

# OPENING SPEECH

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**SI MMERE, CC&I & SPC PCREEE Workshop on “Capacity Building in Renewable Energy & Energy Efficiency for the Private Sector & Business Entities” in the Solomon Islands**

**1<sup>st</sup> May – 3<sup>rd</sup> May 2018**

## Salutation

1. The Private Sector Companies
2. The Banking Industry
3. The Representatives from the Solomon Island Electricity Authority
4. Government Ministries & Departments
5. The SPC Pacific Centre for Renewable Energy & Energy Efficiency located in Nukualofa, Tonga.

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Firstly I take this opportunity to welcome everyone this morning in this important Workshop on **“Capacity Building in Renewable Energy & Energy Efficiency for the Private Sector and Business Entities”** in the Solomon Islands. The workshop has been organized and sanctioned through the partnership between the Solomon Islands Ministry of Mines, Energy and Rural Electrification (MMERE), the Chamber of Commerce & Industry (SI-CCI) & the SPC - Pacific Centre for Renewable Energy & Energy Efficiency (PCREEE). I also wish to thank the SPC – PCREEE this morning for coming all the way from Tonga, to the Solomon Islands to work with us in the quest to enhance the opportunities for the Private Sector and Businesses in the field of Renewable Energy & Energy Efficiency (Sustainable Energy) in the country.

The objectives of the workshop and our gathering for the next three (3) days are basically to;

- i. Promote entrepreneurship and private sector investment and job creation in sustainable energy.
- ii. Enhancing opportunities for private sector collaboration, and
- iii. Raising the awareness about the business opportunities in the Solomon Islands energy sector.

I do hope that at the conclusion of the workshop, we can be confident that we have moved up another notch in terms of effecting important changes to the energy landscape and particularly to our people in the Solomon Islands.

### **a. Status of Electricity Sector**

I will begin with our electricity industry here at home. We have our very own Solomon Islands Electricity Authority and it trading as "Solomon Power" that operates under our Electricity Act. My Ministry, the Ministry of Mines, Energy and Rural Electrification through its Energy Department bears responsibility for the legal, regulatory, institutional strengthening and supervision of the utility. Solomon Power is responsible for the generation, transmission and distribution to all urban and provincial centres including Honiara. Outside of the Solomon Power existing service areas, there are a number of community operated grids, stand-alone diesel generators and small solar home systems for basic lighting and phone charging. With the absence of an independent regulatory authority, Solomon Power is given the authority to issue licenses to generate and distribute electricity in areas that are not supplied by the Grid.

More specifically, in terms of generation, the Honiara Power System is almost entirely diesel-based except for a 50 Kilowatt (kW) rooftop solar photovoltaic system at the Solomon Power Headquarters and a One (1) megawatt solar farm that was commissioned in 2016. Of the total installed capacity, a mere 3% is generated from renewables. Our peak demand has been around 15 MW as off 2016 and growing and the total electricity generated in the provincial grids was 6.7 Gigawatt hours (GWh) during the same period.

The cost of our electricity or national tariff has been averaging around USD 0.76 per Unit, which is amongst the highest in the Pacific. The high cost of electricity generation is negatively impacting economic growth and particularly in the commercial, industrial and tourism sectors. The stories surrounding the development of energy and other infrastructure in the Solomon Island is not a good one and it is not new. Unfortunately there have not been any real solutions to the dilemma that we have been facing. It is estimated that a little over 10% of the total population in the Solomon Islands has access to electricity. In our remote places where electricity is available, it is more costly than elsewhere in the world and is often less reliable. This is largely because the Solomon Islands is almost entirely dependent on imported petroleum fuels for our energy needs in terms of electricity generation, transport and lighting. Therefore with the situation we have and will always be at the whims of oil producing countries. This has been exacerbated in recent times through the global financial crises.

### **b. Renewable Energy in SI**

The above situation if allowed to continue will always make us vulnerable for generations to come. We need to do something about it. The equation to reduce these vulnerabilities is basically simple. And that is the need for us to develop our own Renewable Energy resources from Water - Hydro, Solar, Geothermal, Biomass and the likes. In doing so it will enable us to reduce our exposure to the volatile global oil prices and also simultaneously enhance our energy security.

At the moment your Government has set itself a target of increasing its share of renewable energy from around 5%, to 50% of total installed capacity by 2020. In doing this it will not

only lift our economic performance but will certainly enhance the living standards of our people.

### **c. Energy Access**

The issue of energy access is another important one. Inadvertently by virtue of our geographical situation, our population is dispersed across the whole archipelago. This has imposed mammoth challenges to our Solomon Power and development partners alike in trying to get affordable and reliable electricity to our people. Notwithstanding these challenges the Solomon Power now has plans for about 40 Mini-Grids for the next ten (10) years. Development Partners have also pitched in and despite our difficult situations we should continue to take electricity to our rural areas. As we have found out for ourselves, that the price of neglect is much costlier than embracing development in the first place.

Ladies and gentlemen we have lined up important renewable energy and rural electrification projects for the Solomon Islands. These projects include;

- i. The Development of the Tina Hydro Power Project with a consortium of Developing Partners including; World Bank, the Asian Development Bank and the Green Climate Fund).
- ii. The Scaling Up of Renewable Energy in Low Income Countries Programme (SREP);
- iii. The Electricity Access and Renewable Energy Expansion Programme;
- iv. The Small Island States Initiatives (SIDs DOCK), Multi donor Trust Fund and the Global Environment Facility (GEF) and also
- v. Other Partners such as the Pacific Community (SPC), the Australian Government, the Korean Government, the New Zealand Government, the Japan International Cooperation Agency and the Government of the United Arab Emirates have pitched in either in terms of bilateral or multilateral initiatives in the sector.

The above Donors and Development Partners have come in to work with us in this important area. We need to give them our utmost support to ensure that the projects are completed in time and to our satisfaction. In this regard I have been informed that with the completion of the Tina Hydro Power Project in the next four years, the Solomon Islands will achieve 80% in terms of its renewable energy mix. This has been an elusive dream for all of us and it is my prayers that we will all be there to witness this important transformation not only to the energy sector but for our people and the economy as a whole.

### **d. SPC – PCREEE**

Ladies and Gentlemen at the regional level in April 2017, the Pacific Energy Ministers met and adopted a vision for the Pacific Islands to be 100% on renewable energy and launched with SPC, the PCREEE as a vehicle for accelerating the progress by empowering the private sector and the business community. PCREEE is a Sustainable Energy for All - Centre of Excellence, to address gaps in the current effort to remove existing barriers and strengthen drivers for sustainable energy markets, industries and innovation. They are here with us. As

mentioned above the Energy Programme of the Pacific Community have always been with us in the past, assisting us in terms of Policies, Capacity Building, financial assistance and so forth. We are thankful that they are here today with a larger resolve and that is to assist our private sector to make a difference on our energy landscape.

#### **e. The Private Sector & Business Community**

To the Private Sector, the Banking Industry and Business Community, this journey will be difficult without your support. You are an integral part of this equation. You make things happen. It is important that we hold hands and work together in this transformation. I am thankful that we are here with the objective to build capacity, identify niches and seek business opportunities that will not only develop the energy situation in the Solomon Islands, but at the same time create a platform for your businesses to thrive.

We have made our commitments in terms of our energy targets through our Intended Nationally Determined Contribution (INDC) under the Paris Agreement. The Agreement presents a business opportunity for the locals and the private sector to maximise benefits and drive our transformation from a predominantly fossil fuel based economy to one relying more on renewable energy and energy efficiency technologies.

#### **f. Energy Efficiency**

Lest we forget, whilst at this juncture I also thank the PCREEE for reminding us the importance of "Energy Efficiency" to also be part of our journey. Its benefits are abound. Globally today energy efficiency is taking its place as a resource base for national and international efforts in the quest for sustainability. The International Energy Agency(IEA) notes that energy efficiency is the most definitive energy supply that exists, and harnessing these potential has enormous benefits for economies around the world. More specifically on the power sector, it further states that direct benefits are derived in the form of lower costs in the area of generation, transmission and distribution and improved reliability and the possibility of delaying or deferring costly system upgrades, are very real. The list is non-exhaustive and there are also the major multiple benefits of energy efficiency derived by economies through wealth and welfare goals that have been quantified following research undertaken through the IEA.

#### **g. Concluding & Opening of the Workshop**

I also extend my sincere appreciation to the SPC Pacific Appliance Labelling Programme, they shown us the pathway in ensuring that technologies that we import into the Solomon Islands are energy efficient.

It is my hope that the workshop that we have today and the programmes that will come out of your deliberation, will continue to assist us reach those goals that we have for our Energy Sector and our Economy.

I wish you all the very best in your deliberations and declare the Workshop on **“Capacity Building in Renewable Energy & Energy Efficiency for the Private Sector and Business Entities” – Open.**

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