Proposed Fiji National Energy Policy
(2013 – 2020)

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Fiji Department of Energy

Vision
To provide a sustainable Energy sector

Mission
To provide an enabling environment for a sustainable energy sector
Prices are higher compared to a decade ago

Month end price

- Soaring demand from China and India
- Global Economic slowdown
- Worldwide economic recession
- Improving global economy and increased Asian demand

As at February 2013
Mineral Fuels account for around 1/3 of Total Imports (but 1/5 on retained imports basis)
Mineral Fuel Imports Continue To Increase

Sources: Fiji Bureau of Statistics and Macroeconomic Policy Committee
1. Fiji’s energy situation is characterised primarily by a high reliance on imported fuels.

2. Energy demand is driven by household consumption of electricity and transport fuels and by the need of its major industries, in particular agriculture, forestry, tourism, and mining.

3. Grid-based power supply has arguably the most immediate potential to make Fiji’s energy sector more efficient, cost effective, equitable, and environmentally sustainable.

4. Majority of the population has access to modern forms of energy (89%, 2007 Census), however challenges still remain to provide remote areas with access to electricity in a sustainable manner.

5. Transport sector is the main user of imported fuel in Fiji. Transport sector needs to increase its emphasis on energy efficiency in land and sea vehicles and vessels, while researching potential renewable energy options for land and sea transportation.

6. The issue of having the right data needs a concerted effort from everyone. Obtaining sector consumption data continues to be a challenge and requires cooperation of all stakeholders.

7. Despite the fact that Fiji has a relatively low energy-intensity economy, improving Fiji’s energy efficiency – in the transport sector and also in the power sector and amongst households, businesses and industry – is likely a cost-effective way to reduce the cost and increase the availability of energy in Fiji.
National Energy Policy (NEP) 2014-2020

Outcomes:

(i) Affordable energy for all
(ii) Sustainable energy supplies
(iii) Reduced import costs

Objectives

* To provide all Fijians with access to affordable and reliable modern energy services
* To establish environmentally sound and sustainable systems for energy production, procurement, transportation, distribution and end-use
* To increase the efficient use of energy and the use of indigenous energy sources to reduce the financial burden of energy imports on Fiji

Key Strategic Areas

i. Grid-based power supply
ii. Rural electrification
iii. Renewable energy
iv. Transport
v. Petroleum and biofuels
vi. Energy efficiency
Target Setting - Aligning NEP & SE4All

Policy Targets
- Access
- Renewables
- Efficiency

- Energy demand and access
- Production cost (least cost supply)
- Availability of resources
- Fiscal and other financial resources
- Quantitative assessments
- Capacity in public and private sectors
- Environmental impacts
- Social impacts

Target Setting - Aligning NEP & SE4All
# NEP & SE4ALL Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline</th>
<th>2015</th>
<th>2020</th>
<th>2030</th>
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</thead>
<tbody>
<tr>
<td><strong>Access to modern energy services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Percentage of population with electricity access</td>
<td>89% (2007)</td>
<td>90%</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Percentage of population with primary reliance on wood fuels for cooking</td>
<td>20% (2004)</td>
<td>18%</td>
<td>12%</td>
<td>&lt; 1%</td>
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<td><strong>Improving energy efficiency</strong></td>
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<td></td>
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<tr>
<td>Energy intensity (consumption of imported fuel per unit of GDP in MJ/FJD)</td>
<td>2.89 (2011)</td>
<td>2.89 (0%)</td>
<td>2.86 (-1%)</td>
<td>2.73 (-5.5%)</td>
</tr>
<tr>
<td>Energy intensity (power consumption per unit of GDP in kWh/FJD)</td>
<td>0.23 (2011)</td>
<td>0.219 (-4.7%)</td>
<td>0.215 (-6.15%)</td>
<td>0.209 (-9.1%)</td>
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<tr>
<td><strong>Share of renewable energy</strong></td>
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<tr>
<td>Renewable energy share in electricity generation</td>
<td>60% (2011)</td>
<td>67%</td>
<td>81%</td>
<td>100%</td>
</tr>
<tr>
<td>Renewable energy share in total energy consumption</td>
<td>13% (2011)</td>
<td>15%</td>
<td>18%</td>
<td>25%</td>
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3. Based on 15% fuel substitution to local fuels and a 3% annual efficiency improvement.
5. *Annual Report 2011*, FEA.
6. Based on total energy consumption of 16,500 TJ (Fiji Islands Bureau of Statistics) and 60% power generation from renewables (FEA).
7. Based on 99% renewable power and 25,000 KL of biofuel.
5.1.1 Increase private sector investment in large-scale electricity generation by establishing a transparent process for procurement of new large-scale capacity from Independent Power Producers (from both renewable and non-renewable energy sources), pricing and other principles to be applied in all new Power Purchase Agreements, and grid-connection standards.

5.1.2 Increase private sector investment in small-scale grid-connected renewable generation, by establishing economically justified feed-in tariffs or similar mechanisms to give incentives and reduce the risks for electricity production from small-scale renewable sources that are connected to the grid (including by providing investors an adequate return on capital). These mechanisms should not disadvantage either FEA or investors and the implementation of such mechanisms should not add unduly to the overall cost of electricity supply in Fiji.

5.1.3 Strengthen transparency and effectiveness of the regulation of the electricity industry. This includes establishing a formal regulatory contract with Fiji Electricity Authority (FEA) that sets out a process for regularly reviewing the efficient costs of electricity supply and setting tariffs to recover these, and making all forms of electricity subsidy transparent including to energy consumers.
Strategic Area III: Renewable Energy

Priority Policy Statements

5.3.1 Maintain a comprehensive assessment of Fiji’s renewable energy resources, including hydro, wind, biomass, solar, and geothermal resources. This assessment will include an inventory of available sites and technologies, their technical and economic viability, and social and environmental impacts.

5.3.2 Make all data on renewable energy resources available to the public and prospective investors through a single national repository at the Department of Energy. This will ensure that a lack of information on resource potential does not continue to be an impediment to private sector and other relevant project developers.

5.3.3 Conduct further investigations into geothermal energy resources with a view to identifying a pilot project for development. This recognises the contribution that geothermal energy can make to diversifying the energy mix, providing base load generation and thereby reducing the reliance on hydropower and petroleum imports.
Reduce the cost of imported petroleum products by negotiating directly with fuel suppliers and reviewing the pricing templates for petroleum products. Also continue to explore the costs, potential benefits and risks of bulk procurement of petroleum, building on existing studies and initiatives in this regard. This may include regional cooperation or the creation of a monophony buyer to improve bargaining power.

Improve the transparency of petroleum supply, including collecting data on fuel quantity imports, re-exports, consumption, and pricing and making this data publicly available.

Continue research to explore the potential for increased production and use of biofuels. This includes encouraging the production of coconut oil in remote islands and the use of locally produced molasses for ethanol production. Any actions for the widespread development of biofuels in Fiji should be based on rigorous analysis showing that it is both technically and economically feasible and should be mindful of the risks, in particular the trade-offs between production of crops suitable for conversion to biofuels and production of food and cash crops.
Governance and Implementation Arrangements

**National Energy Coordination Committee (NECC)**
The NECC will facilitate coordination for the implementation of the National Energy Policy. The NECC will be chaired by the Minister or Permanent Secretary of the Ministry responsible for energy and include representatives of the relevant Government ministries and agencies.

**Co-implementing departments and agencies**
- Fiji Electricity Authority
- Department of Transport
- Fiji Commerce Commission
- Department of Minerals
- Land Transport Authority, etc.

**Department of Energy (DoE)**
- Secretariat to NECC and NECF.
- Primary responsibility for policy and planning.
- Operational responsibility for implementation and monitoring of the National Energy Policy.

**National Energy Consultative Forum (NECF)**
- Forum for stakeholder consultation to provide feedback on the National Energy Policy implementation, review of policies and plans, consider consumer and investor concerns.
Thank You