

URA compares electricity bills across the Pacific Islands

Utilities Regulatory Authority (URA) has released its second “Pacific Region Electricity Bills Comparison” Report.

CEO Hasso Bhatia, PhD, commented: “It is a challenging but useful exercise to gather, compile and organize current energy pricing data so as to achieve meaningful comparisons of electricity prices in the Pacific island countries. Further it analyses price trends, identify major factors influencing electricity prices, etc... Our first report was generally well-received with positive feedback encouraging us to make this report a periodic feature”.

Research and report was compiled by Oliver Fernandez and Maureen Malas of the URA putting an enormous effort in collecting current data, compute typical bills, sorting through different customer categories and tariff structures along with their generation mix, demographics in various island countries.

The approach taken in this study is customer-centric: bills have been calculated based on a set of “typical” customers’ consumption patterns and what they pay as total cost of power. Team leader Principal Financial Analyst Olivier Fernandez stated “in contrast with most studies which are performed from the utility perspective, capturing only cost of generation and variable costs, this study includes any fixed charges, taxes etc. In this second edition we include an additional chapter measuring the tariffs evolution over time to track the impact of regulatory programs including subsidy regime, energy infrastructure development, renewables contribution and efficiency efforts across region, and measure their combined impact on ultimate consumer bills”.

Taxes and government imposed subsidies in the price of electricity are factors that electricity suppliers have no control over, therefore all applicable taxes, fees and charges appearing on an electricity bill have been included in this bill analysis.

Based on the comparison of customer bills, the overall picture for Vanuatu is mixed, with significant differences depending on customer category:

- Small domestic customers with an average consumption of 60kWh per month in Vanuatu are charged significantly less than the regional average.
- Domestic customers with average consumption of 300kWh in Vanuatu pay significantly more than the regional average.
- Business customers using an average 10,000kWh per month are charged about the same as regional average tariffs, although this comparison is more difficult due to complex tariffs for high voltage connections.

Another conclusion that is clear from the study is that applicable taxes paid by customers on electricity services in Vanuatu are higher than in other Pacific island countries.

We invite all the readers interested to find more about their respective customer categories and how they compare across Pacific region, to download the report from the URA’s website at: www.ura.gov.vu