEE ON **ECONOMIC AFFAIRS**

Annual Report

Energy Fiji Limited (EFL) Annual Reports 2023 and 2024

INSTITUTION: **Energy Fiji Limited**

VENUE: **Big Committee Room (East Wing)**

DATE: **Tuesday, 23rd June, 2026**

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ONECONOMIC AFFAIRS HELD AT THE COMMITTEE ROOM (EAST/WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON TUESDAY, 23RD JUNE, 2026 AT 9.39 A.M.

Present:

- | | |
|----------------------------|--------------------|
| (1) Hon. S. Tubuna | Chairman |
| (2) Hon. P.D. Kumar | Deputy Chairperson |
| (3) Hon. S.T. Koroilavesau | Member |
| (4) Hon. K.V. Ravu | Member |

Interviewee/Submittee **Energy Fiji Limited**

In Attendance:

- | | |
|-------------------------|----------------------------|
| (1) Mr. Fatiaki Gibson | Chief Executive Officer |
| (2) Mr. Semisi Tawake | Chief Financial Officer |
| (3) Mr. Shalen Prasad | Manager Financial Services |
| (4) Ms. Annabelle Ducia | Customer Services Section |
| (5) Ms. Elenoa Navoce | Manager Human Resources |
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MR. CHAIRMAN.- Honourable Members, members of the media and the public, secretariat, ladies and gentlemen, a very good morning to you all. It is a pleasure to welcome everyone to this public hearing session. At the outset, for information purposes, pursuant to Standing Orders 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, this submission meeting is open to the public and the media and will be aired live on the Parliament's channel through the *Walesi* platform, and live-streamed through the Parliament's *Facebook* page. For any sensitive information concerning this submission that cannot be disclosed in public, this can be provided to the Committee either in private or in writing, but do note that this will only be allowed in a few specific circumstances, which include:

- national security matters;
- third-party confidential information;
- personnel or human resource matters; and
- meetings whereby the Committee deliberates on all issues before it develops its recommendations and reports.

I wish to remind honourable Members and our invited submittees that all comments and questions to be asked are to be addressed through the chair. Also be mindful that only the invited submittees will be allowed to ask any questions or give comments to the Committee. This is a Parliamentary meeting, and all information gathered here is covered for under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament.

Please note that the Committee does not condone libel or slander or any allegations against any individual that is not present here today to defend themselves. In terms of other protocols of this Committee, please be advised that whilst the meeting is in progress, movement within the meeting room will be restricted. There should be minimal usage of mobile phones, whereby answering of phones should be done outside this room and all mobiles to be on silent mode.

(Introduction of Committee Members)

MR. CHAIRMAN.- With us this morning, our first submittee are representatives from Energy Fiji Limited, which the Committee has invited to provide a submission on Energy Fiji Limited (EFL) Annual Reports 2023 and 2024. Energy Fiji Limited is here to present to us what are the outcomes of the report. They play a vital role in Fiji's economic development and the daily lives of our people through the provision of reliable electricity services.

The presentation on EFL's annual report is an opportunity to get a clear understanding of the organisation's operational performance, financial position, key achievements and challenges and also considering its contributions towards meeting the nation's needs and strategic development objective. With this brief introduction, I take this time to invite our

submission guests to introduce themselves, before we ask them to just perhaps make a brief submission for about 10 minutes, covering the issues that you are going to present to us, and after that, there will be a Q&A session.

(Introduction of EFL officials)

MR. F.. GIBSON.- Mr. Chairman, we had sent our presentation this morning, a few slides to Awantika. We would like that to be put up because the document is quite lengthy, but we have answered all the questions.

Mr. Chairman, honourable Members of the Parliamentary Economic Affairs Committee, ladies and gentlemen - good morning and thank you for the opportunity to appear before the Committee today to discuss the 2023 and 2024 Annual Reports of Energy Fiji Limited and to provide an update on EFL's performance, including 2025, current operating environment, challenges, and the future strategic direction. We also have the 2025 Annual Report in hand to give you a copy, which had also been forwarded to Parliament Office in April 2026. We had also forwarded EFL's submission responding in detail to the 23 questions that were emailed to us by the Deputy Committee Clerk last week.

On behalf of the Board of Directors, management, and employees of Energy Fiji Limited, I wish to acknowledge the Committee's important oversight role and thank you for the opportunity to present before you today. We have been given five minutes for this presentation and with your approval, Mr. Chairman, we request for an additional five to ten minutes to present and stand ready to respond to the questions in the presentation or on our formal submission accordingly.

Without the presentation, we have a background and evolution of Energy Fiji Limited. Before discussing the annual reports, I believe it is useful to briefly reflect on the evolution of Fiji's electricity sector and the role Energy Fiji Limited plays today.

Electricity services in Fiji were originally provided through the Fiji Electricity Authority, established under the Electricity Act of 1966. For more than five decades, FEA was responsible for building and operating the electricity infrastructure that underpins Fiji's economic and social development. In 2017, Parliament enacted the Electricity Act of 2017, modernising Fiji's electricity sector and establishing a new regulatory framework. As part of this reform, FEA was corporatised in 2018 and became Energy Fiji Limited, a public company limited by shares, governed under the Companies Act. During the process, the Fiji National Provident Fund acquired 20 percent shareholding, and domestic electricity customers were allocated shares.

In 2019, the Electricity Act of 2017 came into full effect, with regulatory oversight transferred to the Fijian Competition and Consumer Commission (FCCC), which today independently regulates electricity tariff and consumer protection matters. Sir, EFL also undertakes responsibilities relating to technical standards, licencing, examinations and registration of electricians. In 2021, the Government of Fiji completed the sale of 44 percent shareholding of EFL to Sevens Pacific Pte Limited, a consortium comprising Chikugu Electric Power Company of Japan and the Japan Bank of International Cooperation (JBIC). This partnership brought international utility expertise and strengthened EFL's access to global industry knowledge and technical experience.

Today, EFL is responsible for the generation, transmission, distribution and retail sale of electricity throughout Viti Levu, Vanua Levu, Ovalau and Taveuni. Our generation portfolio includes the Monasavu, Nadarivatu, Wainikasou, Wainiqio, Somosomo Hydroelectric Schemes together with Nagado and the Butoni Wind Farm, with thermal generation facilities located at Vuda, Kinoya, Sigatoka, Labasa and other locations throughout Fiji.

Importantly, all electricity tariffs are independently determined by FCCC. Sir, EFL does not set its own tariffs. Under the current framework, customers across Fiji enjoy uniform tariffs, regardless of location, meaning customers in remote and maritime areas pay the same regulated tariff as customers in the urban centres, despite significantly higher service delivery costs. Even with this obligation, Fiji continues to enjoy some of the lowest electricity tariffs in the Pacific region and compares favourably with jurisdictions in Australia and New Zealand and we will expound on this later on. I hand over now to CFO to take us through the reflections of performance from 2023 to 2025.

MR. S. TAWAKE.- Mr. Chairman and Members, the period from 2023 to 2025 has been one of significant transformations for Energy Fiji Limited. Over these three years, EFL has had to navigate a complex operating environment characterised by low hydrology, global fuel price volatility, inflationary prices, supply chain disruptions, increasing

infrastructure requirements and the migration of skilled technical personnel. Despite these challenges, EFL has remained focused on its core responsibility of providing safe, reliable and affordable electricity to the people of Fiji, while laying the foundations for the country's renewable energy future.

In 2023, EFL recorded a loss after tax of approximately \$24.8 million primarily driven by elevated fuel costs and lower hydro generation. Despite these challenges, EFL maintained electricity supplies across Fiji and continued investing in critical infrastructure projects. In 2024, EFL successfully returned to profitability, recording a profit after tax of approximately \$7.2 million, supported by improved operational performance, increased electricity sales and stronger commercial activity.

In 2025, EFL further strengthened its financial performance, delivering a profit after tax of approximately \$22 million, demonstrating the resilience of the business and the effectiveness of companies' operational and financial strategies. In terms of dividend, the 2023 dividend was based on the 2022 financial year results, so we declared a dividend during that year. For 2023, there was a loss and there was no dividend declared in 2024. In 2024, there was a profit, but there was no dividend declared by the shareholders in 2025.

Let me just say that the dividend policy is governed through the shareholders agreement of the shareholders, which is the Government of Fiji, which has 51 percent, 44 percent from Sevens Pacific Pte Limited, , comprising of JBIC and Chikugu , and 5 percent managed through the South Pacific Exchange, through the central registry that is aligned to EFL customers.

Over the three-year period, electricity sales revenue increased from \$387 million in 2023 to \$431 million in 2025. Total assets increased from \$1.51 billion to \$1.69 billion, reflecting continued investment in Fiji's electricity infrastructure. Shareholder value increased from \$886 million to \$914 million, of which there is a share equity of \$750 million. Customer numbers increased from 219,853 to 227,607 customers in 2025, and it will go over the 230,000 mark this year. Electricity generation increased from approximately 1.12 million MWh to 1.25 million MWh in 2025, an increase of 9 percent around 2024, and we have a forward projection of 5 percent per annum from now till 2029. The national electricity network expanded to almost 12,000 kilometres within the three years. Sir, EFL's workforce increased from 883 employees to 967 employees.

Mr. Chairman and Members, the compliment of EFL is round about 1,000 before COVID. We have seen a lot of migration in the employees during that time, and we still have not reached the 1,000 mark till now, although the operations has gone up. We can see it from the pole network that is there on the matrix, as well as the service that it requires. Importantly, EFL continued to improve network reliability despite operating under increasing challenging conditions. Controllable System Average Interruption Duration Index (SAIDI), which looks at the duration when there is a breakdown or issue in terms of the supply of electricity is 223 minutes per customer in 2023 to 218 minutes in 2024. If we benchmark it to island economies like Fiji or Small Island Developing States (SIDS) in the Caribbean, as well as even African nations, we are well ahead in terms of SAIDI according to World Bank standard, whereby similar countries are operating within 300 minutes to 1,000 minutes, which means 5 hours to run about 16 hours in total.

In System Average Interruption Frequency Index (SAIFI), which is the frequency of interruption, it improved from 3.23 interruptions per customer to 3.08 interruptions per customer, which is still above the benchmark against SIDS, island economies, and even comparable countries in Africa and South America, reflecting the positive impact of EFL's asset replacement, maintenance, and network strengthening programme. These achievements demonstrate that EFL is not only maintaining the electricity system that Fiji depends upon today, but is also building the infrastructure, capability, and resilience required to support the country's future economic growth and renewable energy transition. While delivering improved financial and operational performance, EFL also continues to invest in critical infrastructure to strengthen Fiji's energy security, reliability, and renewable energy transition.

Some of the key infrastructure achievements delivered or progress during the period include continued development of the 132 kV transmission expansion programme, including the Virara-Koronubu-Rarawai transmission corridor to strengthen the national grid and support future renewable energy integration. Taveuni is now 100 percent in terms of renewable energy, with Somosomo Hydro Scheme that was already there during the transition from the department to EFL, and then recently we commissioned the MUA 1-megawatt solar farm and battery energy storage. Importantly, given the fuel crisis that we have at the moment, let me just state, Mr. Chairman, that Taveuni is not affected through this fuel crisis.

Progression of major generation security projects of Kinoya and Vuda Power Station to ensure reliable electricity supply during periods of low hydrology and increasing demand. Expansion of the transmission and distribution network by almost 300 kilometres over the three-year period supporting customer growth, rural electrification, and network resilience. Connections of thousands of new customers and continued expansion of rural electrification programme, improving access to electricity. We note the reduction in the connections in 2024, but if you look at 2025, there is an increase in that number as well, and it depends on the applicants that come in. Continued investment in substation upgrades, protection systems, asset replacement programmes, and network modernisation initiatives to improve reliability and reduce outages.

Advancement of EFL's long-term renewable energy programme, including preparatory works for the major projects such as Qaliwana Hydro and Vatutokotoko or Savatu. These, Mr. Chairman, are really critical in terms of how we set tariff around that. We will talk about that in detail in this meeting during the question and answer session.

Strengthening of EFL's project delivery procurement, asset management, and system planning capability to support the implementation of Fiji's renewable energy transition programme. This investment presents the foundation upon which Fiji's future electricity system will be built and demonstrate EFL's commitment to maintaining a reliable electricity supply.

The 2026 environment, if you can go back to the previous slide. While the annual report focused on 2023 and 2024, it is important to provide context regarding current operating environment in 2026. This year, Fiji has experienced two challenging circumstances. One is on the hydrological period in recent years. As at 13th May, 2024, Monasavu Dam level stood at 737 metres below the EFL preferred dry season, operating threshold of 740 metres. Hydro generation remains Fiji's cheapest source of electricity and foundation of renewable energy system. I would like the CEO to just talk about hydrology for the time being.

MR. F. GIBSON.- Mr. Chairman, on the graph, on the right top, that is the dam level at Monasavu. Monasavu Hydro Scheme is a storage hydro scheme. If you look at it during this kind of time, especially for this year 2026, it is the red graph. It is below the 2025 graph, which is the green graph. Now, the way EFL runs the mix, or the generation mix is that we need the hydrology or the renewable energy plus the thermal to work hand in hand. If one is affected, the nation becomes vulnerable because we cannot meet the demand.

When we have the fuel crisis, one end of the mix is also affected, so it is a balancing act. But for EFL to be able to ride this dry season, it needs to manage the dam level to go from now till the next rainy season, which is around November and December. If we drain one side, it is like the water, then we will only meet 50 percent of the demand. If we run out of fuel because of the fuel crisis, we will also run out of ability to meet the demand. So, it is a balancing act for us. The blue line that you saw there, that is in 2003, when we had an exceptional drought, and we ran the dam. Those two lines at the bottom, one is the minimum safe level, and one is, we just have to stop the Monasavu Hydro Scheme - the bottom line.

We are also preparing Mr. Chairman and Members for this phenomenon that we are hearing from the specialists, which is the Super El Nino. We have this fuel crisis, but we also have this phenomenon. For us, the science is saying that this region, the West Pacific, will undergo a prolonged dry season. We have had rain in June, but we are conscious that instead of the rain coming in, say, November, December, it might be prolonged. The only thing that is going for us, Mr. Chairman and Members, is that the demand is low at this moment because of the cold weather. But as we get towards the latter part of this year, with the heat coming in, the demand starts to increase. So, we must have the capability in terms of capacity to meet the demand.

MR. S. TAWAKE.- At the same time, global fuel markets experienced significant volatility during 2026. If I can just explain that graph properly. On 28th February, the MOPS (Mean of Platts Singapore) price was at US\$68 per barrel at that point in time. Post-crisis, which is post-28th of February, you can see the graph in terms of Brent crude going up in this trajectory. During the intense bombing scenario where the U.S. had that situation with Iran, it shot right up to US\$138 per barrel, which is the peak price in there. Then we had the negotiation in Pakistan, which reduces the price again.

Last week when we had the MOU agreed between Iran, the US and its allies, the price dropped by \$10 in one day, so it dropped from \$93 to \$83. And then, two days after, it reduced by \$10 again, round about \$73 which is hovering at that mark at the moment. So now, it is coming in between US\$73 per barrel to a max of US\$81 per barrel as it is at the moment.

We have heard the current situation in terms of, yesterday Iran is saying a closure of Strait of Hormuz gap, so the situation is still volatile as we speak right now.

There are two scenarios, Mr. Chairman and Members, in terms of fuel price. One is Brent crude, which is MOPS, and the other one is premium. We are mostly hedged in terms of the Brent crude price, but in terms of premium, which looks after refinery margins, supply and demand, freight and logistics, that is still volatile at the moment, given the damages that has happened to the refineries, as well as the shipping lines at the moment. In terms of premium and refinery, it normally sits between US\$1 to US\$3 per barrel, that shot up right to US\$70 per barrel. At the moment, it is sitting between 30 to 40. So it is very volatile, as opposed to the price that was there before.

So EFL has responded proactively to these challenges on the fuel crisis through a comprehensive contingency framework. This includes optimising hydro resource management, maximising independent power producer generation, prioritising low-cost heavy fuel oil generation over high-cost diesel generation, the Heavy Fuel Oil (HFO) price against Industry Diesel Oil (IDO) per metric tonne, HFO is cheaper, it is within US\$2,100 mark per metric tonne, and US\$4,300 per metric tonne in terms of diesel. Our mix is 90 percent HFO as opposed to 10 percent of IDO.

Strategic fuel procurement and inventory management, maintaining reserve thermal generation capacity, continuous monitoring of hydrology, weather forecasts, and fuel markets, active board and management oversight through enterprise risk management processes, the temporary fuel duty relief measures introduced by the Government, also assisted in cushioning consumers from extraordinary international fuel price increases. As stated before, it is important to note that Taveuni was largely insulated from the impacts of the 2026 fuel crisis, as its electricity system is now substantially supplied through renewable energy in both Somosomo Hydro Scheme and recently in the commissioning of the Mua Solar Farm.

In response to the fuel crisis, EFL worked closely with FCCC under the Interim Tariff Adjustment Framework (ITAF), which was specifically designed to address significant fuel cost variances arising from extraordinary and unforeseen events. The ITAF mechanism provided a transparent regulatory framework to assess and compensate for fuel cost increases experienced by EFL following the commencement of the Middle East crisis, while balancing the need to protect customers from sudden tariff shocks and ensuring the continued financial sustainability of Fiji's electricity system. However, importantly, these measures are temporary. It is not fixed. It is for a certain period.

The long-term solution remains reducing Fiji's dependence on imported fossil fuels through greater renewable energy penetration and improved energy efficiency. Mr. Chairman, if we can just quickly look at the tables that are there, you can see the shipments both for HFO and IDO in terms of how we are managing risk in terms of supply. We know the orders that went into Pacific Energy and Petro Oceania Energy, as well as where in the point of logistics the ship is at any point in time. We do a shipping track as well, which is shown in the second table. In terms of the fuel surcharge, we agreed on a framework, and the formula for that framework is the third table in the graph, which looks at actual price, less budget, take off the hedging gains and loss, we offset government subsidy as well, and duty, and then we divide it by the kilowatt hours for the total customers during that month, also factoring in what we call "system loss".

Mr. Chairman, the most important strategy for the long-term, priority facing EFL is Fiji's renewable energy transition. Our vision is clear, subject to tariff, by 2029 EFL is targeting approximately 60 percent renewable energy generation, and by 2035 we are targeting at least 90 percent renewable energy generation. The work around that has already started. We have got the plan discussed with ADB and the World Bank, which we have placed with the Board and discussed with the stakeholders, especially Government, in regards to the plan going forward. The readiness around that, as you might know Mr. Chairman and Members, we had a roundtable with all development partners in December last year, as well as in March of this year. We have gone through the process of that in terms of funding, and the Board has approved a blended finance strategy in regard to that, meaning we get funding from all sources of funding, grants, concessional loans, corporate loans, syndicate, and we are open in terms of that by discussing that with the development partners, Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs).

Importantly, when we talk about corporate loans and even concessional loans, the leverage ratio or the debt covenant has to be looked at, we have to ensure that we do not breach the covenants that are there, or we agree on it during the due diligence process, which is happening right now, together with KPMG as the advisor.

MR. CHAIRMAN.- As we have very limited time, maybe you can just sum up your presentation.

MR. S. TAWAKE.- The \$2 billion programme that we are going forward with readiness that is happening right now, we are looking at a target of having term sheets ready within this year, as well as the financing agreements on all of these, subject to tariff by first quarter or mid-next year so that we can accelerate the programme that is there on the \$2 billion programme – roughly \$400 million in terms of solar, \$200 million is the EFL balance sheet portion, and we would like to pump out 50 percent of that back to the Independent Power Producers (IPP), Public-Private Partnership or Joint Venture. Then we have got the hydro programme on Savatu and Qaliwana. Savatu to come in first by 2031, given the long-term construction that needs to be done on hydro, and one year after that, Qaliwana. Again, the feasibility study of this has already been done through European Union (EU) and European Investment Bank (EIB), and we are working through the economics of that and then discuss about the constructions or the Engineering Procurement & Construction (EPC) that needs to come after that, and Operations and Maintenance (O&M). Thermal generation, this is a bridging investment that is already happening. We have already commissioned the Kinoya 20 megawatt, and we have got a 30 megawatt that we are working on, and CEO can touch a little bit on that in terms of the works that is needed in the short term to commission that programme. We know that that is thermal, but it is bridging, because we need to look after and meet the demand of 5 percent per annum as we move to transition. We do not want to go to transition and then have issues in terms of meeting the demand.

With the new generation source, Mr. Chairman and Members, it basically means that we need to relook at all the routes in terms of the transmission lines, especially the 132 kV line, the main line that goes in between the islands, connecting the new generation source to the customers. It basically means that we need to duplicate the current system, because the current system that we have at the moment will not be able to take on the new generation load that is coming on board. In the next slide, I will give it to CEO to just go look quickly in terms of the Power Development Plan.

MR. F. GIBSON.- Mr. Chairman and Members, the last three slides are just to summarise our presentation. On this, you see the Viti Levu Map, those coloured clusters from the northwest are the solar clusters that we will develop, because of the irradiation potential in this area. To contextualise this, we had an ADB study done in late 2022-2023, the report was delivered to the Board in early 2025 and that is where the Board chose a middle scenario of 165 MW of solar, plus the Battery Energy Storage System (BESS), plus two hydros that the CFO has already mentioned – one is Savatu, which is downstream of Nadarivatu, and Qaliwana, which is upstream of Nadarivatu. It is a cascade hydro system, so we use the water three times. That is a big advantage for our nation in terms of power supply.

The third part of the programme is that, because all the generation sources are in the Western Division, and the load is in the Central Division, we have to evacuate the power. So apart from solar development and hydro development, there is the transmission line to connect the source to the demand, or where the load is required. The last part of that four-lane strategy is, we need to upgrade our National Control Centre, future-proof it, because it has to operate a grid or power grid that has to be for the future. Those are four key things that we are doing under this Renewable Energy Roadmap transition.

The next slide is really key for us as a nation. The red is the thermal contribution to the demand, and as you can see, it is just as equal to the green, which is the hydro. But going forward to 2035, the target is to minimise the red, and that sits at about 10 percent in the year 2035. So, the roadmap is very clear. The 100 percent renewable energy is not a new thing for Fiji. When we commissioned the Monasavu Hydro Scheme in 1983, we were running at 100 percent renewable. All the power stations in Vuda, Kinoya, Nadi were mothballed, and only a few were like on hot standby. We want to revisit that, because our economy is built on the strength of the stability of the electricity tariff, and this is where we will insulate our nation from volatility in international fuel prices. For the Taveuni context, we have not passed the fuel surcharge to them, because it is unfair. They are not using diesel, so whilst we are using diesel in the other three areas that we are mandated, we have passed it on as part of the fuel surcharge temporary relief.

I guess the last slide, if we can go right to the last one, please, the middle graph is really where we comparatively sit in terms of tariff, including Australia and New Zealand. This is the commercial customer category. Currently on the black is where we sit, only New Zealand is on the left in blue. When we get the tariff increase, it will move slightly from the black to the orange. In terms of domestic customer, we are the lowest in the region, including Australia and New Zealand. So, in terms of how we have been running the entity, and looking after our customers in terms of affordable tariffs, that is where we currently sit. But the roadmap forward, Mr. Chairman and Members, is very clear. We do not have to look far, we just look across the Somosomo Strait. The example is there - 100 percent renewable, insulated from fuel volatility in the international market where a nation like ours has no control at all. That is the lesson, and that is part of our strategic

plan, and we need the support of government and stakeholders, and surely the tariff is needed to allow EFL to invest and have the ability to pay for its loans that it will take from our multilateral partners or donor agencies.

MR. CHAIRMAN.- Thank you very much, Mr. Gibson and Mr. Tawake for the very comprehensive presentation. Now is the time I will give to the Committee. To start it off, we had a discussion as a Committee on the hire of generator by EFL. Sir, EFL pays around substantially around \$31 million, I think, in one specific year for hire of generator. At the same time, we are not making any attempt to improve the current infrastructure - Butoni Wind Farm, Nagado. What is your opinion on that?

MR. F. GIBSON.- Thank you Mr. Chairman and Members. Let me start with the Nagado Hydro which is using the water. The design was, the water from the Vaturu Dam is supposed to come to the Nagado Power Station, and then as it discharges after generating power, it goes into the Nagado Water Treatment Plant. That was an agreement that was put in place between FEA and Water Authority at that time. What has happened is because of some pressure drop in the pipeline coming from Vaturu to the water treatment plant, the turbine can only operate if you meet the minimum head, because it runs on pressure, whereas Water Authority prefers flow, because it has to meet 80 million litres, or now it has gone up to 110, to service the Nadi and Lautoka corridor. So, that has happened. I know it went off in 2016.

We are currently talking with Water Authority to try and see if we can resolve this issue, either by putting a new pipeline, because they need capital investment, we can work together and try and solve this problem, so that we can get that small plant to run continuously. That is really the background of that. In terms of Butoni Wind Farm, during *TC Winston* 2016, there was extensive damage to the wind turbines. We were not able to lower it in time. Currently we have got our insurance settled and we are in the process of rebuilding that. But I think going forward, Mr. Chairman and Members, we also want to integrate a solar plant, so that the return from that Butoni Wind Farm can become like a hybrid generation plant and lift the supply to the grid.

In terms of generator hire in 2023, the conscious decision done by the management and the board was, we were running out of capacity because the dam level was dropping. So, to mitigate the potential for not meeting the demand, management at that time went out and hired generators. In 2024, we returned the generators, we bought new generators because it is more financially prudent to just buy our own generators, and we have done that. We have been able to ride the issues in 2024 and surely 2025, now 2026.

MR. CHAIRMAN.- Are there any questions?

HON. P.D. KUMAR.- Mr. Chairman, just continuing from where Mr. Gibson has left, I understand \$52 million was spent in two years just to hire the generator. Now, you are saying that EFL has bought the generator. Can you tell us at what cost?

MR. F. GIBSON.- Thank you, Madam, through you Mr. Chairman, the cost to buy a high-speed generator containerized is half a million. So, when we bought 50 megawatts, that is \$25 million. It was a cost-benefit analysis. We are hiring generators; we are paying almost an arm and a leg. The board at the following year, 2024, decided we take the option of purchase outright ownership. It is economically cheaper for the business. We went that direction and purchased.

HON. P.D. KUMAR.- So, this is where the concern has been, considering that the energy mix has been 50-50. It has not really changed drastically. If anything, fuel consumption has been increasing as compared to the renewable sources. What I call is more like a firefighting situation that happened in 2023 and 2024. That reflects badly on the part of the management in planning for the situation itself. So, it was more of a firefighting situation where what options one could have, than to hire immediately and provide that energy. I hope that in future, such decisions are made in advance so that we do not lose money.

Mr. Chairman, the other point that I wanted to raise is more to do with the annual reports. I have gone through all your annual reports, I have read through them line by line. What I have found that the story you are telling us now is not reflected in your annual reports clearly. Like, for example, the payment of dividend in 2023. If you read the report, you only get one message that in 2023, EFL made a loss, and they paid a dividend. There is no way it qualifies to say that that dividend was worked out in 2022. So, how can you blame everyone else to point a finger at you? That is one point that I want to make.

The second point I want to make, when I look at all the renewable projects, if you read the 2023 report, you read the 2024 report, you can hardly find any difference. What you need to put down is your real KPIs for that particular year with the budget, with the timeline and with the delivery and then you can say, if you are not able to achieve that, you give your reasons why you could not. That is how the world works, even Reserve Bank or Ministry of Finance, when they make the projection on the economic growth, they are not able to achieve that, they revise it, they give reasons. We would like to see that level of transparency in your reporting.

Another area where transparency is missing is the consumer deposits. We would like to see that information clearly stated in your narratives. Total amount of deposits, the interest paid, what was the interest amount, how much it was paid and when you are giving out dividends to the shareholders, I understand 44 percent they hold, the consumers hold only 5 percent, but so what? They are the shareholders. So, that needs to be clearly spelt out. This kind of information is not given. I think the reason why there is always a backlash whenever EFL goes asking for tariff is because your reports are not clearly convincing the public that there is a need for higher tariff. Because all your projects, if you read, it is not clearly showing how you are progressing, what kind of budget is allocated, how you have used the money, et cetera.

I wish to draw your attention to the response that you provided to us on capital expenditure. Approved CAPEX, actual CAPEX and underspent CAPEX. From 2019 right till 2025, what we can see is that the CAPEX has been approved, but the underspent in 2019 was \$42.6 million, underspent in 2020 was \$52.5 million, underspent in 2021 was \$100 million, 2022 was \$101 million, 2023 was \$55 million, 2024 was \$81 million and 2025 is \$151.85 million. You can understand where the public is coming from and why FCCC is very cautious when it comes to tariff discussion because you need to prove that whatever you have allocated, you are able to spend. I just want to get your views now because this is the discussion that we had. What are your views on what we have just said?

MR. F. GIBSON.- Through you, Mr. Chairman, I will answer the question first on the movement forward in terms of renewable energy. I leave the dividend and the capital expenditure question to be answered by my CFO and Manager of Financial Services. The security deposit, I leave it with my General Manager of Corporate Services to answer that. I guess your point is noted, Madam. It is a story that has legacy connotations, but we are confident now with a new team, with new board direction pushing us. There is no other option, Mr. Chairman and Members, we as a nation must transition to renewable energy and that is our mandate.

Within the next 10 years, with the support of Government and the stakeholders, with a tariff that is basically to support the transition, we will deliver. We have recognised, I will be honest, the talk has to stop, the action has to start and it starts right now in this next decade, because if we are to achieve as a nation, only 10 percent exposure in fossil fuel, we must embark on that work now.

What we are currently doing is we are getting the projects to what we call project readiness. I always use this connotation of the three-legged stool, Mr. Chairman, if you may. In this scenario, there are three critical factors. There are other factors, but there are only three very critical ones. One is the land that you put your development on, one is the engineering, where engineers can come up with anything that can be constructed and the third one is the funding. Our development in the solar is really on the land, to try and get big parcels of land and we have identified a few up in the north-western area - Yaqara, Rakiraki area. That will really jettison our solar development in the energy space. We are currently talking to the landowners in Savatu.

HON. P.D. KUMAR.- I am sorry, I need to interrupt. I understand where you are coming from. I totally agree with you. These are the critical factors. But the point I am trying to make is you are reporting in the annual report. To me, that is an issue. If you are much clearer in your reporting, people will understand. They will buy in that you need tariff to do the development. But if you are not reporting clearly in your annual reports, then obviously there is a backlash, there is objection and there is more of a rejection. We can see that even with FCCC, they are not buying in. Of course, there is pressure because clarity is not there. We would like to understand how you are going to improve that for future reporting.

MR. F. GIBSON.- The point has been taken. It is in part of our submission for tariff review to the FCCC. We have given that. Remember that they mentioned an undertaking. We will have an undertaking with FCCC. It has all the projects, the timeline, the cost that is supporting a tariff increase. So it is already there. We will then pick it, and then we can put it

in the annual report for, say, 2026 that will come out next year. But the point has been taken, Madam and Mr. Chairman. We will do that. Now I will hand over to my team to answer on the dividend and the finance part.

MR. S. TAWAKE.- Thank you honourable Member for the question. Dividends will be answered by Manager Finance. But basically, there is a process in regards to the 5 percent dividend and how the information is disseminated to the public. If I can spend a little bit of time on tariff, just to discuss the context around it.

HON. P.D. KUMAR.- Mr. Chairman, I am sorry to interfere here. The work of the Committee is to clarify issues we have in our head. That is why we are asking all these questions. Looking at the time, you need to answer the questions that I have raised very quickly. About the tariff, we will leave it to a later stage because as it happens, we will deal with it. But looking at the time, we need to move on.

MR. S. PRASAD.- Mr. Chairman, with your permission, and for the clarity of the Members, I wish to take you to Note 25 of the Annual Report for Energy Fiji Limited, that is for Annual Report 2023 and 2024. If you look at the Note 25, it says, Dividend Declared and Paid. This is one of the important notes as a disclosure in our financial statements. And we did mention, like we have got the comparative years 2022 and 2023 and we have said that the Board declared and paid \$40.68 million dividend to its shareholders based on a 70 percent of the after-tax profit for 2022. So, for the clarity of the Members.

HON. P.D. KUMAR.- This is the point I am trying to make here. The clarity is not there. The clarity is in your narrative. In your narrative when you are writing your report, you need to clarify that. If you read your Annual Report, you are not clarifying that. You are simply saying in 2023, this much amount of money was paid out without stating that the profits were from 2022. For any layman, what are we going to get out of that? Only one thing - that you made a loss in 2023, how did you pay the dividend in 2023? Unless you qualify that in your narrative and that is the point I am trying to make.

HON. K.V. RAVU.- Through you Mr. Chairman, regarding the Ovalau Solar Project. It has been there for years now. Can we have an update on that please.?

MR. F. GIBSON.- Mr. Chairman through you, Ovalau Agrosolar, the panels are a bit higher so animals or planting can happen underneath. We have got two conditions precedent that is yet to be completed. We have given Ovalau Agrosolar Pte Limited (OAS) extension of time, but basically, they have started groundwork using the RFMF. If they are ready, FDB has approved their support financially. So it is just a few things that they need to do to close that off and then they will be away. In terms of the best, KOICA, the Korean support government, purchased that best to be given to the IPP as part of the connection. That will be able to take 50 percent of the requirements off the Ovalau Island demand.

HON. S.T. KOROILAVESAU.- I just found a note that I wanted to ask. Can you just give an update on the Namosi Hydro Electric Scheme? To me, as a layman, there seems to be a confusion with the Namosi Provincial Council and the people of Namosi in the interpretation of mining and the hydro electric project. I just feel that there is some confusion there and there is no clarification being done to the landowners in Namosi, that it is basically catching water to produce electricity instead of mining.

MR. A. GIBSON.- Mr. Chairman, basically, hydro electric power generation and mining is totally different. The hydro electric, in this scheme, there will be no big storage dams like Monasavu. It is more like run-off-the-river. It will supply 32 megawatts of power maximum, and 120 gigawatt-hours of energy. We have gone back again to the IPP, Hydro-VL, who had been working on a power purchase agreement way back in 2017. That was terminated because they could not do their conditions precedent.

When we embarked on a feasibility study, some of the landowners prevented us from entering and doing that feasibility study, which was supported by Australian Government through their Australian Infrastructure Financing Facility for the Pacific (AIFFP) support. There are three schemes. The one in the middle was where the majority of the energy would have come on. The Board decided to, please work with the IPP and engage them again. So on 30th April this year, we have signed another power purchase agreement with the IPP proponent. The land leases that we have, we will transfer to the IPP. The PPA is for 30 years, with the potential to renew after that, but there is also the first right of refusal. If they do want to sell or part with the IPP, it has to be given to EFL to be the first proponent to take over.

HON. P.D. KUMAR.- It is now more than four years we have a foreign investor with 44 percent shares in EFL. What did Sevens Pacific Pte Limited, or its subsidiaries bring to the table to advance Fiji's renewable energy revolution, to meet Fiji's commitment to net zero carbon emission target? Because when these shares were divested, basically the public were informed that by getting these shareholders, they are going to bring in technology, knowledge, know-how to improve what we have. I would like to hear more from EFL on that.

MR. A. GIBSON.- Mr. Chairman, the partnership that has developed with Sevens Pacific, they have been one shareholder of 44 percent, government owns 51 percent. The contribution from a technical perspective is now coming to bear with this new transition in renewable energy. They have embedded expertise within the organisation. There is potential, as per our discussion last week, for additional technical expertise in certain areas where there is a gap. We are going through that process to make sure that they come in. The roadmap plus the expertise is now coming into fruition through this new direction that we are taking. Within the next five years to ten years, we will see the full potential of their contribution in this partnership.

MR. CHAIRMAN.- Thank you very much, Mr. Gibson. On behalf of the Economic Affairs Committee, I sincerely thank you and the team for coming this morning and providing us this submission. Of course, we will be in contact with you if you need any further information. *Vinaka vakalevu* and our meeting is adjourned.

MR. A. GIBSON.- Mr. Chairman and honourable Members, on behalf of the EFL Board, management and EFL *vuvale*, we would like to thank the Committee for giving us the opportunity to come, present, answer questions and bring clarity. A point taken, our Board's report for 2026 will have the clarity that is so desired. It is a public document, so people can read it and appreciate their support to EFL as we transition forward to renewable energy. Thank you very much.

The Committee adjourned at 10.47 a.m.

[VERBATIM REPORT]

STANDING COMMITTEE ON **ECONOMIC AFFAIRS**

Annual Report

Energy Fiji Limited 2023 and 2024 Annual Reports

SUBMITTEE: **Consumer Council of Fiji**

VENUE: **Big Committee Room, Parliament**

DATE: **Monday, 22nd June, 2026**

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS HELD AT THE COMMITTEE ROOM (EAST/WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON MONDAY, 22ND JUNE, 2026 AT 10.08 A.M.

Present:

- | | |
|----------------------------|--------------------|
| (1) Hon. S. Tubuna | Chairperson |
| (2) Hon. P.D. Kumar | Deputy Chairperson |
| (3) Hon. S.T. Koroilavesau | Member |
| (4) Hon. K.V. Ravu | Member |

Interviewee/Submittee: Consumer Council of Fiji

In Attendance:

- | | |
|-----------------------|--|
| (1) Ms. Seema Shandil | Chief Executive Officer |
| (2) Mr. Ziyad Parvez | Manager Campaigns, Information and Media |
| (3) Ms. Neha Ali | Manager Alternative Dispute Resolution |
| (4) Ms. Lusia Rabuka | Manager Research and Policy Analysts |

MR. CHAIRMAN.- Honourable Members, members of the media and the public, secretariat, ladies and gentlemen. A very good morning to you all, and it is a pleasure to welcome everyone to this public hearing session. At the outset, for information purposes, pursuant to Standing Order 111, the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, this submission meeting is open to the public and the media, and will be aired live on Parliament's channel through the *Walesi* platform, and live-streamed on the Parliament's *Facebook* page.

For any sensitive information concerning this submission that cannot be discussed in public, this can be provided to the Committee, either in private or in writing. Do note that this will only be allowed in a few specific circumstances, which include:

- (1) National security matters;
- (2) Third-party confidential information;
- (3) Personnel or human resource matters; and
- (4) Meetings whereby the Committee deliberates on all issues before it, and develops its recommendations and reports.

I wish to remind honourable Members and invited submittees that all comments and questions to be asked are to be addressed through the Chairperson. Also, be mindful that only invited submittees should be allowed to ask any questions or give comments to the Committee. This is a parliamentary meeting, and all information gathered is covered for under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament.

Please note that the Standing Committee does not condone slander or libel allegation against any individual who is not present to defend themselves. In terms of other protocols of this Committee, please be advised that whilst the meeting is in progress, movement within the meeting room will be restricted. There should be minimal usage of mobile phones, whereby answering of mobile phones should be done outside this room. All mobile phones are to be on silent mode.

(Introduction of Committee Members)

MR. CHAIRMAN.- Honourable Members, with us this morning are the representatives from the Consumer Council of Fiji, which the Committee has invited to provide us with a submission on Energy Fiji Limited 2023 and 2024 Annual Reports.

Inviting the Consumer Council of Fiji to present on the EFL Annual Report is important because the Council represents the voices and interests of consumers and can provide an independent assessment of how EFL's decisions affect electricity users as a watchdog and advocacy body. It helps to ensure transparency, fairness and accountability in pricing, service delivery and financial reporting. By reviewing and explaining the annual reports from a consumer perspective, the Council can highlight issues such as tariff increases, cost justifications and service quality while advocating for consumer protection and affordability.

This promotes informed discussion and builds public trust in EFL's operation and decision-making. With this brief introduction, I take this time to invite our submission guests to introduce themselves before we proceed with the submission. Please note that we will allow you to make a presentation and following that, there will be a question and answer session.

(Introduction of officials from Consumer Council of Fiji)

MS. S. SHANDIL.- Good morning to Mr. Chairman and the honourable Members. Thank you for this opportunity to appear before you today. The Council is pleased to offer a submission, which examines the EFL's annual reports for both 2023 and 2024. Whilst we have made our submission separately, but today our presentation will be on the consolidated year for 2023 and 2024 together.

Our presentation is offered from the perspective of Fijian consumers. By examining the two years together, we are trying to identify not just isolated events, but persistent patterns and systematic issues that has directly affected the welfare of Fijian households and businesses. We approach this task in the spirit of constructive partnership, acknowledging EFL as the key stakeholder in Fiji's development.

We all know electricity is a basic need, not a luxury, and when its provision faces challenges, the burden falls hardest on those who can least afford it. I will present our analysis in six key areas – financial performance, operational challenges, asset management, renewable transition, consumer impact, and our recommendations for the Committee's consideration. Let me begin by acknowledging the financial journey EFL has undertaken in these two years.

I want to look at the financial picture. In 2023, it recorded a net loss of \$24.8 million. Then the following year saw a recovery, with EFL reporting a profit after tax of \$7.17 million. This reversal is commendable and reflects a genuine effort to stabilise its finance. We recognise the difficult operating environment EFL navigates, including the global fuel price, volatility, which is beyond our control, and the impact of climate variability on hydrogen ratio. However, from the consumer's perspective, we note that despite this return to profitability, despite strong balance sheet and substantial banking headroom, EFL continues to advocate for tariff increases.

In 2023, they sought a 31.7 percent increase, which was thankfully rejected. In 2024, the report again signals the need for appropriate tariff increase. This raises important questions for our collective consideration. Given that EFL's return to profitability and significant untapped borrowing capacity, what specific internal cost containment and alternative financing measures have EFL exhausted before seeking tariff increases, and how does it justify pursuing customer-funded solutions while maintaining substantial banking headroom? We are just asking for the transparency there.

We respectfully suggest that EFL demonstrate with full transparency that it has thoroughly explored all internal cost containment and alternative financial options before seeking any future consumer tariff increases. We believe this approach will strengthen consumer confidence and build greater trust in EFL's stewardship.

The next key area that we are going to focus on is the operational challenges – two-year pattern. Across both years, we observed a pattern of significant emergency spending on diesel generation. In 2023, they spent \$21 million on emergency diesel generation rentals. In 2024, the figure rose further to \$31 million. We acknowledge that external factors have contributed to these challenges. We understand that there was low rainfall and high demand. In 2024, while Monasavu recorded good rainfall and maybe the highest production ever, EFL took in 18 megawatts hydro-generating cost offline for 13 weeks during peak demand. This suggests that at least some of the emergency expenditure may have been rather avoidable through enhanced operational planning.

This heavy reliance oriented fossil fuel infrastructure highlights a vulnerability in long-term power generation planning. We believe that with collaborative efforts, more resilient solutions can be built to protect our consumers, rather their customers from the global fuel price shocks that can reduce the need for emergency expenditure. Our question is, why the long-term generation planning consistently failed to anticipate those shortfalls, because we know in which period the demand will be high. What specific safeguards are being implemented to ensure consumers are not continuously asked to fund these unavoidable emergency interventions rather than the permanent renewal infrastructure?

We would like to respectfully again suggest initiating maybe a comprehensive review of the long-term generation planning to determine how best to prevent the emergency shocks from recurring because we do not want to continuously see that the burden is passed down to the vulnerable consumers. A clear timeline for this transition would provide consumers with confidence that we are not perpetually stuck in emergency mode, and that our electricity grid is being built on sustainable, locally sourced energy.

Moving on to asset management, which reflects a decade of idle infrastructure. Looking across both reports, we note the concern of prolonged downtime of the key renewal assets. The Nagado Hydro Station has been non-operational since 2016, which is almost a decade. The Butoni Wind Farm was dormant from 2022 until late 2023. The 2024 report notes that the parts for Butoni are still arriving. These are ratepayer-funded assets. When they sit idle, EFL has to spend tens of millions on expensive diesel generation. Of course, we acknowledge the technical challenges involved in restoring these assets and we appreciate the efforts that EFL makes. However, the financial impact on consumers is significant.

These asset management challenges need to be addressed as soon as possible, and more effectively to ensure valuable renewal infrastructure delivers the benefit that it was intended to provide to the Fijian people. Once again, our question would be, how is it that the ratepayer-funded assets remain idle for nearly a decade, while consumers continue to be asked to fund for the expensive diesel alternatives, and what accountability mechanisms and clear timelines are in place to ensure the restoration of these strategic national assets?

We again respectfully ask EFL to do a quick, maybe full audit or they might have done it in the years that followed after 2024 of all non-operational renewable assets with clear timeline for restoration. We also encourage the development of a joint action plan between them and Water Authority of Fiji to expedite the restoration of the Nagado Hydro Station given the strategic importance to the national grid.

Renewal transition, narratives versus reality. EFL has set an admirable goal of achieving 90 percent-plus renewable energy by 2035. This is a vision that we strongly support and we commend EFL for its commitment for sustainable energy future. However, if we examine the 2023-2024 generation data, it reveals a significant gap between aspiration and the current reality. In 2024, the solar contributed just 0.01 percent and wind 0.06 percent to the national grid. Combined, the non-hydro solar and wind penetration is less than 0.1

percent. Moreover, the 2024 report discloses \$220 million investment in new thermal power plants. We would also welcome clarification on how this significant fossil fuel investment aligns with the renewal transition mandate and what implications are there for consumers.

Mr. Chairman, consumers are seeking clarity regarding the long-term affordability of their power. This is the everyday questions they pose when they have discussions with Consumer Council. Without transparent capital expenditure roadmap for renewal integration, the public cannot assess whether EFL is planning efficiently or if consumers will continue to face sudden green levies or infrastructure surcharges in subsequent tariff reviews. Given the stated goal of 90 percent renewable energy by 2035, how does a \$220 million investment in new thermal power align with this transition, and what transparent fiscal roadmap exists to show consumers how the renewal transition will be funded without imposing any unexpected financial burden on households?

We again respectfully suggest that EFL presents a clear consumer impact fiscal roadmap alongside with its 2035 renewal energy target. It can detail how the transition will be funded or can be funded, and how it can ultimately benefit consumers through a more stable electricity cost. We believe transparency will definitely build greater public confidence in EFL's strategic direction.

Consumer impact, transparency and accountability gaps: When we look at the consumer experience across these two years, we see both progress and areas for improvements. On the positive side, the rejection of 31.7 percent tariff increase in 2024 was a significant victory for consumer protection. We also acknowledge EFL's effort to maintain service delivery in these challenging circumstances. However, other indicators are moving in different directions.

The system average interpretation duration index crept up from 250 minutes to slightly 280 minutes in 2024, meaning outages are taking longer time to resolve. I think we are also seeing a lot of comments on *Facebook* or social media where consumers are complaining about the time taken to fix the outages. We had one in the weekend where the power went off around 1 p.m. on Saturday, and came back around 7 p.m. on Sunday. That was pretty long. We are saying that is a basic need, and there are so many small businesses and families, and imagine if there were some events without power.

Critically, the number of low-income households receiving the Government electricity subsidy dropped by 2,158 in 2024, attributed to a newly restructured subsidy scheme and a rigid entry criteria. Actually, they have not said anything about what the newly structured or restructured subsidy scheme is. Maybe they can talk more about it. During a cost-of-living crisis, our safety net should be expanding, not contracting. We would welcome EFL's perspective on this trend and how it might be addressed.

Beyond these statistics, we want to highlight five transparency gaps that affect consumers and that we believe can be addressed through constructive discussions and collaborations:

- (1) Customer feedback transparency: EFL lists customer focus is its leading corporate value, yet the quantitative data underpinning this assertion is not fully detailed in the annual reports. While customer satisfaction surveys are mentioned, the report fails to publish sample sizes, participation rates, grievance breakdowns or the volume of unresolved complaints that distorts the true reality of consumer or customer sentiment.
- (2) Non-disclosure of the rural electrification progress: We have not seen anything on that and it lacks clarity and equity in rural development. They do not provide granular reporting on the new grid connections under the Government Rural Electrification Schemes. Rural and peri-urban consumers cannot benefit from a report that focusses heavily on commercial capital expenditure without demonstrating how much of this capital is actively bridging the energy access gap for the marginalised communities.

- (3) Security deposit burden: EFL holds substantial consumer security deposits and this represents interest refinancing from consumers equivalent to two months of electricity consumption. This is a significant financial burden on households and small businesses, particularly low-income families, which cannot provide bank guarantees. Consumers are effectively lending EFL billions of dollars at an undisclosed interest rate while EFL simultaneously seeks tariff increases to cover for the financial shortfalls.
- (4) Smart metre: As part of the 2023 Report, EFL intends to roll out smart metres with remote disconnection capabilities. What consumer safeguards are being put in place to prevent arbitrary disconnections and how will consumer data privacy be protected under the new digital grid? We have not seen anything to date about that being rolled out. There was a discussion in 2023 but we have not seen anything of the smart metre being rolled out.
- (5) Dividend paradox: There was a lot of discussion, I suppose. EFL declared \$40.7 million dividends during loss-making year in 2023, drawing down the liquid reserves. This raises legitimate questions about prioritising shareholder returns while simultaneously seeking 31.7 percent tariff increase citing financial sustainability from consumers to fund capital expenditure.

Given these significant transparency gaps and consumer burdens, including \$40.7 million in dividend during a loss-making year, \$49.4 million interest-free consumer deposits and declining subsidies for low-income households, how can EFL demonstrate genuine commitment to welfare and transparency and what specific measures will be implemented to address this accountability deficit

There are a few recommendations that we have come up with. We have also submitted in our submission, but generally we call upon them to include:

- An independent third-party audited customer service performance report in its annual disclosures to put in the numbers;
- A dedicated social impact metrics in future annual reports mapping geographical distribution of grid expansions and direct socio-economic benefits to rural households.
- How the Government's electricity subsidy framework are being reviewed to ensure that it is effectively protecting the most vulnerable households, particularly given the 2,158 drop in recipients in 2024.
- Disclose the interest rate paid on consumer security deposits, and reduce requirements for consumers with clean payment histories.
- Develop and release a smart metre consumer charter before they roll it out because they are intending to.
- Prior to any remote disconnection, there should be an independent mechanism in resolving data or billing disputes and a commitment to educating consumers on their rights, the metre's feature when it rolls out and available recourse.
- Establish clear provisions that prohibits capital distribution to shareholders during financial year when net losses are recorded.

Why I am saying this, we do not want to see the burden going on to the vulnerable consumers when there is a loss that is being made by such an important entity.

Mr. Chairman, examining the 2023 and 2024 Annual Reports together reveals that EFL has recovered from its financial footing but faces significant challenges, that we all know, in terms of their operational efficiency, transparency and consumer accountability. The people deserve an electricity that is not just profitable but efficient, transparent and genuinely committed to serving the public's interest.

When a monopoly provider asks for any tariff increase while paying substantial dividends, while honing millions in consumer deposits and while renewable assets sit idle for a decade, of course, customers will ask questions on the fundamental accountability deficit that must be addressed. That is all from the Council and we are happy to take on board any questions.

MR. CHAIRMAN.- Thank you very much CEO for that presentation. To start off with, I think you raised a very important point with regards to EFL's continuing request for tariff increases despite not seeing any significant evidence on their operational efficiency. Previously the Committee had a look at some of their previous reports where we discussed about the windmill which was not functioning for some time, the Nagado Hydro Scheme et cetera, not functioning. Operational inefficiency has continued to increase, but at the same time, they are saying that the rates are also increasing and they are requesting the Government to increase the rates also and you have made some recommendations on that. Can you clarify what needs to be done for them to be more efficient? We have seen that they continue hiring \$31 million in 2024 on diesel despite the improvement in weather conditions, et cetera. Can you provide more information on that?

MS. S. SHANDIL.- When I am here talking, I am presenting the consumer's perspective, having discussions with them. I think they need to look at the process and how they can come up with a roadmap. They do have capital investment plans but they need to be more transparent and have a roadmap or a plan. They are talking a lot about renewable energy, so how are they going to transit towards that achievement of the capital development plan? If we see some significant developments then certain increases may be justified and the consumers or the customers may happily say, "Okay, let us contribute and work together to contribute towards the development." However, what we see is, currently we are talking a lot about capital developments and investments, but there is no evidence that the proposed investment is taking place. I think that is the most discussed and that is what the frustrations are all about from the consumers and the businesses.

MR. CHAIRMAN.- That is a very important point that the CEO has highlighted. We had discussed about KPIs. If you are going to have a roadmap, what projects will you be implementing this year? What additional outputs will be gained from that in terms of reducing our imports, et cetera? We have not seen any significant results on that.

HON. S.T. KOROILAVESAU.- Mr. Chairman, through you, we have received numerous complaints from consumers on the EFL monthly electrical charges. I wanted to ask first, if the Consumer Council has received the sudden increase and the huge increase by domestic consumers. In that respect, some have explained that EFL had not come to check their metre boxes and suddenly a 100 percent increase seems to indicate that they are guessing from previous consumers and then charging them. Can you explain what your reaction is to that statement?

MS. S. SHANDIL.- Yes, we have been receiving such complaints and dealing with them. What we have seen is, I think one issue is the continuous estimated reading. There was a recent complaint with us where there were two metres next to each other. One states normal reading, the other says estimated reading. How can that be possible? There have been instances where the consumers have seen that there was a significant increase in their bills, and only upon our intervention, it was corrected because the reading was not correct.

HON. P.D. KUMAR.- My question is on testing of metres. I understand, currently that regulatory function is still with EFL. As the CEO has just mentioned, the metres gave wrong reading. There has to be some level of independence in terms of testing of metres. It cannot be left with EFL because that metre is what gives them revenue. Therefore, to be fair to both EFL and consumers, it needs to be independently tested, or any complaint related to metres, need to be dealt independently of EFL. I would like to ask Consumer Council, whether you have done any advocacy work in this area so that the current mechanism, which is in place, where EFL is giving the metres, testing the metres, and responsible for the metres. There is no third party verification.

Have you been doing any advocacy work? If yes, to what extent you have made some inroads in changing the mindset of the regulators?

MS. S. SHANDIL.- To answer that question, through you, Mr.Chairman, we have not really gone into that, in-depth advocacy, to be very honest. When we go out to communities, we talk about if you see any anomalies, let us know, let us help and we go back to EFL to have discussions. I totally agree that there should be an independent third party audit of the metre because that is the very reason of the complaints that we are receiving. However, not really an in-depth advocacy campaign. We have not ventured into that as of now.

HON. P.D. KUMAR.- Mr. Chairman, the reason why I am raising this is because we already have a department that does testing; it is with the Ministry of Commerce. I simply do not understand why this aspect is still with EFL. I would encourage Consumer Council to speed up their advocacy in that area so that there is a better outcome for the general public.

My second question is on tariff. We often see, and you are absolutely right by saying, that EFL is now more dependent on customer-funded solutions. On one hand, they are able to give their shareholders dividends despite making losses; that is pretty strange. On the other hand, you have the audacity to put in a request for tariff increase. How do the two work out? That is a major concern. My question to you is, during the tariff decision-making process, normally they do ask for submissions. Are you aware of the methodology used and the criteria FCCC uses in the determination of tariff? Do they disclose all these things to the public or not?

MS. S. SHANDIL.- No, Madam. We do make submissions. They request for submissions, as always, you are aware of the process. However, the methodologies are not being discussed.

MR. Z. PARVEZ.- If I can just add on to that, even EFL gave two submissions. One is a confidential submission to EFL and one is a public submission. Even what EFL is submitting fully, people are not aware.

HON. P.D. KUMAR.- Again that lacks transparency. If you are asking for a tariff increase, you should open the books and simply tell the public, this is the current situation. Somehow or the other, what I feel that EFL fails to understand that the consumers, who are the main clients, are also shareholders. We have 5 percent shares. The same treatment is not given to the general public as compared to the treatment they are giving to other shareholders.

I have also noted that in both annual reports, and you have mentioned it too, CEO, that they are pretty silent on how much dividends they have paid out to consumers. Why is there a lack of transparency? That disclosure must be made. I believe that that disclosure they are not making, perhaps the amount is too small, so it is better not to tell the public. There needs to be a change in the way they are reporting and asking for tariff increases.

Perhaps Consumer Council can write to FCCC on behalf of the consumers, and formally ask those questions. If those questions are not answered, because there is no such thing as being confidential. Why I am saying there is nothing about confidentiality because they are a monopoly. There is no such thing as my trade secrets will be taken away by some other company. No, it will not happen. That level of disclosure must be made before any tariff is considered by FCCC. Consumer Council, as the voice of consumers, in this particular area, I know you have been working pretty hard in trying to do things right, but I suggest that you should make some noise in this area, because this is unacceptable.

MS. S. SHANDIL.- Mr. Chairman, we did try to voice some of our concerns during the 2025 December, I remember there was a tiered tariff rate increases for consumers, thankfully, again, that got stalled.

The other concern is a recent advisory by EFL, whereby they say the reconnection. There is an issue with reconnection now. Payments made on weekends or public holidays, or even on a Friday afternoon will be processed the next working day. We know some people receive their pays on Friday afternoon, and should they not be able to pay it in a timely manner, they remain without the service for the entire weekend. I suppose sometimes we need to consider the importance of those services. This is electricity we are talking about, and a family staying without electricity for the entire weekend, is questionable.

MR. CHAIRMAN.- I understand that there is a new directive provided so that workers do not work over the weekends, to cut down operational costs. You have to ensure that you pay your bills by Thursday, because your lines will not be reconnected over the weekend. That is what I heard from within EFL. I think there is an issue in that and we need to follow that up also. Adequate services need to be provided to consumers in the weekends, particularly if your fridge is off from Friday, then Monday again, it will lead to some problems.

HON. S.T. KOROILAVESAU.- Mr. Chairman, through you, I wanted to reiterate what honourable Kumar had said – the responsibility for EFL to declare the dividends to the shareholders. Already it has been stated that 5 percent belongs to consumers. In that respect, in fairness, they should be dealing with the dividends of the shareholders, which include the public of Fiji as 5 percent shareholders. What is your view on that?

MS. S. SHANDIL.- We totally agree, because they also need to know how much, as we are talking about being transparent. If we are telling the public how much has been paid out to the rest of the shareholders, why not to the Fijian public, even though it is a small percentage, they are still the shareholders. I think the total amount should be declared in the annual reports as well.

HON. P.D. KUMAR.- That brings me to the next question and my next question is more on the report itself. I understand that you have gone through the report. From the way they have reported, can you comment on the clarity with which they have presented it to the public in terms of capital projects which they had planned? At the end of the day, if EFL moves in the direction of capital projects, that way is going to not only benefit EFL, but also the consumers. Do you see enough disclosure in the annual reports on capital projects, the way it is progressing or you think more needs to be done?

MS. S. SHANDIL.- As I said, more needs to be done, because for the rollout of the smart metre, they said that the pilot is going to start in 2024. To-date, we have not seen that happening. I think a clear disclosure as to the capital investment, maybe the timelines. I know everything cannot be achieved quickly, but if the plan is up to 2035, they can specifically state what projects they are going to undertake, and the timelines for each specific project, and when it will be achieved. This will provide transparency and a lot of information to the consumers, or their customers, and they will have faith. Once it is completed, they should go out and say, “We have accomplished this, and this is what we have achieved in this area.”

We can fall behind timelines, but providing specific justification will also help. To-date, that is the main concern. I think when they were asking for the tariff increase, there was no evidence of any capital investment being achieved until that date. Once again, transparency in the type of projects they are going to undertake, and the timeline is very important.

MR. Z. PARVEZ.- Just to add on, through you, Mr. Chairman, most of the information, specifically on the report itself, and the way it is presented, most of the information on the capital expenditure is contained in a few paragraphs of the CEO's report. After going through the CEO's report, we were expecting a few more pages where all of these was explained in detail, laid out, but that was not there in the report.

MR. CHAIRMAN.- Yes, I totally agree with that, and that was an issue that we had discussed earlier. If you have a big project - additional hydro power, what is the additional kilowatts coming out, or whatever is

coming in, how that will reduce imports, increase in power, et cetera. However, we thought more should be emphasised by EFL on that, not a normal narrative.

We noted in 2024, the number of employees. In 2023 there was a dividend declared of \$40.68 million and in 2024 there was none. We assume that EFL did not make any substantive profit. However, we see the number of employees increased from 883 to 937. With the connections, et cetera, not much, we expected a significant increase in power line routes and new connections. Even the total new connections decreased from 2023 to 2024. There is ample room for efficiency within EFL. Can you provide us with some insights on that?

MS. S. SHANDIL.- Yes, we also saw that in 2023, the budget allocation for their staff doubled. The reason they have provided, we also support that they want to retain their staff. That is the trend that we also observed in 2024, the number has gone up. As honourable Kumar had said, sometimes it needs to be tied with productivity as well. If there is an increase in the benefits, then we see the numbers doubling, and then the number of staff has also increased, then there may be some financial challenges this year as well. Then again, we are saying we are not going to come on board, get your power connected - so how does it tie up with productivity? Those are some of the questions that people out there are also asking.

MR. CHAIRMAN.- I think we have come to the end of this session. We would like to thank the Consumer Council of Fiji and its team for availing themselves to make a presentation to the Committee, and we thank you for your time. If we have any other questions, we will be contacting you. Our meeting is now adjourned.

The Committee adjourned at 10.54 a.m.

[VERBATIM REPORT]

STANDING COMMITTEE ON ECONOMIC AFFAIRS

ANNUAL REPORT

Energy Fiji Limited 2023 to 2024 Annual Report

SUBMITTEE: **Fijian Competition and Consumer
Commission**

VENUE: **Big Committee Room, Parliament**

DATE: **Monday, 22nd June, 2026**

VERBATIM REPORT OF THE MEETING OF THE STANDING COMMITTEE ON ECONOMIC AFFAIRS HELD AT THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON MONDAY, 22ND JUNE, 2026 AT 11.17 A.M.

Present:

- | | |
|----------------------------|--------------------|
| (1) Hon. S. Tubuna | Chairman |
| (2) Hon. P.D. Kumar | Deputy Chairperson |
| (3) Hon. S.T. Koroilavesau | Member |
| (4) Hon. K.V. Ravu | Member |

Submittee: **Fijian Competition and Consumer Commission**

In Attendance:

- | | |
|------------------------|--|
| (1) Mr. Vinitesh Kumar | General Manager People, Culture and Corporate Services |
| (2) Mr. Avneet Singh | Manager Economic Regulations |
-

MR. CHAIRMAN.- Honourable Members, members of the media and the public, secretariat, ladies and gentlemen, a very good morning to you all. It is a pleasure to welcome everyone to this public hearing session.

At the outset, for information purposes, pursuant to Standing Order 111 of the Standing Orders of Parliament, all Committee meetings are to be open to the public. Therefore, the submission meeting is open to the public and the media, and will be aired live on Parliament's channel through the *Walesi* platform, and live streamed through the Parliament's *Facebook* page.

For any sensitive information concerning the submission that cannot be disclosed in public, this can be provided to the Committee either in private or in writing. Do note that this will only be allowed in a few specific circumstances, which include:

- (1) National security matters;
- (2) Third-party confidential information;
- (3) Personnel or human resource matters; and
- (4) Meetings whereby the Committee deliberates on all issues before it, and develops its recommendations and reports.

I wish to remind honourable Members and our invited submittee that all comments and questions to be asked are to be addressed through the Chairperson. Also be mindful that only the invited submittees will be allowed to ask any questions or give comments to the Committee. This is a parliamentary meeting, and all information gathered here is covered for under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament. Please note that the Committee does not condone libel, or slander or any allegations against any individual who is not present here to defend themselves.

In terms of other protocols of the Committee, please be advised that whilst the meeting is in progress, movement within the meeting room will be restricted. There should be minimal usage of mobile phones, whereby answering of phones should be done outside this room, and all mobiles are to be on silent mode.

(Introduction of Committee Members)

MR. CHAIRMAN.- Honourable Members, with us this morning, our second and last submittee, the representatives from the Fijian Competition and Consumer Commission (FCCC), which the Committee has invited to provide us their submission on Energy Fiji Limited (EFL) 2023 to 2024 Annual Report. Inviting the FCCC to present on EFL's annual report is important because the FCCC is an independent regulator responsible for setting electricity tariffs and overseeing EFL's operations. It ensures that pricing, financial decisions, and investments are fair and transparent, and in the best interest of consumers. By reviewing EFL's annual reports, the FCCC can explain how tariffs are determined, assess whether costs and revenues are justified, and ensure accountability especially since EFL operates as a monopoly.

This helps build public trust and ensures that electricity services remain affordable, efficient, and properly regulated. With this brief introduction, I now take this time to invite our submission guests to introduce themselves, and proceed with the submission.

(Introduction of officials from Fijian Competition and Consumer Commission)

MR. V. KUMAR.- Mr. Chairman, firstly, I would like to thank the Committee for inviting FCCC to make a submission on the annual report. Sir, FCCC acknowledges the opportunity to provide a submission to the Parliamentary Standing Committee on Economic Affairs in relation to the review of the Energy Fiji Limited Annual Report for the financial year 2023-2024.

As an independent regulator responsible for economic regulation, FCCC maintains its commitment in ensuring the objective under the Fijian Competition and Consumer Commission Act 2010 is met. This submission is intended to provide the Committee with observations from the regulatory perspective and does not seek to duplicate matters already addressed within EFL's Annual Report. I would like to touch on the regulatory mandate of FCCC.

At the outset, FCCC's responsibility in relation to the electricity sector include Fijian Competition and Consumer Commission Act 2010 provisions, which is under Part 1, where it stipulates:

- Where the Commission is appointed the regulator under the Electricity Act 2017, and the Commission is to take on the role of regulator as fully detailed in the Electricity Act 2017 with all rights, duties, obligations, and powers as prescribed in the Electricity Act 2017.
- There is a price pertaining to supply electricity is to be authorised by FCCC pursuant to section 41 of the Fijian Competition and Consumer Commission Act 2010.
- Section 41 of the Fijian Competition and Consumer Commission Act 2010 also authorises FCCC to issue price authorisation for price-controlled goods or services under the Act or any subsidiary legislation.

Together with that, under the Electricity Act 2017, section 57 stipulates that –

“The Regulator may, for the purpose of preventing the charging of excessive rates for electricity, by order prescribe the maximum charges to be made by a licensee for the supply of electricity to consumers, and such order will take effect notwithstanding the existence of any licence or agreement relating to the charges to be made by such licensee for the supply of electricity to consumers.”

Regulatory Framework on the electricity sector: The FCCC implemented the Electricity Tariff Methodology (ETM) on 16th September, 2019 with the following objectives:

- (1) To cover the cost of the supply of electricity. If the utility is unable to cover its cost, then the continued supply would require the government to provide subsidies.

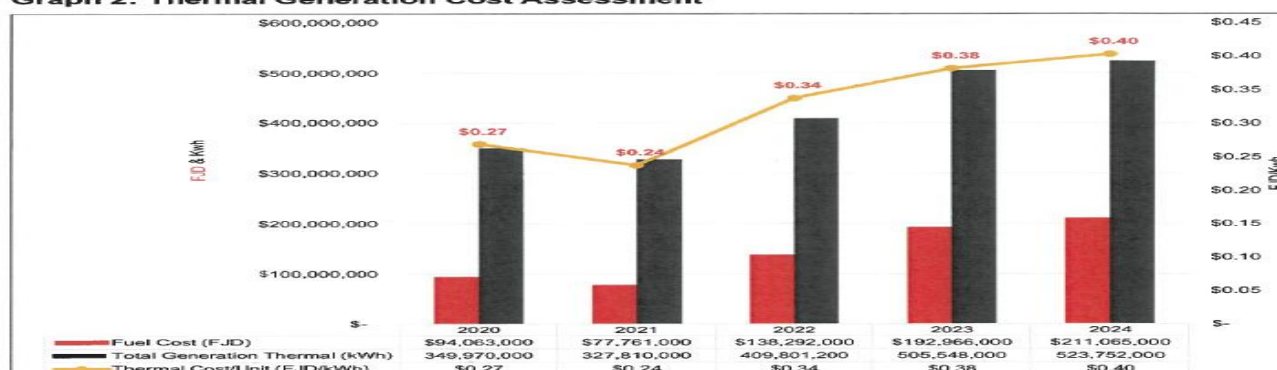
- (2) Encourage efficiency in providing electricity. The FCCC can encourage the utility to be efficient in providing electricity by ensuring that the utility achieves the required revenue and that all unnecessary expenditure that is controllable is monitored and controlled by the utility.
- (3) Promote efficient consumptions. The regulated tariff would imply that the customers, on the other hand, understand the value of electricity and as such control their usage efficiently, as eventually the customers have to pay for electricity at the end of the month based on the usage.
- (4) Address affordability for poor households.
- (5) Ensure environmental sustainability, ensure the utility obliges with their power development plan and shall be approved via capital expenditure sought for renewable energy projects.

In the regulation of the electricity tariffs, there are essentially three key aspects to consider:

- (1) Allowable revenue requirements. This is where the level of revenues that the regulatory entity is allowed to recover, prudently incurred costs plus a fair return to the investors.
- (2) Tariff structure, the different tariff components and any differentiations applied, as well as allocation of the cost to different tariff components and or customer categories.

In the submission, we have provided a graph where the thermal generation cost assessment is provided, and the graph indicates that the EFL's fuel cost and thermal generation has continued to increase over time from 2021 till 2024. In 2021, Fiji had the COVID-19 impact as such generation and fuel cost decreased. However, from 2022 till 2024, FCCC has noted the fuel cost and thermal generation has increased, resulting in thermal unit cost of generation to increase from FJD24 cents kilowatts to FJD40 cents kilowatts per hour.

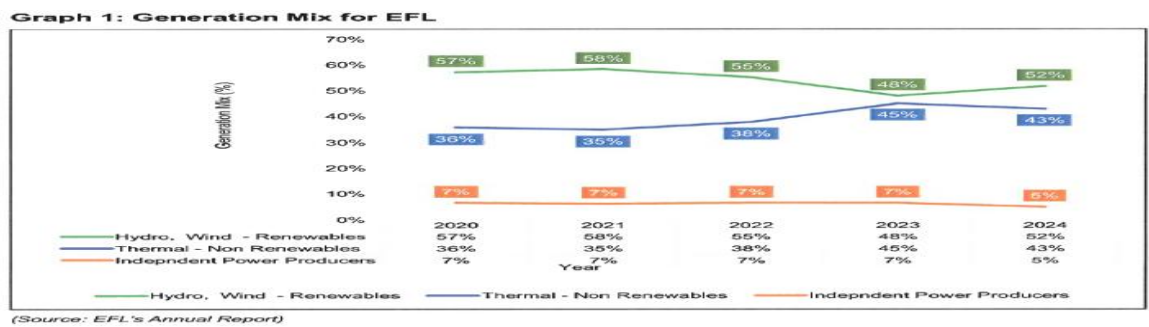
Graph 2: Thermal Generation Cost Assessment



(Source: EFL's Annual Report & FCCC's Assessment)

Furthermore, analysis also indicates that in 2023, there was a substantial increase in fuel cost of \$54 million or 40 percent, which has led EFL to report a loss of \$24 million in 2023.

The generation observation on EFL's performance: The FCCC notes that during the 2023-2024 reporting period, EFL continued to play a crucial role in ensuring the supply of electricity throughout Fiji in managing operational and financial challenges. The 2023 and 2024 Annual Report, to make an informed representation to the Committee, the FCCC has analysed generation statistics from financial year 2020 and noted that EFL's generation mix on renewables decreased substantially in 2023, while on the other hand, the fuel cost increased. As such, this has attributed to EFL's reporting loss in 2023. The graph as presented, illustrates the generation mix of EFL in 2020 and 2024.



The FCCC also analysed the fuel cost in relation to thermal generation from 2020 till 2024, to study the thermal generation cost change over time. The analysis has noted one of the key challenges faced by EFL as such EFL's assessments continues to increase in EFL's fuel cost over time for thermal generation. Furthermore, FCCC's independent analysis illustrates that EFL has not made any major investments in renewable energies.

As such, the utility continues to be exposed to fuel cost volatility noted in the international market. This has been prevalent in financial year 2023-2024, and at current into financial year 2026, whereby the wars in the Middle East have impacted the fuel prices in Fiji. The FCCC's assessment of financial metrics is also elaborated in the submission.

The financial performance indicates that electricity sales revenue rose steadily from \$387 million in 2023 to \$421 million in 2024, increasing by 8.8 percent, reflecting consistent growth in demand and other operating decreased from \$12.5 million to \$10.7 million or 14.1 percent total expenses. However, increased sharply from \$402 million in 2023 to \$426.9 million or by 5.9 percent in 2024, which outpaced the growth in the revenue. The profit after income tax increased from a loss of \$24.8 million in 2023 to \$7.2 million or by 128.9 percent in 2024. Overall, while revenues have expanded, rising costs have eroded profitability and underscores the need for tighter expense management, and the need to shift towards renewables to ensure reliance on thermal generation over time reduces.

Furthermore, the country as a whole needs to transition to green transport energy to ensure future shocks related to current fuel prices are mitigated. The cash flow assessment is also provided in the submission. The EFL's cash flow position weakened notably between 2023 and 2024. Net cash flows from operating activities fell sharply from \$44.34 million in 2023 to \$30.97 million or by 30.14 percent in 2024, reflecting reduced cash flow from generation of core operations. The cash flow from investing activities constantly used cash with outflows widening from \$6.34 million in 2023 to a significant \$142.14 million in 2024. Financing cash flows were negative through most years indicating debt repayments or dividends payments, but turned positive in 2024 at \$57.13 million, suggesting new financing inflows that were injected into EFL. As a result of weaker operating inflows and higher investment outflows, cash at year-end dropped from a peak of \$135.49 million in 2023 to \$82.77 million in 2024, highlighting increasing pressure on liquidity.

The electricity demand on customer numbers as presented, despite EFL's financial position, FCCC has noted that electricity has been growing at an average of 4.29 percent per annum from 2023 to 7.44 percent in 2024 as shown. The increase in demand has attributed to increase in economic activities in 2024. The FCCC has noted EFL's operation remain a highly capital-intensive industry whereby the utility has continued investing in development of power infrastructure and thermal generation to meet the demand of electricity increases day by day.

Key Performance Indicators:

- Financial investment efficiency performance metrics linked to return on investments in grid maintenance and renewable energy capital projects;

- Ensuring CAPEX projects are completed as provided in the tariff applications; and
- EFL to manage its gearing ratio and depth utilisation.

Consumer Protection Consideration: The FCCC emphasises the importance of maintaining affordable electricity services for households and businesses in carrying out its regulatory functions. The Commission considers:

- (a) Impact of tariff adjustments on consumers;
- (b) Cost of living pressures faced by households;
- (c) Service quality and reliability;
- (d) Equity considerations for vulnerable; and
- (e) Long-term sustainability for services.

Renewable Energy Transition: The FCCC acknowledges EFL's ongoing investment and initiatives aimed at increasing the share of renewable energy in Fiji's electricity generation mix. This is evident from the EFL 2024 Annual Report with major projects identified, which are listed as:

- (a) Renewable energy projects:

- Qaliwana Hydro Scheme;
- Namosi Hydro Scheme;
- Solar PV developments in Ba, Tavua and Nadi;
- Ovalau Solar Projects;
- Taveuni Solar Farm; and
- Additional revenue-renewable generation opportunities throughout Fiji.

- (b) The transmission infrastructure:

- Development of new 132 kilovolts transmission lines;
- Construction of switching stations and substations;
- Expansion of grid capacity to support renewable integration; and
- Reinforcement of network reliability and security.

- (c) From a regulator's perspective, this move is expected to:

- Reduce Fiji's exposure to international fuel price volatility;
- Improve energy security;
- Support Fiji's position in climate commitments; and
- Improve long-term tariff stability of consumers.

Overall, FCCC supports investment that is efficient, economically justified and deliver measurable benefits to consumers. In terms of regulatory activities, the following were noted during the reporting period:

- Increased expenditure in hiring diesel generation units requires evaluation of whether consumers should bear the full cost of emergency generation measures. It also necessitates the assessment of whether such expenditure was prudent and efficient, and highlights the need for long-term generation planning.

- EFL's debt position increased significantly during the year as infrastructure investment activities expanded. Increased debt servicing obligations affect future cash flows, and any planned CAPEX needs to be assessed.
- To achieve renewable energy objectives, there is a potential requirement for future tariff adjustments. This is also a need to balance affordability and infrastructure investments requirements. There is a requirement for rigorous economic and comprehensive assessment before any cost recovery approvals is made.
- EFL's annual report highlighted the loss of skilled personnel through migration and overseas recruitment, which potentially impacts service reliability and increases training and recruitment costs, causing delays in project implementation.

As part of FCCC's forward-looking approach for utility performance, the FCCC has delved into the development of performance-based regulatory framework for energy suppliers.

Lastly, FCCC wishes to highlight the reasons for its decision made in 2023. The summary decisions are as follows:

- Long-term lead times and investment requirements for renewable energy developments;
- Capital expenditure and funding model constraints;
- Financial sustainability concerns with the high borrowing levels; and
- Dependency on private investment and risk of high gearing ratios.

Considering the current fuel crisis in the Middle East, which had affected the global economies, with Fiji being no exception as a price taker, this global geopolitical event also has a bearing on EFL's cash flow, whereby the fuel costs significantly increased by 71 percent from budgeted fuel costs. As such, way forward, FCCC recommends the following:

- EFL should be allowed to continue to invest in renewables, with support provided by government in securing land for development of renewable energy projects.
- FCCC to have weekly oversight of generation mix for EFL to further understand how efficiently EFL is utilising energy resources to meet power demand in Fiji.
- FCCC and EFL to enter an enforceable undertaking to ensure Fiji undertakes required renewable energy projects that was part of 2025 tariff application to Fiji, which would ensure that Fiji achieves 90 percent renewables by 2035.

The projects will generate enormous amount of economic activities in Fiji, as well as ensure Fiji's electricity sector is independent from external threats from global fuel price volatilities. As part of governance, and as an independent regulator responsible for economic regulations in Fiji, FCCC is mandated under the Fijian Competition and Consumer Commission Act to promote efficiency, fairness, transparency, and the long-term interest of consumers while ensuring the sustainability of regulated industries. In fulfilling this mandate, FCCC remains committed to ensuring the objectives of Fijian Competition and Consumer Commission Act are achieved across all regulated sectors.

MR. CHAIRMAN. - Thank you very much for that presentation. You have come up with some very good recommendations which the Committee will consider when formulating our report. You made some recommendations with regards to EFL to be allowed to continue investment on renewable energy. Over the years, we have not seen any drastic increase in that front, not only in EFL, but also in the private sector, because the pressure is on consumers paying high electricity tariff. What are your views on that, perhaps allowing others in the private sector that are interested, instead of just EFL?

MR. V. KUMAR.- As mentioned in our recommendation, FCCC does support renewables in the country, and as a measure, as our other arm of FCCC, we also promote and give licence to independent power producers who want to operate in the country as well. We do support the recommendation of renewables in the country, and also as we mentioned that we want to now monitor EFL in terms of the projects they want to implement in terms of renewables. If we go into undertaking as mentioned, it will allow FCCC to ensure that we are monitoring this and the projects are taking shape.

MR. CHAIRMAN.- We had an earlier submission by the Consumer Council of Fiji on the EFL Annual Report. One of the things that they had highlighted is the operational efficiency of EFL. Do you analyse detailed cost structures in terms of the cost of running the organisation in relation to the tariff request?

MR. A. SINGH.- Mr. Chairman, when we do analysis of the tariff application, we follow the scope that is provided in the Electricity Tariff Methodology and we analyse the operational cost, the capital cost, their regulated asset base, and other components, like the return on capital. Operational efficiency is at foremost important. The major force contributor that we have analysed over time, and as provided in the submission is the fuel cost. That is with EFL.

If we analyse the generation mix over time, it is fluctuating between 50 and 50. It proposes the country to that volatility risk that we are facing now, which has resulted FCCC in working out a way forward because the budgeted cost of fuel recently increased substantially by 71 percent. The utility came forward and advised, we will go ahead with power rationing. To counter that, we had to develop an Interim Tariff Application Framework, taking into account these adjustments of the recent 5.91 cents adjustment that we provided to ensure that the country does not go through the state of power rationing.

MR. CHAIRMAN.- The recent increase, is there still a possibility for them to be able to operate without any power rationing?

MR. A. SINGH.- Yes, Sir. That is the reason that the surcharge adjustment was provided to ensure that continuity of supply remains in the country. We have been monitoring the media release from EFL as well, some of the planned shutdowns that they are doing as well as during emergencies, that is part of their operational framework that they advise the public before having any shutdowns. However, we are also monitoring from our end as well. We have written to EFL and sought explanations as well, should there be unnecessary shutdowns.

HON. P.D. KUMAR.- Power rationing, as EFL had stated that they will go into that area, is a clear sign of how monopolies work because they know there is no other option for consumers, but to rely on one supplier. They have used that upper handedness very well during this crisis. However, if you look at EFL, it has been making profits for quite some time. When you look at the investments into renewable, it has been decreasing; it is not increasing, it is decreasing. Any right-minded person with good balance sheet can also get loans from the banks and invest in renewable projects.

This is something we have not seen EFL moving in that direction. You as a regulator, when you are deciding the tariffs, it is equally important to look at how they have been running the business based on their profits, their cash flow, even the dividends they had been giving out. The most shocking is, when they made a loss in 2023, they had given a dividend of over \$40 million, but at the same time, they applied to FCCC asking for a 31 percent increase in tariff. You can see how the monopolies operate.

I think it is time FCCC needs to put their foot down and look at how tariffs are decided and why they should not be giving in on every request that comes from EFL. With the current crisis, I understand 20 cents is given on diesel and around 15 cents on Heavy Fuel Oil (HFO), and at the same time, the consumers are also paying for it by an increase of about 5.91 cents per kilowatt. This is the fuel surcharge. During this period, there

is no reason as to why EFL cannot focus on the renewables, because it is a substantial amount of input that has been given by the Government and the consumers.

The question that I am posing to you is, do you think you are monitoring enough on the renewable projects that EFL has been committing year-after-year? You pick up their annual reports, you will see that 10 projects beautifully written word by word, repeated in every year's annual report. Why are we allowing this? You are the regulator and you need to answer this.

MR. A. SINGH.- Your question is well noted. When we do our reviews, we do take note of this concentration, and these are some of the critical questions that we ask the utility every time. Yes, we understand that the Government has provided for HFO and diesel, the duty adjustments, ranging from 20 cents per litre on diesel and HFO is 12 cents per litre. That duty is effective from 1st April. So, 1st April imports will attract those duty adjustments.

Let me answer that question first on the current fuel surcharge that FCCC has allowed. The FCCC has assessed their fuel costs and then compared with the budgeted fuel costs. The difference is only what we are compensating. Plus, we are removing all the hedging gains that they are reporting in their books month- by-month, plus, there is a lifeline subsidy on consumers as well – the tariff that the Government has proposed to provide. That is on lifeline subsidy, as well on the SMEs. That is also removed. That is how we have come up to that 5.91 cents cost per unit adjustment.

You have correctly pointed out, we have also noted similar things in EFL's reports, commitment on renewable energy, as well as their continuous comments in annual reports that they are continuing with the EIA study year-after-year. Those were taken on board. When we reviewed our tariff applications that was provided to us in 2025, we had a very rigorous discussion. They made a proposal to build hydros, transmission lines and 165 megawatts of solar. We said, “okay, you go ahead and do it.”

For the information of this Committee, we did a very rigorous exercise and whatever they gave, we did not allow that. We allowed very less of it, but the condition was that you had to complete whatever you had committed; complete all these renewable energy projects. We were looking at a bigger picture that the country moves towards that renewable by 2035 of 90 percent. That is the key objective that FCCC considered on its long-term objective – to ensure that the country moves towards renewable because the current fuel price is giving us a hint that sooner or later, the transport industry will mitigate towards that transition. As a country, we need to be ready as well to ensure that the utilities provided that support through tariff applications and concession loans, et cetera, that we move as a country towards that goal.

HON. P.D. KUMAR.- Yes, I take your point. As a regulator, I think you need to be a little bit stronger in terms of ensuring that EFL embarks in the renewable sector. I would like to recommend to you that there are things that you need to consider when you are giving approvals on increasing tariff.

First, they must clearly state which project, what is the amount they have budgeted for that project and what are the things they are going to do in that particular year, so that you can monitor those activities when they come for the next tariff increase. When you do not have a clear mechanism of monitoring, it becomes a problem. It is more of a storytelling; they will come and tell you a story. I would like to see a stronger enforcement in this area because the public should not be fooled and consumers' money should not be used to fund their activities. If they are in a business, they have to put their money upfront to get things done. It cannot be the other way around, that the Government or the public, the consumers, are bailing them out. I expect FCCC to be strong in that area and ensure that there is no repeat of what we are seeing in the 2023 and 2024 Annual Report. We are getting tired of reading the way they are reporting. It needs to go to another level. I expect you to enforce that component clearly as a regulator.

My other question is related to your regulatory functions, and I understand that EFL is now saying that they are the agents of the regulator; I get it. There are certain things that can be best done by EFL as compared to FCCC. Things that I believe in, it is fine, it is like licencing and renewal of electrical wiremen and electrical contractors. But what I do not agree with is the testing of electricity metres that is used by EFL. That regulatory function is with FCCC, but currently it is EFL who is pushing out all these metres, they are testing the metres, they are making decisions on the metres and metres play a very important role for consumers because it is the metre that decides how much they will pay. When you put your argument across to EFL that your reading is not right, last month you have used this much and now next month they are charging you this much, they are the judge and the jury. How will you ensure that this function is totally taken away from EFL for transparency purposes, and it is to be given to the Department of National Trade Measurement and Standards (DNTMS) rather than this should be sitting with EFL?

MR. V. KUMAR.- Mr. Chairman, we note your comments in terms of enforcement, and that is what we have mentioned, that we want to bring in performance-based regulation now so that we can monitor EFL's performance in terms of what they have promised us and what they are delivering for future regulatory decisions.

In terms of your question, Madam, we do take note of your comments. From 2021 until 2026, FCCC has done 93-metre testings together with EFL. While we understand it was not fully done by FCCC, but we have done a total of 93-metre testings with them. Currently, we are working to get the full functions of that to FCCC. From the time FCCC was appointed to do this, we have been strengthening our resources as well. Now we have a full-time trained inspector who is doing this work. In due course, we will be able to get all these functions to FCCC and we are working towards that. While we are working towards that, we have done metre testings, we know how the process works now, we understand you're your comments, Madam, and we are working towards getting that to FCCC, and we are strengthening our resources to maintain that.

HON. P.D. KUMAR.- Thank you for sharing the way forward and what you intend to do for the future. That is appreciated, because we would like to see that FCCC becomes stronger in terms of performance management for EFL. However, for metre testing, I still think that instead of EFL being the agent for metre testing, while you are doing independent testing, but the right fit, the right institution, who have the technical knowledge and technical know-how, who has been doing metre testing for Water Authority, who have been doing metre testing for fuel companies, why cannot electricity metres be given through some kind of agreement between FCCC and DNTMS under the Ministry of Industry and Trade. I would still push for that.

MR. V. KUMAR.- Madam, the comment is noted, we will work towards to ensure that is strengthened in the future.

HON. S.T. KOROILAVESAU.- On the subject on renewable energy transition, we have looked at reports and have had discussions with EFL in the previous reports. One of the issues that they had highlighted was, it was a very expensive exercise for other companies coming in to invest in renewable energy, is the infrastructure that they own. I have highlighted this on the floor of Parliament, where if a solar power company comes in, then the wire is connected to the main grid, the charge that they are demanding for this activity, they said it will be very expensive for new energy producers.

What I had said is that, why not use the vacant land within the sunny western of Vanua Levu and Viti Levu and go into partnership with the native landowners, and they will sell the electricity that goes from those solar power units to the main grid. Is it possible for you to discuss that with EFL, because it can provide the alternative that they are looking for? If they do not have the money to invest in building solar power, they can go into partnership with landowners.

MR. A. SINGH.- When we reviewed the 2025 tariff application, there was a proposal to invest into 165 megawatts of solar, and all of it is based in the Western Division, and all through the independent power producer's model. Right now, the tariff application has been delayed, it has not been implemented, and we are facing another challenge now. In light of this, your comments are well noted. They are actually exploring. Some of the options, for instance, Namosi Hydro Scheme is an independent power producer model with community based. Options are on the ground. It is only for EFL to explore. On your comment on choosing projects between what EFL wants to do and what the private investor wants to do, there is a mechanism - levelized cost of energy. Those form of assessments are done to select projects which are viable for the country.

HON. P.D. KUMAR.- In regards to tariff setting, when the tariff is decided by FCCC, how transparent are you in providing a clear methodology to the public as to how you decide the tariff, considering that EFL is a monopoly? There are no worries about someone taking their trade secrets or whatever. Do note that the consumers are also shareholders. Maybe our shares are small, but together with the Government, we become the biggest or largest shareholder.

MR. A. SINGH.- Our tariff methodology, the basis on which we have decided the tariffs, way back in 2019, as well as the current one, the methodology is published online. It has been there from 16th September, 2019. That is the same principle that we use to develop or determine the regulated tariff for the utility.

MR. CHAIRMAN.- Honourable Members, if there are no questions, I take this time to sincerely thank our colleagues from FCCC for availing themselves to meet up with the Committee. If the Committee has any further questions, we will be contacting you. Our meeting is now adjourned.

The Committee adjourned at 12.01 p.m.