

Solomon Islands Electricity Authority

Annual Report - 2014



Energising our nation



Our Vision:

Energising Our Nation.

Our Mission:

To provide a safe, reliable, affordable and accessible supply of electricity to the Solomon Islands.

Our Mission:

- *Respect for our customers and our people*
 - *Improvement through change and innovation*
 - *Meeting our service quality commitments*
 - *Care for the environment*
 - *Individual responsibility for our actions*
 - *Honesty and Trust*
 - *Teamwork*
-



Letter to the Minister

31st March 2015

The Honourable Samson Maneka
Minister of Mines, Energy and Rural Electrification
P O Box G37,
Honiara,
Solomon Islands.

Dear Sir,

SOLOMON ISLANDS ELECTRICITY AUTHORITY ANNUAL REPORT 2014

On behalf of the Board of Directors of the Solomon Islands Electricity Authority, I have the honour to submit to you the Authority's Annual Report, in accordance with section 25 (I) of the Electricity Act, Cap 128, and section 14 (1) (a) (b) of the State Owned Enterprises Act 2007.

The report incorporates audited Statement of Accounts and the major developments, activities and achievements of the Authority for the financial period.

On behalf of SIEA, I take this opportunity to thank you for your on-going understanding and cooperation and look forward to your continuing support.

Yours faithfully,

Adrian Wickham
Chairman





2014 Highlights

- No rotational load shedding in Honiara
 - Improvement in reliability of electricity supply
 - The new 11 kV switchgear in Honiara Substation commissioned under Solomon Islands Sustainable Energy Project (SISEP)
 - A contract for the new power station and 4 new 2.5 MW generators awarded to MAN Diesel
 - The commissioning of the new workshop at Lungga
 - A contract for the two new power transformers at Honiara Substation awarded
 - Substantial progress achieved on the new 33 kV cable between Lungga and Ranadi
 - First ever drive-through window for Cash Power commissioned at Ranadi
 - Mobile Cash Power Top-Up implemented
 - Commenced a project to install Smart Meters
 - A safety manual developed
 - Continued internal safety training programmes
 - World Bank SISEP extended
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2015 Highlights

- Further improvement in the reliability of electricity supply in Honiara and Outstations
- The commissioning of the new power station and 4 new 2.5 MW generators at Lungga
- The commissioning of the two new power transformers at Honiara Substation
- Refurbishment and commissioning of the Buala Hydro Station
- The commissioning of the new 33 kV cable between Lungga and Ranadi
- Progress the Solar Farm at Lungga
- Sign a Power Purchase Agreement for Tina River Hydro Project
- Sign a Subsidiary Loan Agreement with SIG for the Fiu River Hydro Project
- Award the contracts for the Kola'a Ridge Substation, Feeder 12 relocation and Ranadi Substation upgrade projects
- Complete the Ranadi Office Upgrade Phase 2 project
- 24/7 Customer Call Centre
- Develop and implement a vegetation management plan and also operations and maintenance plan for all our network and generation assets
- Increased focus on safety, training, nurturing and mentoring
- All vehicles of SIEA fitted with a monitoring system
- Implement a permit outage system for generation and network assets
- Implement the restructure of SIEA
- Install and commission the Smart Meters





About Solomon Islands Electricity Authority

Who we are

Solomon Islands Electricity Authority (SIEA) is a State Owned Enterprise.

Our objectives

Under Section 4 of the State Owned Enterprises Act, the principal objective of the Company is 'operate as a successful business', and to this end, be:

- As profitable and efficient as comparable businesses that are not owned by the Crown.
- A good employer.
- An organisation that exhibits a sense of social responsibility by having regard to the interests of the community in which it operates.

To meet these objectives, SIEA works to

Be as profitable and efficient as comparable businesses by

- Within the Electricity and State Owned Enterprises Acts, installing, operating and maintaining electricity supply systems that meet the needs of connected customers.
- Developing and implementing capital investment plans, to improve electricity system performance and increase the network coverage of agreed areas.
- Seeking to recover efficient costs of the service provision.
- Improving the efficiency of services, whilst improving asset reliability and availability.

Be a good employer by

- Maintaining a well-qualified and motivated staff.
- Adopting HR policies that treat employees fairly and properly in all aspects of recruitment, retention and employment.
- Promoting a high level of safety throughout the organisation.

Act in a socially responsible manner by

- Building effective relationships with landowners, customer groups and interest groups that are affected by our activities.
- Improving environmental reporting and performance on issues that are caused by our electricity supply activities.
- Incorporating sustainability into our business activities, and working to improve sustainable outcomes in terms of resource management.

Nature and scope of our activities

SIEA's principal commercial activities, as defined under the Electricity Act, are the

- Generation and distribution of electrical supply to connected customers in approved areas,
- Operation, maintenance and development of assets that are necessary to achieve these outcomes on a long term, sustainable basis,
- Approved expansion of services to increased areas of operation.

Other regulatory functions

The Company is also mandated by the Electricity Act to perform the following regulatory functions:

- Be responsible for the registration of Electrical Contractors.
- Ensure that industries and contractors comply with the Electricity Act and the AS/NZS Wiring Standards, by inspecting all electrical installations before connecting to SIEA mains.
- Be responsible for the licensing of standby generators, Independent Power Producers (IPP) and Cogeneration of power.



Members of the Board



Adrian Wickham
Chairman



David Laurie
External Director



Harry Zoleveke
Director



Henry Kapu
Director



John Bosco Houanihau
Director



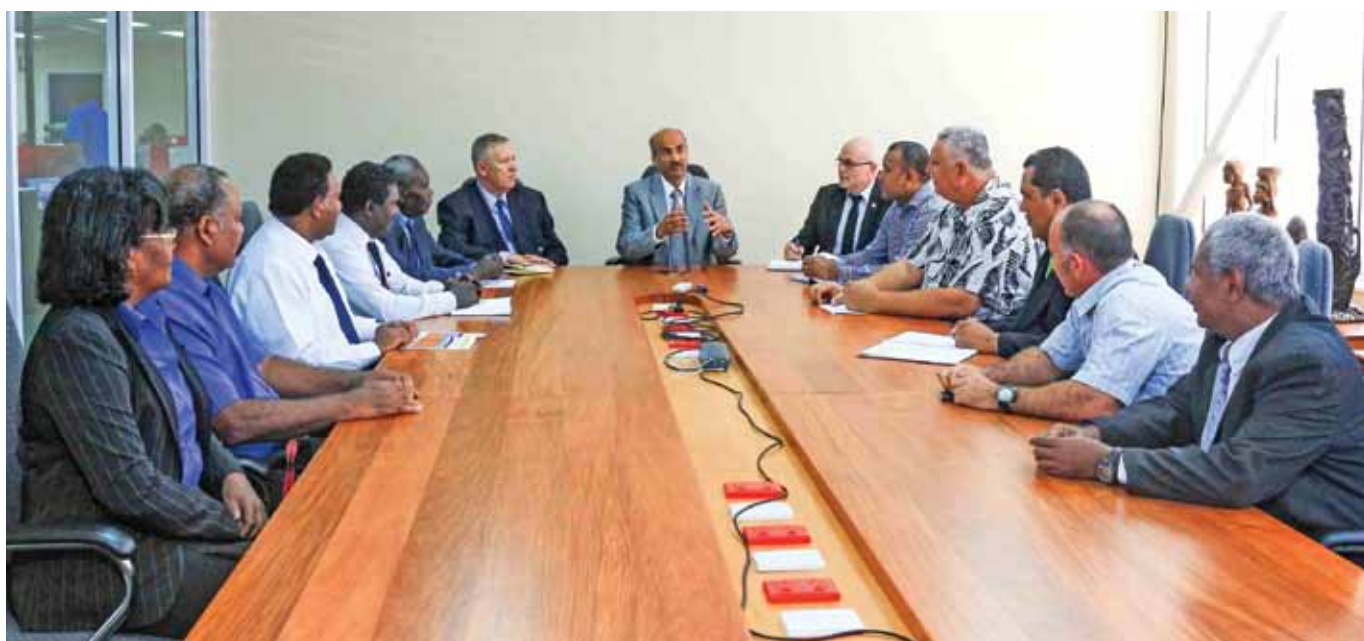
Rovaly Sike
Director



Sebastian Ilala
Director



Yolande Yates
Director





Executive Management



Barnabas Upwe
Legal Counsel



Dadily Posala
Manager Generation



Gordon Denty
Manager IT



Jan Sanga
Manager Customer Services



John Kofela
Manager Outstations



Kitone Malugulevu
Regulatory Manager



Levan Resploh
Manager Corporate Services



Mark Greenaway
Manager Capital Works



Martin Sam
Chief Engineer



Mathew Korinihona
Manager Distribution



Nik West
Manager Capital Projects



Phil O'Reilly
Chief Financial Officer



Pradip Verma
Chief Executive Officer



Robin Simpson
OHS & Training Consultant





Chairman's Letter

2014 has been another significant year for SIEA from a number of perspectives. First of all this is the first year in the recent times that we have not had rotational load shedding in Honiara. Secondly we are into our second year of a 7 year SBD\$1 billion capital infrastructure investment programme. Finally 2014 is the fourth year in a row that we have performed well financially.



We signed a major contract for the construction of a new power house and the installation of 4 new 2.5 MW generators at our Lungga Power Station. The construction of this project has commenced with expected completion in 2015. This will place SIEA in good stead with sufficient installed generation capacity in Honiara, which will provide sufficient capacity to meet electricity demand with up to three generators taken off line for repairs and maintenance.

We have also commenced a capital project for the replacement of the two power transformers at Honiara Power Station which is due for completion just after Easter 2015. This together with the developments at Lungga Power Station will further improve the reliability and security of power supply in Honiara and provide ongoing benefit to our valued customers.

The 33kV cable project between Lungga and Ranadi has progressed substantially with commissioning due in January 2015. This will eliminate a major constraint in our Honiara network.

In the outstations too we have plans to invest in the upgrade of generators and buildings. These together with the extensions of our network will increase the footprint of electricity. We are engaging and working closely with our stakeholders at all levels to make electricity accessible.

We are conscious of the high cost of electricity in Solomon Islands due to our heavy reliance on diesel and

are therefore actively working with all our stakeholders to pursue initiatives to bring down the price of electricity. We hope the renewable energy proposals on the table, on completion, will assist SIEA to reduce the price of electricity.

Our cost of services and tariffs are under review, the outcome of which will provide certainty to us on our revenue streams for the foreseeable future. Additionally this will challenge us to be more efficient and effective.

Much has been achieved in the last four years. However, a lot still needs to be done and we cannot rest on our laurels. The future will bring in more challenges. However, I am very confident that SIEA will continue on its chartered path to improve the reliability of electricity supply and make it accessible to more Solomon Islanders.

We are fortunate to have the continued support of the World Bank, Asian Development Bank, Japan International Cooperation Agency and other donors to explore opportunities in renewable energy and to drive commercialisation in our operations.

I am pleased to note the mentoring and nurturing programme of our young staff being initiated by Management. This strategy in the long term will enable SIEA to develop and sustain Human Capital, a key challenge identified by the Management and Board.

I would like to thank Norman Nicholls, former General Manager, for his exemplary contribution to SIEA during his four and half year tenure. I also take this opportunity to welcome Pradip Verma as CEO. I am confident Pradip will provide the leadership to lead SIEA through the next phase of development.

I also would like to take this opportunity to thank the Shareholders and my colleagues on the Board and the Management Team for the continued support they rendered throughout 2014.

Adrian Wickham
Chairman



Chief Executive Officer's Letter

I am deeply honoured and privileged to be appointed as the first Chief Executive Officer of SIEA and I took up my role on 24th November. I am therefore on a very steep learning curve. I would like to thank all the stakeholders for the warm welcome provided to me and I look forward to ongoing support from all stakeholders in my role.



2014 has been another financially successful year for SIEA. Over recent years a significant improvement in the commercial sustainability of the SIEA has been achieved. Prudent management has resulted in a situation where SIEA is able to commit to a SBD\$1 billion capital works programme over the next five years or so. This will further improve the reliability in Honiara and at the outstations and see the development of new outstations.

Over the past year we commissioned a new workshop in Lungga and have also signed a major contract for 4 new 2.5 MW generators and for a new power station building at Lungga with commissioning due mid-2015. The project for the 33 kV cable between Lungga and Ranadi has progressed substantially with commissioning due in the third week of January 2015. The project for the installation and commissioning of two new power transformers at Honiara Power Station is on track with commissioning scheduled for April 2015. During 2014 we also commenced the Outstation projects to replace generators and upgrade the power houses. I am confident that all these investments will provide ongoing benefits to our customers.

In the past our performance from a reliability perspective has been poor. Honiara has experienced rotational load

shedding on an ongoing basis in the past. During the last one year we have had no load shedding in Honiara. This is a great achievement and let me assure you that this will be the norm and not the exception.

It is also pleasing to see the mobile top-up commence in September 2014. We have also opened up a "drive through" Top-Up Window at our Ranadi Office in early 2014. These facilities are increasingly being used by our customers.

Over the past year there has been an increased focus on safety and training. In particular, we developed a Safety Manual and a Safety policy. Our ongoing efforts in this critical area are already paying dividends.

SIEA is all about Nation building. Having improved our financial position, SIEA now considers the next phase to be about increasing the footprint of the electricity network and make electricity accessible to more Solomon Islanders.

The three key challenges for SIEA in the future are effective and efficient delivery of the capital programme, development and sustenance of human capital and to increase the footprint of the electricity network. I am certain that we in SIEA can achieve all these with the ongoing support of all our stakeholders.

I wish to thank our Chairman and the Board for the excellent support they have provided to the SIEA team during 2014.

Congratulations to everyone on the SIEA team for everything we achieved together during the year.

Pradip Verma
Chief Executive Officer



Engineering Highlights for 2014



Monitoring the electricity supply at the Lungga Power Station.

Overview

Honiara has been having more reliable power supply in 2014 as a result of the commissioning of the 2x1.5MW Caterpillar generators at the Honiara Power Station in mid-December 2013. Improved cooling efficiencies on L7 & L8 Wartsila and L9 Mitsubishi generators also contributed a further 3MW to the Network.

However, to prevent future load shedding, there is a need for more generation capacity at Lungga Power Station. SIEA has signed a contract with MAN Diesel of Germany for a new Power Station at Lungga. This has been scheduled to be commissioned in August 2015 and will provide up to an additional 10 MW, being sufficient power to ensure that load shedding in Honiara is a thing of the past.

One of the step down 33/11kV, 7/10MVA transformers at the Honiara Substation was out of service due to a major

fault experienced during the recommissioning process. Two new 33/11kV 10/12MVA transformers have been ordered and will be commissioned in April 2015.

The completion of the 11kV switchgear project at the Honiara Substation in mid-2014 has improved the reliability of the 11kV distribution system in Honiara. The new switchgear has also improved protection and management of data from the feeders.

Two 11kV network extensions were carried out at Gizo and Noro, both in the Western Province. These new extensions are expected to increase the number of customers over the next two to three years.

The Guadalcanal Plains Palm Oil Limited (GPPOL) HV extension was also completed during the year after a long delay due to land issues. The new line is expected to connect an additional load of up to 200kW when it is connected to the GPPOL load.



Generation

Major activities carried out were the overhaul of the L9 Mitsubishi generator and the replacements of the cooling radiators for L7 & L8 Wartsila generators. A new radiator was also installed for the L9 Mitsubishi generator during the overhaul.

With the new radiators installed, L7 Wartsila and the L9 Mitsubishi generators' outputs both increased to 4.0MW each. However the improvement achieved on the L8 Wartsila unit was minimal, as this can only produce an output of 3.3MW during a hot day.

Other major jobs that were carried out were the replacement of the turbo chargers and the rubber coupling between the engine and the alternator on L7 generator. L5 Mirlees generator was also fitted with new turbochargers.

Other activities included responding to faults and break downs both in the mechanical and electrical systems; and the routine 1,000 hours services on the generators.

Distribution

The operations and construction sections of the Distribution Department undertook a number of major activities which included the extension of the 11kV lines at Gizo and Noro and the completion of the HV extension to GPPOL. The network expansions were all funded by SIEA under its Capital Works programmes.

Other activities were the response to various faults in the network and especially the restoration of damages caused by the flash floods along the Matanikau River in Honiara, famously known as the April Floods. Our distribution team performed magnificently during the Floods.

The Geographical Information Systems (GIS) section continued data collections at Auki, Gizo, Kirakira, Lata

and Malu'u outstations. The GIS section also provided support services to the development of the new powerhouse and the drainage system redesign at Lungga.

Planned maintenance and response to major faults in the system were also carried out in parts of the network and on distribution transformers and switching equipment.

Outstations

Power generation at the Outstations was generally stable, compared to the previous years during which prolonged outages due to generator failures was a regular occurrence. The improvement was mainly due to the timely maintenance of the generators.

Rebuilding N1 generator at Noro continued during the year but it has not been able to be commissioned due to various faults that were being experienced. Refurbishment of the high voltage bus system was also carried out at Noro.

The high voltage (11kV) underground cable that connects Munda to Noro experienced a fault in one of the joints few days before Christmas. Due to the nature of the fault we were unable to locate and pinpoint the fault and therefore had to borrow a generator from one of our customers to supply the load of Munda.

Major overhauls were carried out on the generators at Buala, Lata and Tulagi and scheduled 250 hours services on all generators were carried out as and when they were due.

Power Purchase Agreement

At Noro, standby power is supplied under a Power Purchase Agreement (PPA) between SIEA and Soltuna, a fishing company based at Noro in the Western Province.

Renewable Energy

An Independent Power Producer (IPP) project is



currently being developed by a local company, Solomon Tropical Products (STP), to export power into the SIEA grid by using biofuel produced from coconut oil.

A 50kW demonstration grid-connected Solar installation funded by Japan International Cooperation Agency was commissioned in 2014 and is connected to the SIEA Head Office at Ranadi.

Two proposed Hydro Projects which include 750 kW at Fiu River, Malaita Province and the 20MW at Tina River in Guadalcanal Province will be further developed in 2015.

Other renewable energy projects in the pipeline are the 600kW grid-connect solar to be funded by the United Arab Emirates (UAE) – Pacific Partnership Fund and a 1.5MW solar installation to be funded by the Asian Development Bank.

Power System Reliability

SIEA Power System Reliability in Honiara is measured using the internationally accepted performance indicators as follows:

The System Average Interruption Duration Index (SAIDI)

This is a measure of the average total length of time (in minutes) that a customer is without power over a one year period. For Honiara, this was measured to be 422 minutes, an improvement over the measurement of 486 minutes in 2013.

The System Average Interruption Frequency Index (SAIFI)

This is a measure of the average number of times that the system is interrupted in a year. For Honiara this was measured to be 7.0 times compared to 8.0 times in 2013.

The Customer Average Interruption Duration Index (CAIDI)

This is a measure of the average time (minutes) that a customer is without power per interruption. For Honiara this was measured to be 81 minutes per interruption. This is higher than the average time of 58 minutes in 2013.

Reliability and Efficiency

To improve the reliability and efficiency of the system, new cooling radiators were installed on three large (4.2MW) generators at Lungga Power Station and maximum of 3.0MW additional capacity was achieved. The improved capacity increased the available capacity to 21.0MW against a demand of 14.0MW.

The timely implementation of improved maintenance programmes for both the generation and network infrastructure has contributed to the improvement of reliability and efficiency in Honiara and at the Outstations.

Energy Produced

Energy produced in 2014 is shown in the table below. Lungga and Honiara operations produced a total of 77.3Gwh (90%) whilst the Outstations, Soltuna (under PPA), STP (IPP) and the Ranadi Solar produced 8.17Gwh (10%)

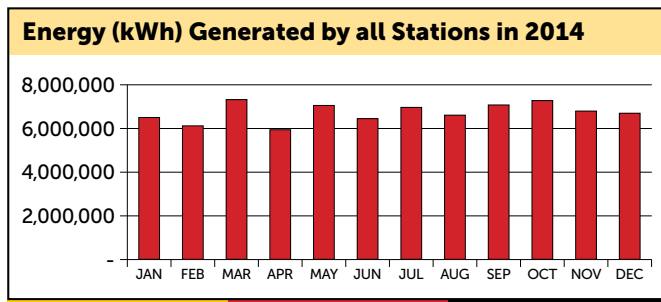
| Station | Energy Produced (Gwh) |
|--------------|-----------------------|
| Lungga | 71.8 |
| Honiara | 5.50 |
| Outstations | 7.50 |
| Soltuna | 0.05 |
| Ranadi Solar | 0.03 |
| STP | 0.59 |
| Total | 85.47 |



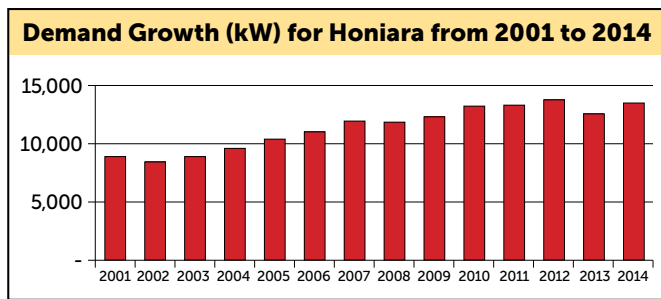
Maximum Demand

The demand for electricity in 2014 for Honiara peaked at 14,100 Kilowatts compared with a figure of 13,620 Kilowatts in 2013, an increase of about 480kW over the 2013 demand.

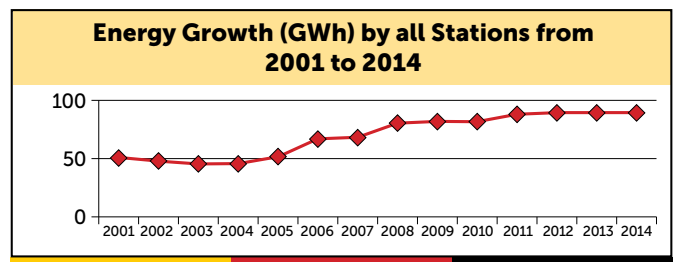
Generation Statistics



Energy Generated by all Stations in 2014



Honiara Demand Growth from year 2001 to 2014



Total SIEA Energy Growth from 2001 to 2014

Regulatory

The Regulatory department of SIEA was established in January 2014 to perform Regulatory functions in accordance with the requirements of the Solomon Islands Electricity Act. It is responsible for the licensing of electricians and electrical contractors, licensing of stand-by generators, generation of power for own use, Independent Power Producers and renewable energy sources.

Furthermore, the role of the Regulatory Unit is to regulate and license the supply of electricity in the Solomon Islands and to inspect and test all installations to conform to AS/NZS 3000 Standards and the Electricity Act & Regulations.

There are 160 registered Grade 'A' Electricians and 58 registered licensed electrical contractors currently operating in the Solomon Islands.



A total of 741 new connections for Honiara and the Outstations were made in 2014 of which 490 were for domestic customers and the rest for commercial customers.

To facilitate connection of Solar PV Grid Connected systems the Regulatory department has developed a manual and the associated processes. The manual and processes will enable processing of applications consistently and expeditiously.

Capital Works

We completed several projects during 2014, in particular the new 11 kV switchgear at Honiara Substation and the new workshop at Lungga. The 33 kV cable project between Lungga and Ranadi; the replacement of the two power transformers at Honiara Substation and the new power station and 4 new 2.5 MW generators at Lungga are well under way. Each of these projects is scheduled for completion during 2015. The Ranadi Office Upgrade Phase 2 project and the outstation upgrade project have commenced in 2014 with planned completion in 2015 and 2016 respectively.

The upgrade projects for Feeder 12, Kola'a Ridge Substation and Ranadi Substation are progressing with specifications being prepared for tendering. This work will be undertaken over the next 12 months. These projects are funded under the World Bank SISEP.

The installation of a 50kW PV solar farm by Japan International Cooperation Agency through a grant is located in the SIEA car park. This is a dual-purpose facility farming electricity from the sun and provides undercover car parking for 30 of our fleet vehicles. Further solar farm developments are being explored to assist in reducing the cost of electricity.

To ensure these and future projects are undertaken by SIEA in a professional manner a Project Management Office is being established to develop and train the SIEA staff in project management practices and systems. A General Manager Capital Works commenced with the SIEA in December 2014 and has started the development of the project systems required for SIEA's growth to meet the Solomon Islands' electricity demand in the future.



Customer Services Division

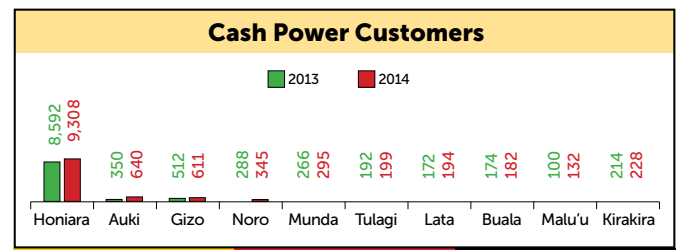
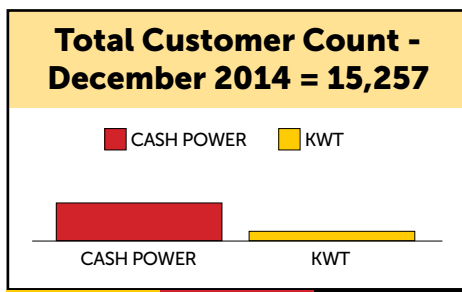
The Customer Services division is responsible for customer enquiries, cashiering, kilowatt billing (post-pay), Cash Power administration (pre-pay), metering and public relations.

By the end of 2014, SIEA had 15,257 customers connected to its Honiara and outstations' network. 80% of customers are on the pre-pay system and 20% are on post-pay.

Customers are categorised into domestic, commercial and industrial. Domestic customers are placed into the pre-pay system using Cash Power meter, while commercial and industrial customers are retained in the post-pay system, using the conventional kilowatt meter. Cash Power customer accounts are administered through the Suprima system, a pre-pay system which has been in place since 2000, while kilowatt customer accounts are managed from the Utility Star Platform or USP system, a system put in place this year in June 2014 to replace the old system, Napier Computer System (NCS).

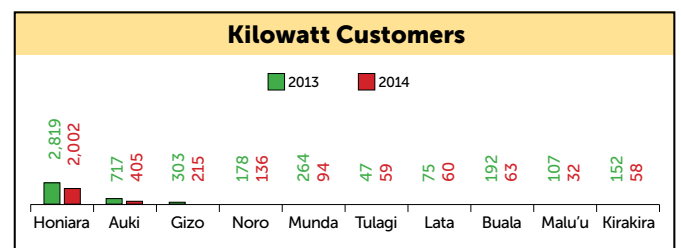
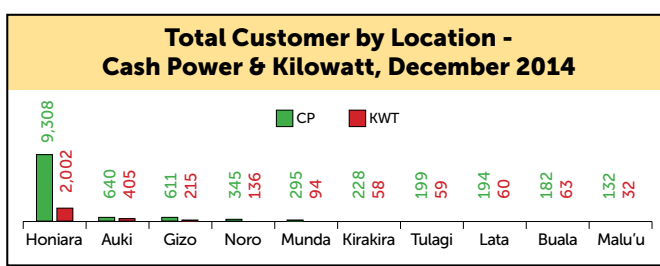


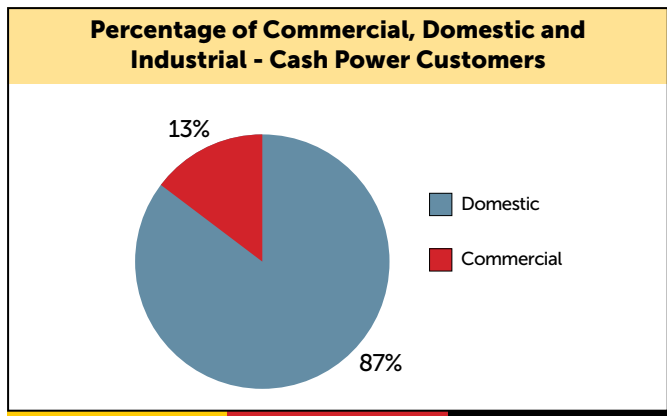
Pre-pay customers have increased from 10,860 in 2013 to 12,134 in 2014, while post-pay customers have decreased from 4,854 in 2013 to 3,123 in 2014. This is as a result of transferring domestic post-pay customers onto the pre-pay system. In 2014, a total of 649 existing kilowatt customers were transferred to Cash Power. Of these customers, 279 were Honiara-based and the rest for the following outstations, Auki 248, Gizo 38, Noro 30, Malu'u 23, Munda 14, Kirakira 9 and Buala 8.



Customers are located in ten locations; Honiara, Auki, Buala, Gizo, Kirakira, Lata, Malu'u, Munda, Noro and Tulagi. The majority (77%) of customers are based in Honiara, followed by the three bigger provincial outstations Auki, Gizo and Noro. Of the smaller outstations, Munda has more customers over Buala, Kirakira, Lata, Malu'u and Tulagi.

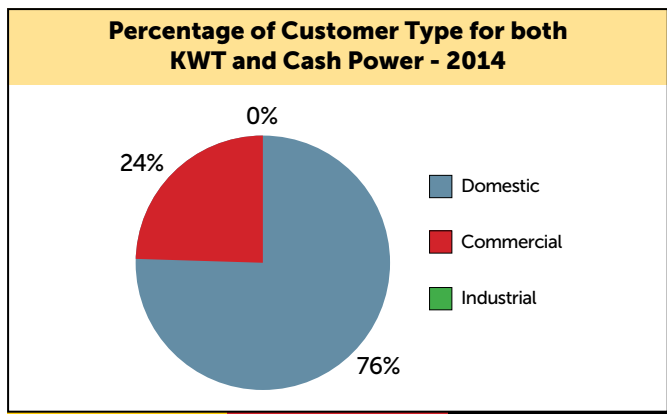
Tulagi was an exception with kilowatt accounts, which increased instead of decreasing due to new kilowatt customers registered in that location in 2014.



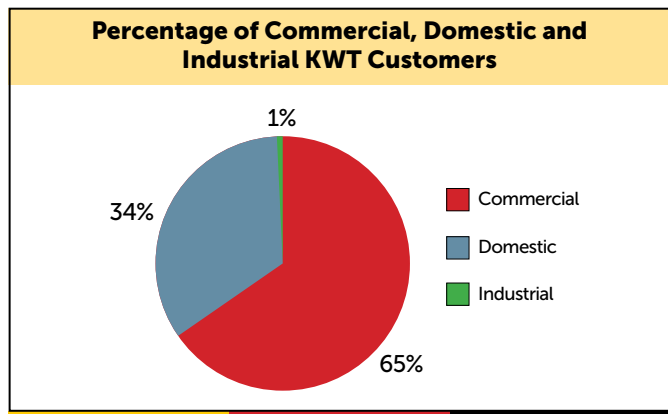


In all, the majority of SIEA customers are domestic on 76%. 24% of customers are commercial.

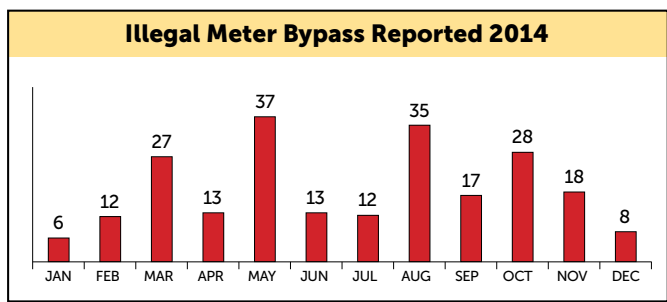
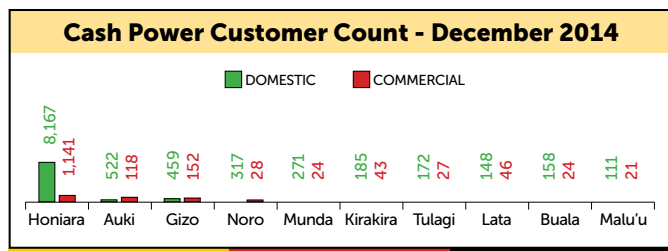
The majority (65%) of kilowatt customers for all locations are commercial, with domestic on 34% and industrial 1%. Industrial customers are located only in Honiara and Noro.



Having 80% of our customers on pre-pay has worked well in enabling SIEA to administer these accounts. However, bypasses of Cash Power meters is still a challenge which contributes to non-technical losses. In 2014, a total of 226 meter bypasses were reported. Of these, 117 customers came forward to pay for their average bill. The 109 who did not attempt to make payments were referred for legal recovery. Bypasses are identified through daily spot checks across all sites.



For Cash Power customers, the majority of customers are domestic (87%) and 13% are commercial.





2014 has seen some positive outcomes for Customer Services.

In January 2014 the Customer Services office area had a major uplift resulting in a modern workspace together with counters for customer enquiries, cashiers and back office space. Also, the first ever drive-through window for Cash Power vending with extended opening hours had proved a huge success especially for working people. The drive-through window opens at 8:00am and closes at 8:00pm Mondays to Fridays. The Integrated Business Management System, which included the transition of the billing system from NCS to Utility Star Platform (USP), was implemented in June 2014. All billing staff had to undergo training before the changeover. In September, a customer service initiative, a mobile electricity vending system called "mobile top-ups" was launched. This system allows customers to use their

Telekom mobile phones to purchase Cash Power units. To access this service, a customer needs to register with BSP mobile phone banking.

As part of the solution to reduce non-technical losses, SIEA also commenced a project to install Smart Meters. The timing for this is May 2015. Plans are also in place to have a Call Centre operating 24 hours every day to improve customer care throughout the nation and to increase contact with customers and to be more responsive to customer concerns.

Public awareness programmes were also held across schools and communities around Honiara and the provincial centres, complementing the weekly radio programmes and other media notices. In this way, customers and the public are much better informed of the Authority's expectations and requirements.



Finance Division

Funding a One Billion Dollar Capital Expenditure Programme

The fiscal position of SIEA continues its strong improvement to the point where SIEA can commit to a SBD\$ 1 billion capital expenditure programme over the next five years or so. Funding sources for the capital expenditure programme include:

- SIEA surpluses generated due to improved financial management;
- Commercial loans of SBD\$90 million secured due to financiers' confidence in SIEA;
- World Bank loan of US \$11 million and a grant of US \$2m due to their confidence in SIEA; and
- Asian Development Bank (ADB) loan of US \$ 10.5 million and a Grant of US \$1.5 million due to their confidence that SIEA can deliver renewable energy projects.

This money will be used for specific capital expenditure projects to improve reliability and to implement renewable energy projects. Each of these loans went through an extensive negotiation process with both the Government and the lender or donor.

Besides direct financing, SIEA has been deeply involved in negotiations with Independent Power Producers (IPP) and their financiers to facilitate their projects to deliver cheaper renewable energy to the Solomon Islands. These include agreements for the Tina River Hydropower Scheme, Savo Geothermal Power and Biodiesel Power Generation.

Finally, we have been involved with Japan International Cooperation Agency for the supply of a trial Solar Power Farm in the Solomon Islands.

A Customer Focus

Price of electricity is a major concern for customers. SIEA has organised through the World Bank a review of the Tariffs, which will be the basis to change the 2005 Tariff Regulation that SIEA currently complies with. This should result in tariffs that are fairer to the people of the Solomon Islands. The review will also enable the inclusion of cheaper renewable sources of power in the tariff calculation as well as looking at life-line tariffs and time of use tariffs. This review is due to start in early 2015.

During 2014 Finance and Customer Services implemented a new Finance and Billing System.

Smart Metering contracts were finalised in 2014 for implementation in 2015. This will enable real time and accurate information on power consumption that can facilitate more accurate billing and better information to customers.

Finally, SIEA, in partnership with the Government, has agreed to a programme to operate, maintain and repair the existing street lights in Honiara and the other islands. This will improve safety and security for the community.

Financial Management Systems and Processes

The new Finance and Billing system has enabled management of key financial activities for SIEA. This includes the electronic management of invoices and payments, electronic management of contracts, the tracking and reporting of overtime and improved management reporting. The system has also enabled the automation, monitoring and interrogation of other financial functions across SIEA.

We plan to expand our use of the system in 2015 into electronic timesheets and job costing. Also we propose to move to electronic payments to suppliers.

Policies, procedures and processes continue to be developed to improve various systems.



Property management

During 2014, this function was transferred to Finance Division to help develop the financial compliance and contract management of the property function. Property includes the management of SIEA's non-operational buildings and land including the land acquisitions processes. The Property Department has been managing a process to refurbish our buildings as a majority of these buildings have not been maintained for the last 20 years.

The other major task has been land negotiations to facilitate the capital projects in Honiara and across the Solomon Islands.

They need to conclude some major land negotiations for various projects including solar farms, hydro power schemes and power house refurbishments.

Information and Communications Technology (ICT)

During 2014, SIEA's ICT department was busy supporting the implementation of mobile top-ups and the new Finance & Billing system. This support will continue in 2015 with the planned extensions to these systems.

Major projects for 2015 include Smart Metering, building a disaster recovery site, improving the connectivity across Honiara & the Outstations and facilitating the development of an integrated asset management system. Another project will be finalizing our long term telecommunications requirements that will enable in addition to business projects, the automation of the control and monitoring of our generation assets and network across the Solomon Islands.

