

REPUBLIC OF VANUATU
BILL FOR THE
ELECTRICITY SUPPLY (AMENDMENT)
ACT NO. OF 2026

Explanatory Note

This Bill amends the Electricity Supply Act [CAP 65] (“the Act”) to modernize the regulatory framework for the electricity sector in Vanuatu.

The amendments to the Act will transfer the administration of the Act from the Department of Energy under the Ministry of Climate Change Adaptation, Environment, Energy, Meteorology, Geo-Hazards and Disaster Management to the Utilities Regulatory Authority (“the URA”). This will strengthen the URA’s role as the primary regulator of electricity services. It also improves oversight of concession arrangements and establishes clearer processes for the participation of Independent Power Producers and other electricity service providers.

The amendments also introduce key regulatory concepts such as grid codes, distribution codes, and self producer, and provide for a transparent procurement framework for concessions, Independent Power Producers, and other electricity services, particularly to support renewable energy development and national energy security.

In addition, the amendment clarifies responsibilities for street lighting services, ensures better tariff regulation, and enhances transparency and accountability in electricity sector governance.

The amendment includes a transitional provision to ensure that existing contractual arrangements are not affected by the new requirements relating to street lighting services.

Minister of Climate Change Adaptation, Environment, Energy, Meteorology, Geo-Hazards and Disaster Management



REPUBLIC OF VANUATU

**BILL FOR THE
ELECTRICITY SUPPLY (AMENDMENT)
ACT NO. OF 2026**

Arrangement of Sections

1	Amendment	2
2	Commencement.....	2

REPUBLIC OF VANUATU

BILL FOR THE ELECTRICITY SUPPLY (AMENDMENT) ACT NO. OF 2026

An Act to amend the Electricity Supply Act [CAP 65].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Electricity Supply Act [CAP 65] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF ELECTRICITY SUPPLY ACT [CAP 65]

1 Whole of the Act

Delete “Director”, substitute “Utilities Regulatory Authority”

2 Section 1

Insert in their correct alphabetical positions:

“Committee” means the Concession Evaluation and Review Committee established under subsection 1AA(1);

“distribution code” means the rules, requirements, procedures, and standards issued by the Utilities Regulatory Authority to ensure the safe, reliable, secure, and efficient operation, maintenance, and development of the electricity distribution system and its associated facilities;

“electricity services” means activities relating to the generation, transmission, distribution, or supply of electricity;

“grid code” means the rules, requirements, procedures, and standards issued by the Utilities Regulatory Authority to ensure the safe, reliable, secure, and efficient operation, maintenance, and development of the electricity transmission system, the electricity grid and its associated facilities;

“prosumer” or “self producer” means a person or entity, other than a concessionaire, that produces electricity primarily for its own use and may export any excess electricity to the grid;”

3 Section 1(Definition of “Director”)

Repeal the definition.

4 Section 1AA

Repeal the section, substitute

“1AA. Concession Evaluation and Review Committee

- (1) The Concession Evaluation and Review Committee is established.
- (2) The Committee consists of the following members:

SCHEDULE
AMENDMENTS OF ELECTRICITY SUPPLY ACT [CAP 65]

- (a) the Chief Executive Officer of the Utilities Regulatory Authority as the Chairperson; and
 - (b) the Director of Energy; and
 - (c) the General Counsel on the Office of the Attorney General; and
 - (d) the Director of Finance and Treasury; and
 - (e) the Director of Strategic Policy, Planning and Aid Coordination.
- (3) The Committee has the following functions:
- (a) to assess applications for electricity supply concessions and review existing concessions based on merit and recommend the decision to the Council of Ministers for its approval; and
 - (b) to advise the Minister of Climate Change Adaptation, Environment, Energy, Meteorology, Geo-Hazards and Disaster Management, on the decisions of the Council of Ministers, to sign new concession agreements, renew existing concession agreement, vary existing concession agreement, or terminate the concession agreement; and
 - (c) such other functions as may be imposed of the Committee by this Act or any other Act.
- (4) The Committee has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions under this Act.
- (5) The quorum for a meeting of the Committee consists of the Chairperson and 2 other members present at that meeting.
- (6) The Utilities Regulatory Authority is the secretariat of the Committee.”

5 Subsection 1AB(4)

Repeal the subsection, substitute

- “(4) The Utilities Regulatory Authority must, within 60 working days of receiving and assessing the application, make a decision on the application.”

6 Subsection 1AB(5)

Delete “Committee”, substitute “Utilities Regulatory Authority”

7 Paragraph 1AB(5)(a)

Repeal the paragraph, substitute

“(a) that the independent power producer meets the technical requirements prescribed by the Utilities Regulatory Authority; and”

8 After subsection 1AB(5)

Insert

“(5A) After receiving and assessing an application, the Utilities Regulatory Authority may request the applicant to provide additional information within 14 days from the date of receiving the request.”

9 Subsection 1AB(6)

Delete “Director may, on the advice of the Committee,”, substitute “Utilities Regulatory Authority may”

10 Subsection 1B(2)

After “independent power producer”, substitute “within 6 months after the date of the power purchase agreement request”

11 After section 1B

Insert

“1C. Functions and powers of the Utilities Regulatory Authority

In addition to such functions and powers as conferred on the Utilities Regulatory Authority under this Act and any other Act, the Utilities Regulatory Authority has the following functions and powers:

- (a) to manage and administer this Act; and
- (b) to prescribe, approve, vary or amend a grid code or distribution code; and
- (c) to regulate the dispatch of electricity generation and the curtailment of electricity supply to ensure that the operation of the electricity system is safe, affordable, reliable and efficient; and
- (d) to develop and approve standard templates for a power purchase agreement; and

SCHEDULE
AMENDMENTS OF ELECTRICITY SUPPLY ACT [CAP 65]

- (e) to ensure that the Utilities Regulatory Authority is consulted on a power purchase agreement before the power purchase agreement is signed; and
- (f) to ensure that a tariff paid under a power purchase agreement is consistent with the tariff methodology approved by the Utilities Regulatory Authority under this Act; and
- (g) to regulate and oversee the competitive procurement of independent power producers for the purpose of meeting national electricity demand, renewable energy targets, and system planning requirements; and
- (h) to require new electricity generation capacity, including renewable energy generation, be procured through a competitive process, such as requests for proposals, auctions, or other transparent procurement mechanisms; and
- (i) to issue guidelines, rules or determinations specifying:
 - (i) competitive procurement or justified sole source procurement; and
 - (ii) project planning, tendering and evaluation; and
 - (iii) disclosure and reporting obligations; and
 - (iv) compliance monitoring and enforcement; and
- (j) to prescribe annual fees for concession; and
- (k) to prescribe forms and application fees for other electricity service provider; and
- (l) to carry out such other functions or powers as may be conferred on the Utilities Regulatory Authority under this Act or any other Act.”

12 Subsection 4A(3)

Delete “Minister may, on the recommendation of the Director,” substitute “Utilities Regulatory Authority may”

13 After section 6

Insert

“6A Street lighting services

- (1) This section does not apply to existing contractual arrangements.
- (2) For the purpose of this section, “street lighting” means the installation, operation, maintenance, and control of lighting in public streets, roads, highways, and other public places, supplied with electricity for the purpose of public safety and security.
- (3) A concessionaire is required to provide, operate, and maintain street lighting within its concession area in accordance with:
 - (a) the concession agreement; and
 - (b) this Act and Regulations; and
 - (c) any standards or requirements as prescribed by the Utilities Regulatory Authority.
- (4) The cost of providing street lighting must be included in the approved electricity tariff applicable to the concession area.
- (5) A concessionaire must not charge a separate fee, levy, management fees or surcharge for street lighting unless approved in writing by the Utilities Regulatory Authority.
- (6) The Utilities Regulatory Authority may issue standards, guidelines, or determinations relating to:
 - (a) performance and service levels for street lighting; and
 - (b) cost efficiency and energy-efficient technologies, including solar or other renewable solutions; and
 - (c) reporting and compliance obligations.”