

17TH PNG RESOURCES & ENERGY INVESTMENT CONFERENCE

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Session 9 B – Ready for the Boom? PNG SOE and Infrastructure

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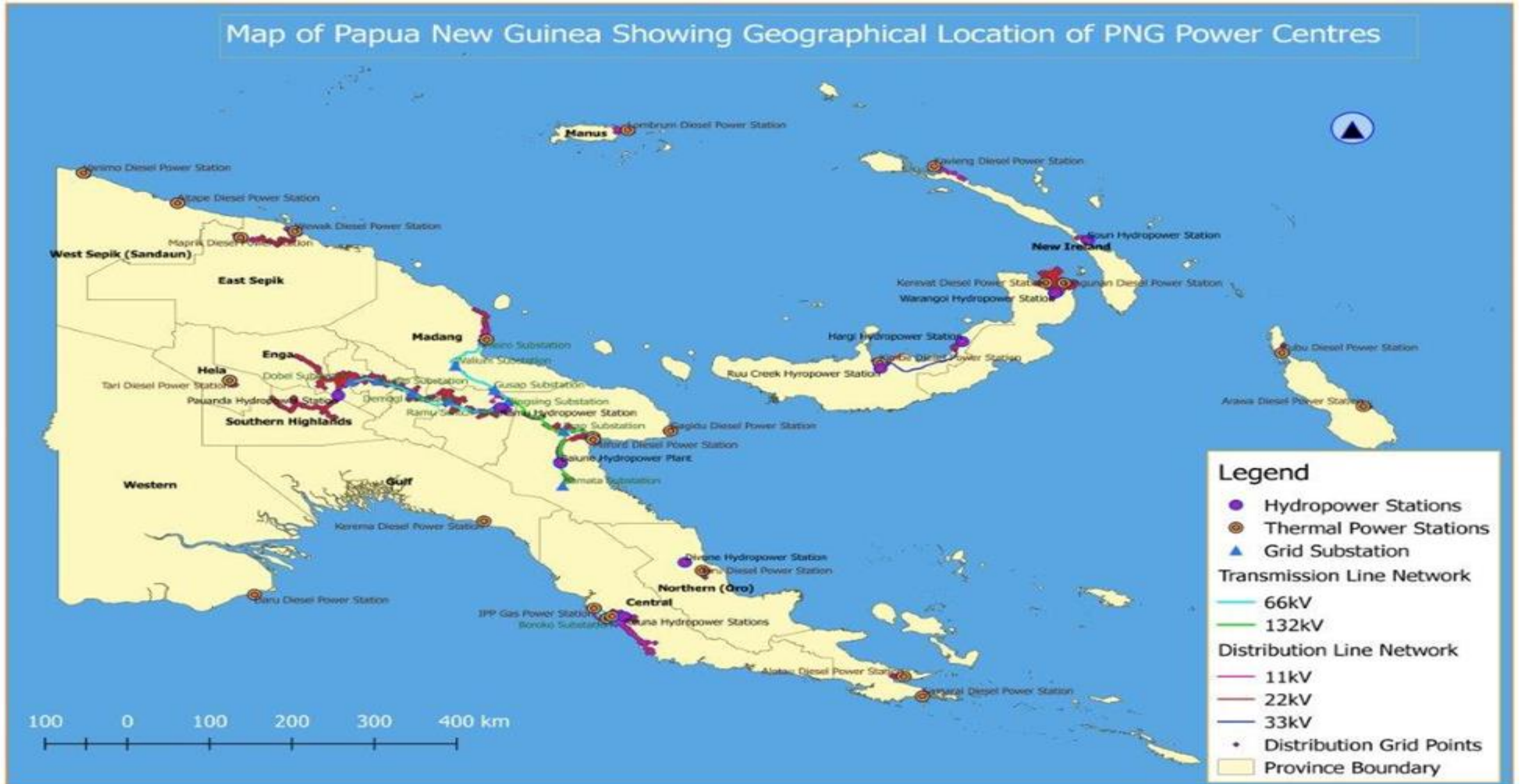
PNG POWER'S OVERVIEW

- ❖ PNG Power Limited [PPL] is the national power utility company in Papua New Guinea.
- ❖ PPL is responsible for Generating, Transmitting, and Distributing electricity throughout the country through 3 grids and 17 other centres.
- ❖ PPL plays a crucial role in Nation's development as defined by the Vision of 2050 and Strategic Plan of 2030.



- ✓ 210,000 registered customers
- ✓ 600MW of installed capacity
- ✓ 3 main grid, 17 mini grids networks
- ✓ 900 km of HV + 2,589 km of Dist- lines
- ✓ 1,575 employees (20% female)
- ✓ Ageing generation & transmission infrastructure
- ✓ 5 IPPs currently supplying the grid
- ✓ Lack of asset management
- ✓ High thermal generation cost
- ✓ No tariff adjustments in the last ten years to adequately recover cost
- ✓ Existence of law and order challenges

PNG POWER IS A STATE-OWNED COMPANY THAT OWNES AND OPERATES POWER INFRASTRUCTURE IN PORT MORESBY, RAMU, GAZELLE AND 17 OTHER CENTRES IN PNG



MARKET OVERVIEW



PNG has faced challenges in its electricity sector, including issues related to infrastructure, accessibility, and affordability.



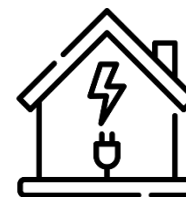
Generation

PNG has a mix of power generation sources



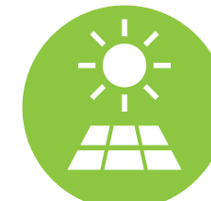
Infrastructure

Aging infrastructure-reliability challenges



Electricity Access

The rural still lack access to reliable power



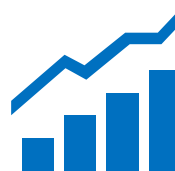
Renewable Energy

PPL started investing in to renewable energy



Regulatory Framework

Regulatory functions transferred to NEA



Commercial Environment

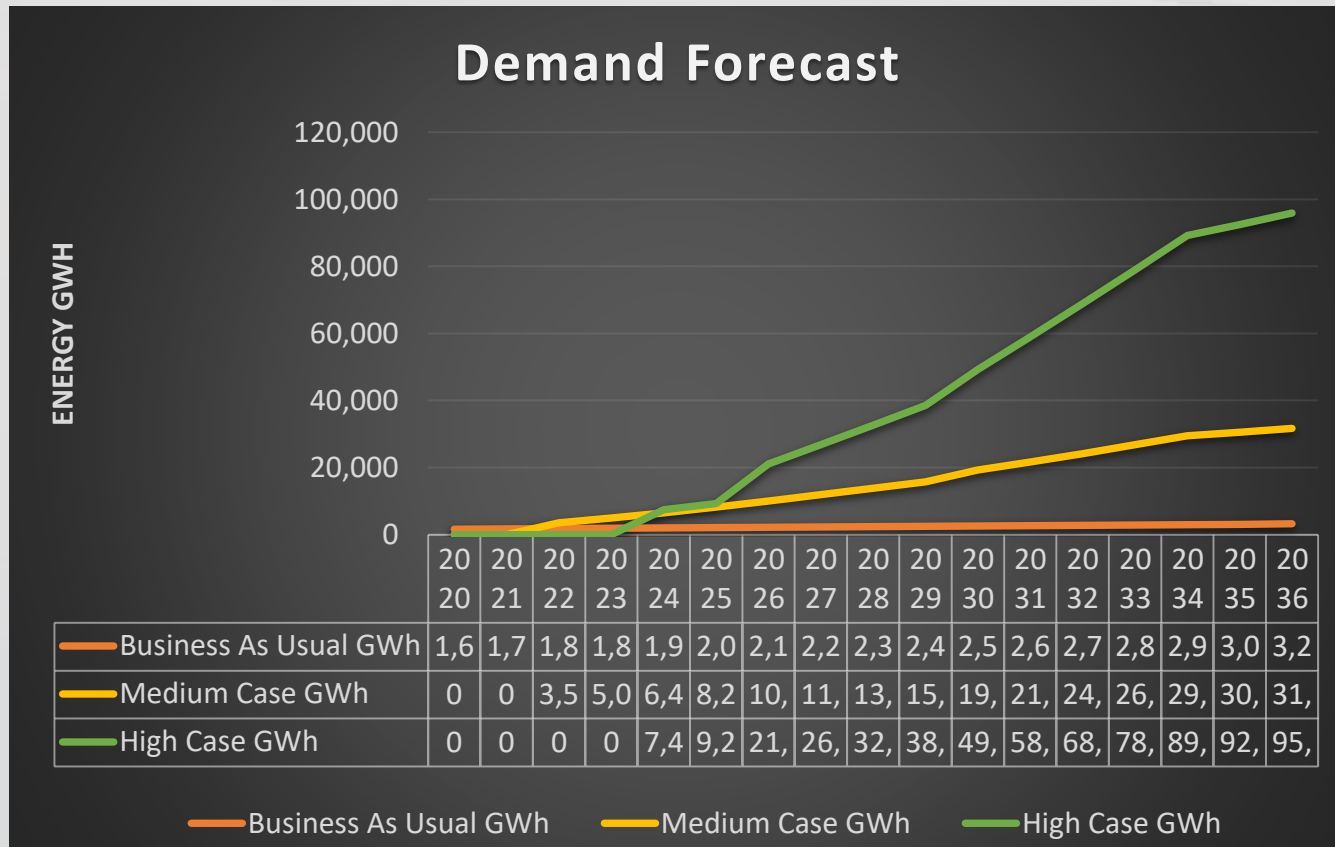
Growing operational costs with a fixed tariff



PEP Partnerships

Strong Commitment and support from PEP

DEMAND FORECAST



- ❖ **Business as Usual - Demand**
Forecast including natural center growth rates
- ❖ **Medium Case – BAU Demand**
Forecast + connection of new industries and growth in existing Mines
- ❖ **High Case – Medium Case Demand**
Forecast + connection of proposed new Mines

PNG POWER RECOVERY PLANS

PPL three [3] Year Corporate Plan 2024 – 2026

- i. **Stabilisation:** Focus on Immediate actions/low hanging fruits to position PNG Power on a stronger footing both commercially and technically.
- ii. **Recovery:** Focus on medium-term activities to reduce costs through the adoption of least-cost principles, improve performance through reduction of technical and non-technical losses, and ensure PNG Power can deliver a high-quality service to its customers, and ultimately contribute to revenue growth.
- iii. **Reform:** A fundamental restructuring of the power sector in PNG, including preparing PNG Power for a future open market.
- iv. **Sustainable Growth:** Increase margin through ongoing process improvement initiatives and continue to grow revenue base whilst strengthening the capital structure.

PNG POWER'S MAJOR PROJECTS

Govt and multilateral partners' investment in PPL

Projects (Pom Grid)

- ❖ **Edevu to Moitaka 132 kV transmission line and Moitaka substation (2023)**
- ❖ **Caution Bay to Pom 66kV Transmission Line (2025)**
- ❖ **New Motukea substation and distribution (2025)**
- ❖ **Port Moresby to Rigo 66kV Transmission Project - (2025)**
- ❖ **New Gerehu Substation Project (2028)**
- ❖ **Port Moresby Grid Rehabilitation Project (2024)**
- ❖ **Rouna 1 and 3 Hydro Rehabilitation Project (2024)**

PNG POWER'S MAJOR PROJECTS

Government and Multilateral partners investment in PPL

Projects (Ramu Grid)

- ❖ Mount Hagen to Hides 132kV Transmission Project -(2024)
- ❖ Ramu to Mount Hagen 132kV Transmission Projects - (2026)
- ❖ Ramu to Lae 132kV Transmission Line - (2024)
- ❖ Lae 66kV Transmission Line Project (2026)
- ❖ Ramu1 Hydro Power Plant Rehabilitation - (2026)
- ❖ Ramu 2 180 Mw Hydro Project (2029)

Other Centres

- ❖ Gazelle Grid Rehabilitation Project (2026)
- ❖ 8 x Solar + BESS Hybridization Projects - (2025)

REGULATORY ENVIRONMENT

- The Government remains keen to promote PNG as a preferred destination for foreign investment through the provision of incentives and measures.
- The establishment and operationalisation of the National Energy Authority provides a dedicated energy regulator.
- A tariff review is required, given the current tariff does not support business sustainability.
- Formulate and enforce standards and regulatory regimes for micro and mini grids.
- Promote the widespread use of cost-effective solar energy through the formulation of regulations and standards to be developed as a matter of urgency.

A wide river flows through a lush, green forest. In the foreground, a concrete spillway structure is visible, with water cascading over it. The riverbank is rocky and covered with sparse vegetation. The background shows a dense line of trees under a cloudy sky.

Thank you!