

GOUVERNEMENT DE LA  
REPUBLIQUE DU VANUATU

**Autorité de Régulation des Services  
Publics**

Ministère des Finances  
et de la Gestion Economique

PMB 9093, Port Vila, Vanuatu - +678 23335 - [www.ura.gov.vu](http://www.ura.gov.vu) - twitter: @URAvanuatu



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**Utilities Regulatory  
Authority**

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**Media Release: 30 April 2013**

**URA Looking at Electricity Self-Generation and Feed-in Options**

Over the past few months, the Utilities Regulatory Authority (URA) has received several questions from consumers wanting to know whether or not they can generate their own electricity (through roof-mounted solar panels), be connected to the grid, or even allowed to sell electricity back to the utilities (UNELCO and VUI).

These questions have prompted the Authority to start a review of the current rules, in order to provide advice to the government on the best way forward for electricity consumers and utility companies.

Since the revision of the *Electricity Supply Act* in March 2011, electricity self-generation is permitted everywhere in Vanuatu. The aim of the amendment back then was to trigger the development of renewable energy, allowing households living in urban area to generate their own electricity.

However, the existing legal and contractual framework lacks clarity on the conditions to connect private installations to the electricity network and how to sell a portion or all of that electricity to utility companies.

From the perspective of market competition, even if it is financially viable for customers to generate their own electricity, this puts more pressure on utility companies to increase efficiency. Since a self-generation system is only viable with a reliable backup of supply from a utility company, some kind of a fair arrangement should be reached between all parties.

The Authority's review intends to determine if a self-generation system will benefit the country: burning less diesel, achieving greater efficiency, and potentially lowering electricity prices.

If there is a benefit, the Authority will also investigate how the legal and regulatory framework may need to be changed, and advise the government, as provided under the URA Act, in order to help electricity consumers set up these systems.

The first step of this review will be a discussion paper addressing the limits of the existing energy market regarding self-generation and feed-in questions. The objective is to come up with workable solutions, a clear policy and regulatory framework which will be presented to the government for consideration and actioning that would eventually enable renewable energy to take off in Vanuatu.

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**About the Utilities Regulatory Authority**

The URA was set up under the Utilities Regulatory Authority Act No. 11 of 2007. The Authority acts independently of the Government and its primary purpose is to increase access to safe, reliable and affordable

electricity and water services, and to promote the long-term interests of consumers throughout Vanuatu. In the electricity sector, the Authority monitors the concessions operated by UNELCO in Malekula, Port Vila and Tanna; and Vanuatu Utilities and Infrastructure Ltd (VUI) in Luganville. In addition, the Authority manages consumer disputes and advises the Government on matters related to electricity and water. It also reviews tariffs under the rules of the Concessions Agreements and relevant legislation.

**Contact Information**

Utilities Regulatory Authority

Phone: (678) 23335

Address: Vanuatu National Provident Fund Building, Ground Floor

Postal address: PMB 9093 Port Vila VANUATU

Website: [www.ura.gov.vu](http://www.ura.gov.vu)

Twitter: @URAvanuat