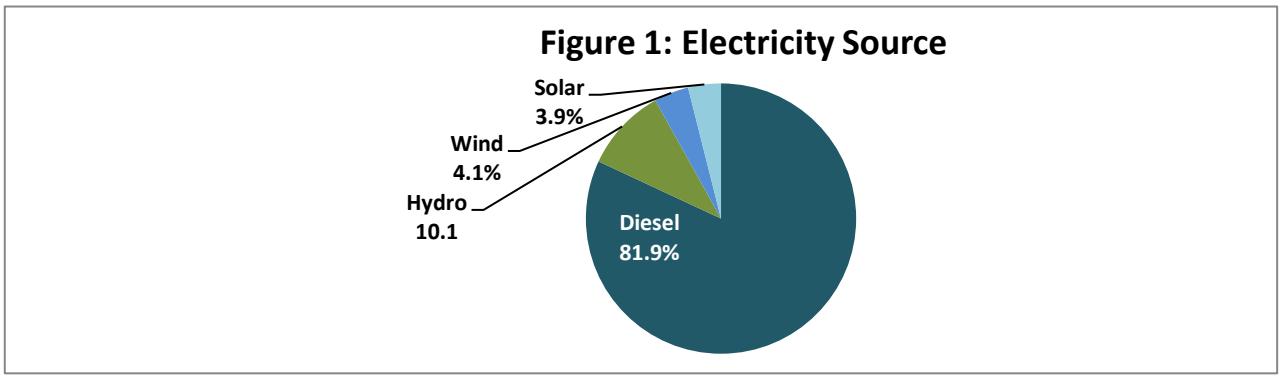
VANUATU MONTHLY ENERGY MARKET SNAPSHOT OF OCTOBER 2021

Electricity source

The graph below shows the different types of energy sources used to produce electricity in Vanuatu during the month of October 2021. The main energy source was diesel combustion that contributed 81.9 % of the total electricity produced. The hydro plants at Santo and Maewo (Talise) generated 10.1 % of electricity, while the windmills at Devils Point and combined solar panels on Efate, Luganville, Lakatoro and Lenakel contributed 4.1 % and 3.9 % respectively.



Electricity generation by area

The top part of the table below shows the total energy production from all available energy sources and the total quantity of diesel used to generate electricity in each concession areas during the month. The bottom part of the table reveals the respective contribution in % of the available energy generation sources in each concession area[1].

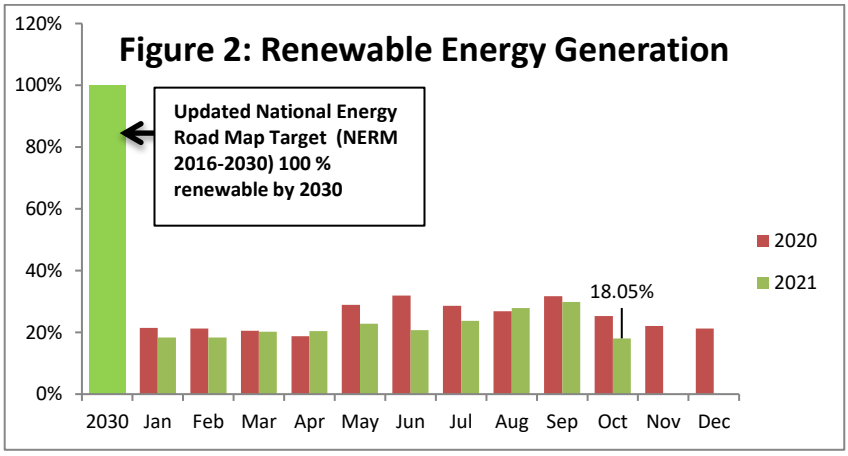
Table 1:

Oct-21	Port Vila	Luganville	Malekula- Lakatoro	Tanna	Ambae	Sola	Maewo	Malekula - Lorlow & Wintua	Port Olry
Total kWh Produced	4,997,201	1,021,255	84,582	123,272	11,352	4,742	5,302	-	15,979
Litres of diesel used	1,105,034	116,308	28,154	45,055	5,175	2,400	-	-	6,880
Diesel %	90.12%	38.89%	97.36%	96.89%	100.00%	100.00%	0.00%	0.00%	100.00%
Copra oil %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hydro %	0.00%	60.40%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
Wind %	5.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Solar %	4.71%	0.26%	2.64%	3.11%	0.00%	0.00%	0.00%	N/A	0.00%

N/A = The Malekula- Wintua and Lorlow data were not available at the time this report was issued.

Renewable Energy Generation

The graph on the right presents the % portion of electricity generated from renewable energy sources[2] during the month in Vanuatu. The 2020 renewable contributions can be compared with the year-to-date renewable proportions for (YTD) 2021. Furthermore, it provides an overview on where 'Vanuatu renewable electricity generation' stands in comparison to the NERM's[3] target.



[1] Due to unavailability of data from the Department of Energy, the Tanna- Lenakel and Malekula -Lakatoro data were projected following trends of the reporting month in previous years. The Wintua and Lorlow (operated by the Lakatoro cooperative) data was omitted due to unavailability of data and there are not enough data to project on, given that it is a newly established concession area.

[2] Renewable sources include copra oil, hydro, solar and wind.

[3] Update National Energy Road Map 2016 – 2030. The target by 2020 is 65% generation from renewable energy sources.

Number of customers

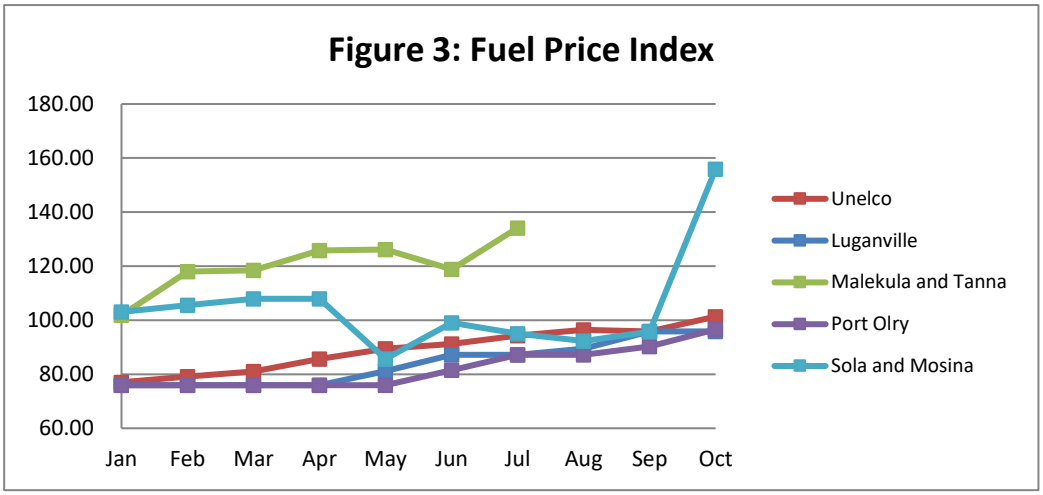
The below table outlines number of customers in different concession areas in Vanuatu (See notes for more information on concessionaires.

Table 2:

Oct-21									
Customer numbers	Port Vila	Luganville	Tanna	Malekula	Port Olry	Talise (Maewo)	Ambae	Vanua Lava	Wintua-Lorlow
Total active customers	16,122	3,784	1,380	1,232	352	231	129	83	116

Fuel cost index

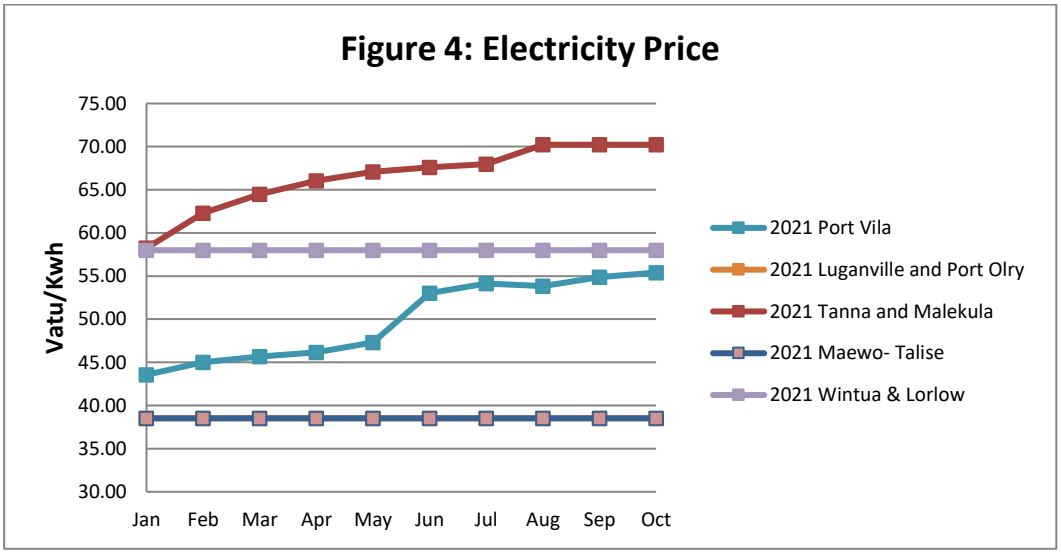
Graph on the right discloses the fuel price index. It is not showing the price per liter of diesel but the evolution or movement of fuel price in 2021. The index point is updated to start 100 points in January 2020 to cater for electricity service areas that their operational data becomes available thereafter.
At the time this report was issued, the Department of Energy was not able to provide the necessary data to compute the fuel price index for Tanna and Malekula since August 2021 (As shown in the graph).



Electricity Price

UNELCO[4] tariff for the month of October 2021 is 55.41 Vatu/kWh. VUI[5], DoE[6] and the Wintua/Lorlow electrical Cooperative's[7] applicable tariff of the same month is 38.52, 70.22 and 58 Vatu/kWh respectively.

UNELCO and DoE's actual operational parameters for a reporting month are typically utilized to compute electricity tariff for the following month, for instance the September 2021 operational parameters were used to determine the October 2021 tariff.



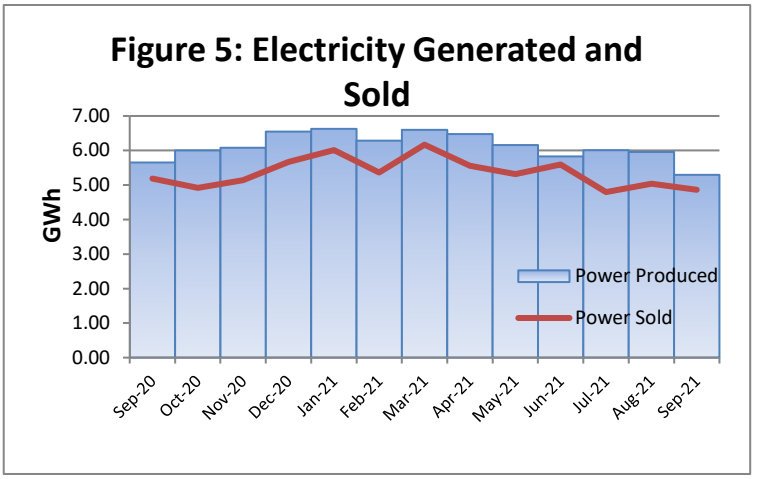
[4] Union Electrique du Vanuatu Limited, <<UNELCO LIMITED>>, supply electricity in Port Vila
[5] Vanuatu Utilities Infrastructure supplies electricity in Luganville and Port Olry (Santo), Sola (Banks) and Talise (Maewo).
[6] The Department of Energy (DoE) supplies electricity in the Tanna and Malekula concessions since mid-July 2020 and has commenced charging tariff in October of 2020.
[7] Lakatoro cooperative is operating the newly established Solar grid at Wintua and Lorlow in Malekula. For more information visit the Department of Energy's website (www.doe.gov.vu)

Total Electricity Generated and Sold[8] within the concession areas.

Total power prodcued increased by 17.59 % from preceding month; comparing it with the equivalent month in previous calendar year, the total power generated also increased by 3.7%.

Total power sold during the month increased by 5.6 % from previous month and also increased by 4.5 % for the corresponding month in 2020.

Changes in power produced and sold are entirley dependent on consumption within the reporting month.



The data utilized in creating this monthly energy snapshot does not include electricity production outside of a concession agreement or MOU.

About the Utilities Regulatory Authority (URA)

The URA is the independent economic regulator for water and electricity services in Vanuatu, established by the URA Act no. 11 of 2007 with amendments.

As part of its functions, the Commission is monitoring the provision of electricity and water by utility companies and public services, promoting access and the long-term interest of the customers.

Please call us if you have any question on (678) 23335 or visit our office at the Office of the Utilities Regulatory Authority, VNPF Compound, Corner Pierre Lamy & Andre Ballande Street, Port Vila, Vanuatu.

www.ura.gov.vu

The URA welcomes suggestions and feedbacks from readers of this monthly energy snapshot report. Any readers desiring to seek clarity of this report are encouraged to seek clarity from the URA should they do not understand any part of this report.

[8] Monthly energy sold in UNELCO's Concessions for the reporting month is estimated based on actual proportion of energy sold to total energy produced in comparable month for the previous calendar year.