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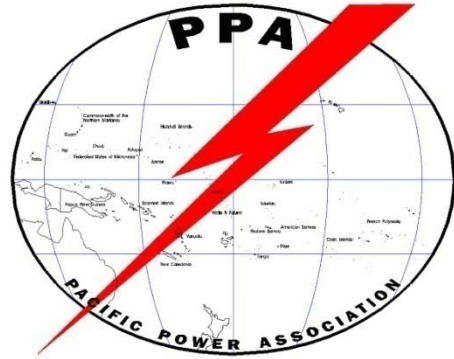
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**Renewable Energy Development for
Electricity Generation and Productive
Uses in Selected Pacific Island States:**

**Renewable Energy Strategy for
Power Utilities in the Pacific**

UNIDO Project UE/RAS/08/001
(Contract No 16002273
between UNIDO & PPA)



Final Report

Prepared by the Pacific Power Association

27 April 2011

SUMMARY

The contract requires three reports to be submitted to UNIDO electronically: i) an initial report no later than Monday 31 January 2011, a second progress report by 31 March and a final report by 30 April. The first two reports have previously been provided to UNIDO. This brief final report summarises all activities undertaken within this contract.

Activity	Status by 27 April 2011
PRELIMINARY ACTIVITIES NECESSARY TO DEVELOP STRATEGIC PLAN	
1. Establish an Advisory Group (AG) to comment on the strategic plan during development and on the workshop	Completed in January 2011
2. Establish a Steering Committee (SC) to oversee development of the strategic plan	Completed in January 2011
3. Contact key development partners & regional organisations for views on key issues facing PPA & the utilities, key future activity areas & priorities for PPA and the role of PPA & utilities in developing practical RE & EE (DSM) initiatives.	Completed in January 2011
4. Review existing PPA vision and mission statements, suggesting changes if required	Completed in March 2011 (and annexed to progress report 2).
5. Develop, distribute (by e-mail) and assess responses to a questionnaire sent to all utility member CEOs, the advisory group and others to solicit their views on the quality & type of PPA services, utility priorities for future services, key issues regarding the utility sector and PPA, etc.	Report on responses of CEOs completed in March 2011 (and annexed to progress report 2).
6. Discussions with PPA staff on their views regarding the strategic plan and PPA's key roles & priorities	All PPA staff interviewed individually in March 2011
7. Prepare brief paper on key internal and external issues facing PPA and member utilities and outline / contents of the draft strategic plan	Revised paper on key issues facing PPA prepared in March 2011 (and annexed to progress report 2).
8. Contact key donors and potential donors regarding the activity areas they might be willing to support and/or co-sponsor, and conditions of support, with PPA for the development of PICT utilities. Include development of RE and EE initiatives.	Report on responses of development agencies, Pacific regional CROP agencies and others completed in March 2011 (and annexed to progress report 2).
9. Prepare templates and handouts for discussion during workshop of key issues facing PPA & utilities	No additional hand-outs were prepared or required.
10. Discuss draft ideas for training utility staff in RE planning & management and training of system installers with Sustainable Energy Industry Association of the Pacific Islands (SEAPI).	A formal alliance with SEAPI is one of the formal objectives of the draft PPA strategic plan. Discussions are underway.
WORK PACKAGE 1: ADMINISTRATIVE SETTING UP OF THE WORKSHOP	
1. Selection of workshop location and timing	Details were finalised during February.
2. Development of agenda for workshop in cooperation with UNIDO	A revised draft was prepared in March 2011 (and annexed to progress report 2).
3. Development of an outline of the planned strategic paper (e.g. table of content and topics covered)	Completed in January 2011 (and annexed to progress report 1)
4. Providing administrative resources (including IT) for the preparation of the workshop and during the workshop	Completed in January & reported in Progress Report 1

WORK PACKAGE 2: INVITATION OF PACIFIC POWER UTILITY REPRESENTATIVES	
1. Invite at least 6 Pacific Power Utility members to the workshop	Completed in January 2011 (and reported in Progress report 1)
2. Organize the travel accommodation arrangement for the 6 participants	
WORK PACKAGE 3: INVITATION OF RESOURCE PERSONS AND SPEAKERS	
1. Invite a number of regional energy experts and resource persons to the workshop (in cooperation with UNIDO)	This was completed in February 2011 (with details reported in Progress report 2.)
2. Organise travel / accommodation arrangements for the experts / resource persons	Completed by PPA in February / early March
WORK PACKAGE 4: WORKSHOP REPORTING AND EVALUATION	
1. Workshop Report (including issues discussed and way forward)	A workshop report dated 4 April was emailed to UNIDO in early April 2011
2. Draft Strategic Plan developed and sent to UNIDO within 4 weeks after the workshop	A draft strategic plan dated 4 April 2011 was endorsed by the Executive Committee of the PPA board of directors and emailed to UNIDO in early April 2011
3. Report on potential uses of RE and EE in the industry of PICs from the viewpoint of utilities	This was dropped at UNIDO's request: e-mail message from Mark Draeckto PPA dated 8 February 2011

OVERVIEW OF THE PROCESS AND CONCLUSIONS

This section is reproduced with some editing from the report of the strategic planning workshop. In January 2011, PPA and its consultants prepared a draft discussion paper on key issues facing PPA and developed detailed questionnaires on PPA's vision and mission, past performance, perceived strengths, recommended changes for the future, etc. These were widely circulated to the utility CEOs, development partners, Pacific island regional agencies, civil society organizations with energy interests, and individuals familiar with PPA. The questionnaires, key issues paper, a list of those contacted, and the general approach to the planning process were reported in the initial progress report to UNIDO dated 28 January 2010. Follow-up interviews were held with about a dozen representatives of key development agencies active in energy sector assistance in the region, CROP agency officials, NGO staff and others. PPA secretariat staff were also interviewed.

During February 2011, PPA and its Executive Committee appointed a Steering Committee to oversee the plan's development. The committee consisted of six CEOs of PPA member utilities and a representative of the Allied (private sector) members. Membership of the committee and an advisory/facilitation team were provided to UNIDO in the workshop report. PPA also arranged a venue for a planning workshop, arranged travel for participants and developed an agenda.

In March 2011, the 'key issues' paper was revised taking into consideration responses to the questionnaires and follow-up interviews. Papers were also prepared consolidating the responses from the utility CEOs, CROP agencies and others. These papers were provided to UNIDO.

From 28 March to 01 April 2011, the draft strategic plan was developed during a workshop, which was attended by all Steering Committee members, senior PPA staff and the facilitating / advisory team.

The workshop process was as follows:

- The steering committee adopted the proposed agenda but decided to begin with a general discussion of PPA's objectives rather than an assessment of the key issues facing member utilities and the key unknowns or imponderables that PPA might be able to help utilities address.
- It was agreed that the process would be informal, dominated by the utilities, and with limited interventions by the facilitator and advisors.
- A SWOT analysis assessed the strengths, weaknesses, opportunities and threats – both currently and potentially – affecting the ability of the PPA to deliver effective services to its members. Results are annexed to the workshop report.
- The SWOT analysis led to lengthy consideration of initiatives that are important to the utilities, help overcome threats and weaknesses, build upon PPA's strengths and take advantage of opportunities. The discussion led to strategic goals, objectives to achieve them, and activities for each objective. The various background papers were used to consider whether any key issues had been missed and the SWOT results slightly modified as a result.
- A discussion session was led by the facilitators to consider two key issues identified during discussions: a) what can individual utilities realistically do to reduce their dependence on petroleum (e.g. through biofuels and other renewables, supply-side management improvements within the utility, demand-side management improvements by customers, etc.) and what can PPA do to assist; and b) what are realistic and perhaps innovative financing options for utilities to improve their quality of service and reduce petroleum dependence, and what could PPA do to assist the utilities.
- The above discussions resulted in further refinement of the proposed strategic goals.
- The Steering Committee then considered what changes were appropriate for PPA's vision and mission statements, the format of the plan and the period the plan should cover. The vision & mission were modified. It was agreed that 5 years was appropriate as it would take PPA several years just to identify and access funding for new initiatives.
- The Steering Committee and facilitators broke up into several smaller groups to begin a rough draft of the plan and also to consider development of several concept proposals for which PPA would seek funding support.
- The initial draft plan was discussed and modified over several days of continuing discussions, and endorsed by the Steering Committee (the Executive Committee of the PPA Board of Directors and others) for consideration and adoption by the full board, which is to meet in Guam in the north Pacific in late July 2011.

ADDITIONAL WORK COMPLETED

Other work related to this consultancy, but not formally part of it includes:

- Concept proposals. Several brief concept proposals for future support of strategic planning goals are being prepared for discussion with development partners. One has

been completed (on cost-effective investments with Pacific power utilities to improve supply-side efficiency) and several are being prepared (RE, DSM).

- Implementation plan. An implementation plan / action plan for the first year of the 5 year planning period (beginning July/August 2011) is being prepared for presentation to the PPA board of Directors in July 2011. It is currently in draft form and will be emailed to PPA member CEOs in June 2011 for their consideration and comments.
- Revised strategic plan. As the plan has been accepted and endorsed by the Executive Committee of the PPA board, major changes are unlikely. However, utility CEOs are reviewing the draft plan and are to provide comments to PPA Secretariat by the end of April, after which any needed revisions will be incorporated, before submission to the full board.

FINANCIAL REPORTING

This is provided separately by PPA.

KEY DOCUMENTATION PROVIDED EARLIER TO UNIDO

Report	Date
Report of a Workshop to Develop a Strategic Plan for the Pacific Power Association	4 April 2011
Report of a SWOT Analysis for the PPA Strategic Plan *	4 April 2011
Pacific Power Association Strategic Plan July 2011-June 2016 (Final Working Draft)	4 April 2011
Discussion Paper on Key Issues Facing the Pacific Power Association (10 pages; January 2011) **	Revised: 18 March 2011
Responses from Utility CEOs to Questionnaire **	18 March 2011
Responses from Development Partners and Regional Organisations to Questionnaire (10 pages) **	18 March 2011

* Annexed to the workshop report dated 4 April 2011

** Annexed to progress report 2 dated 8 April 2011