

ELECTRIC POWER CORPORATION



STATEMENT OF CORPORATE OBJECTIVES

2025 - 2027

Table of Contents

1. MANDATE.....	2
2. ENTITY PROFILE	3
HISTORY	3
3. STRATEGIC GOALS.....	3
4. OBJECTIVES.....	5
5. FINANCIAL KEY PERFORMANCE INDICATORS.....	7
6. SPECIFIC PROJECTS.....	8
MAJOR DEVELOPMENTS / PROJECTS ANTICIPATED	8
7. SUPPORT FOR GOVERNMENT POLICIES.....	9
5. STAFF DEVELOPMENT AND TRAINING	10
8. MAIN ASSUMPTIONS AND RISKS.....	10
9. DIVIDEND FORECAST.....	11

1. MANDATE

LEGISLATIONS	▪ Electric Power Corporation Act 1980 ▪ Electricity Act 2010 ▪ Public Bodies (Performance and Accountability) Act 2001 ▪ Public Finance Management Act 2001 ▪ Companies Act 2001 ▪ Labour and Employment Relations Act 2013 ▪ Occupational Safety and Health Act 2002 ▪ Diesel Power Station Act 1965 Taking of Lands Act 1964
REGULATIONS	▪ Rural Electrification, December 1988 ▪ AS.NZ 2000-3000 Wiring Regulation Electric Power Corporation Practice Direction 1981
GOVERNMENT POLICIES	▪ Pathway for the Development of Samoa 2022-2026 ▪ Samoa Energy Sector Plan state the period ▪ Community Service Obligation Policy 2018 ▪ Dividend Policy 2018 ▪ Procurement Policy and Guidelines 2016 ▪ Transport and Infrastructure Sector Plan 2024-2028 ▪ National Renewable and Sustainable Energy Policy 2025 ▪ Samoa's NDC Implementation Roadmap and Investment Plan 2021.

2. ENTITY PROFILE

HISTORY

The Electric Power Corporation (EPC) was instituted in December 1972 pursuant to the EPC Act 1972, which was subsequently superseded by the EPC Act 1980 and further modified by the EPC Amendment Act 1981.

The Electric Power Corporation's (EPC) current operational portfolio encompasses 8 hydroelectric power plants, with 1 situated on Savai'i Island and the remaining 7 located on Upolu Island. Additionally, EPC maintains solar farms on Apolima Island and in the areas of Tuanaimato, Vaitele, Tanugamanono, and Salelologa Savai'i. Furthermore, the corporation operates a wind farm at Vailoa Aleipata and diesel-powered generation facilities in Fiaga Upolu and Salelologa Savai'i. Ongoing initiatives are focused on the continued development and enhancement of EPC's generation assets and distribution infrastructure. As of March 2024, EPC's total electricity production capacity stood at 160,176,805 kWh

EPC is mandated to achieve the government's objective of deriving 70% of power generation from renewable energy sources by 2031. The Corporation firmly commits to this obligation by progressing renewable energy developments and undertaking the refurbishment of hydroelectric plants that had sustained damage. These initiatives enabled a reduced dependence on imported diesel fuel and concluded in an increase of EPC's renewable energy contribution to 28% of the total generation capacity by March 2024.

As Samoa's designated national utility mandated for electricity generation, transmission, and retail distribution, the Electric Power Corporation (EPC) has achieved a 99% population connectivity rate. EPC serves a total customer base of 44,406 residential and commercial consumers, facilitating both postpaid and prepaid electricity service options. In an effort to enhance consumer convenience, the corporation has extended its network of prepaid vending sites and implemented mobile payment solutions. A core priority for EPC is ensuring the affordability of electricity for all Samoan citizens, a commitment driving its operational strategies.

Operating under the direction of its Board of Directors, EPC has 315 skilled workers stationed throughout the islands of Savai'i and Upolu, with 74% working in technical roles and 26% in governance and administrative supporting roles.

3. STRATEGIC GOALS

EPC in ensuring its Corporate Plan is aligned to the national planning framework of Samoa had mapped out its activities based on the following direct contribution to the PDS and respective Sector Plans

Pathway for the Development of Samoa 2021-2026

Fostering social harmony, safety and freedom for all"

- **KSO5: Structured Public Works and Infrastructure**

EPC STATEMENT OF CORPORATE OBJECTIVES 2025 - 2027

- **KPA19:** Responsive Public Utility Service
- **EO:** standard and quality of utility strengthened to all areas of Samoa
: 100% access to affordable utility services for all families & establishment in Samoa

Transport & Infrastructure Sector Plan 2024-2028

Elevating the quality of life for all to ensure no one is left behind”

Goal 2- Design and construct infrastructural developments to ensure sustainability and resilience to climate change

Energy Sector Plan 2023/24-2027/2028

Affordable, reliable, safe and cleaner energy Supply for all

Priority 1- Renewable energy investments increased

KS1.2 improve infrastructure and Service quality for Renewable Electricity Generation

EPC Corporate Plan 2025-2027

To be a sustainable, affordable and resilient electricity supplier

SO1- Improved service delivery

SO2- Strengthened compliance framework

SO3- Sustainable and affordable electricity supply whilst maintaining and enhancing financial stability

SO4- improved financial stability

SO5- improves organizational culture & safety

4. OBJECTIVES

VISION *"To be a sustainable, affordable & resilient electricity provider"*

MISSION: *Provision of quality electricity through efficient customer services, innovation, sustainable and climate resilient infrastructure in partnership with stakeholders"*

OUR VALUES

We use "PRIIDE" as our values

- **P** – Passion for excellent customer service
- **R** – Respect for all stakeholders (customers, staff, government, donors, community) and the environment
- **I** – Integrity. Sincere and loyal in everything we do
- **I** – Innovation. Always looking for economically and environmentally friendly ways of doing things
- **D** – Delivery. Do everything with enthusiasm and determination and in consultation
- **E** – Empowerment. Encourage all staff to be accountable and transparent with what they do

Strategic Goal 1: Improved Service Delivery

- Objective 1.1 Improve customer service and Satisfaction
- Objective 1.2 Strengthen engagement with stakeholders and communities
- Objective 1.3 Fully functional Integrates Management system (EPC ISO certification)
- Objective 1.4 Improved service through verified new technology

Strategic Goal 2: Improved Compliance Framework

- Objective 2.1 Improve compliance towards approved regulations, policies, Government Directives and SOPs
- Objective 2.2 Ongoing effective provision of legal advices & representation of EPC in legal matters
- Objective 2.3 To provide robust and quality advice to EPC internal and external stakeholders
- Objective 2.4 Efficient Audit & investigation services and update of law/regulation to suit diverse environments
- Objective 2.5 Effective internal controls

Strategic Goal 3: Sustainable and affordable electricity supply

- Objective 3.1 Ensure sufficient and least cost generation capacity for existing thermal generators and renewable energy sources at all times (solar, hydro, wind)
- Objective 3.2 Explore and invest in cost effective additional renewable energy developments (solar, hydro, wind, geothermal, biomass)
- Objective 3.3 Explore and invest in additional thermal generators
- Objective 3.4 Upgrade and maintain a reliable and sustainable transmission, distribution and utilization network.
- Objective 3.5 Continually improve control, dispatching and monitoring of generation and distribution services.
- Objective 3.6 Improve infrastructure project coordination
- Objective 3.7 Implement and monitor Quality Assurance Systems effectively and efficiently.
- Objective 3.8 Minimize the level of system losses

Strategic Goal 4: Improved financial stability

EPC STATEMENT OF CORPORATE OBJECTIVES 2025 - 2027

Objective 4.1 Improve viable financial performance

Objective 4.2 Maximize return on investment

Objective 4.3 Explore other businesses opportunities

Strategic Goal 5: Improved Organizational Culture and safety

Objective 5.1 To have a functional Organizational Structure to meet co-operate activities

Objective 5.2 Ensure talent acquisition through effective recruitment & retention

Objective 5.3 Training development & research

Objective 5.4 Ensure centralization of all policies suit organizational needs

5. FINANCIAL KEY PERFORMANCE INDICATORS

Years to June 30	Actual 2022 - 2023 (\$ in 000s)	% Change	Projected 2023 - 2024 (\$ in 000s)	% Change	Projected 2024 - 2025 (\$ in 000s)	% Change	Projected 2025 - 2026 (\$ in 000s)	% Change	Projected 2026 - 2027 (\$ in 000s)	% Change
Total Revenue	118,376	1.28%	164,821	39.23%	189,544	15.00%	212,289	12.00%	244,132	15.00%
Gross Profit	-35,038	509.07%	11,043	131.52%	12,700	15.00%	14,223	12.00%	16,357	15.00%
Total Expenditure	-	24.04%	-177,618	0.01%	-196,069	10.39%	-213,109	8.69%	-238,440	11.89%
Net Profit before Appropriation	-54,827	149.17%	-7,965	-85.47%	-2,229	72.02%	3,476	255.95%	9,989	187.35%
Return on Equity (ROE)	-	205.71%	-3.38%	-84.50%	-0.97%	71.22%	1.52%	256.51%	4.30%	182.77%
Return on Assets (ROA)	-9.73%	128.56%	-1.52%	-84.42%	-0.44%	71.19%	0.74%	268.31%	2.17%	194.92%
Current Ratio	1.4 : 1	12.12%	0.92 : 1	10.00%	1.09 : 1	10.00%	1.41 : 1	10.00%	1.36 : 1	10.00%
Gearing (Debt: Equity)	17.35%	72.87%	14.35%	-17.32%	20.03%	39.59%	14.70%	-26.58%	13.02%	-11.43%
Accounts Receivable	6,296	-11.98%	8,047	27.83%	7,243	10.00%	6,518	-10.00%	5,867	-10.00%
Fuel Costs as % total revenue	61%	21.90%	85%	39.14%	82%	-3.45%	88%	6.57%	85%	-3.04%
Total Assets	497,207	15.02%	473,740	-4.72%	443,965	-6.29%	418,591	-5.72%	408,784	-2.34%
Equity	251,473	-18.49%	235,739	-6.26%	229,214	-2.77%	228,394	-0.36%	232,094	1.62%

6. SPECIFIC PROJECTS

MAJOR DEVELOPMENTS / PROJECTS ANTICIPATED

During this planning period, the following major developments are anticipated;

UPOLU

1. EPC Energy Transition 2024-2034 Master Plan
2. Upgrade of Daffron (Master Finance System)
3. Afulilo Dam Floating PV
4. Apolima Island Power System Upgrade
5. Off Grid Rooftop Solar
6. Apia Township solar Hybrid streetlights
7. West 3 Pure 33kV Pure Transmission Line
8. Upgrade SCADA (Energy Management System (EMS)
9. Upgrade to Datacenters Server Farm (TATTE & FULUASOU)

SAVAII

1. Salelologa Substation Upgrade
2. Savaii RE Expansion (Solar + BESS)

<i>Projects</i>	<i>Budget</i>	<i>Completion Time</i>	<i>Cost/Budget & Funding Sources</i>
Current Projects			
Taelefaga hydro rehab of penstock pipe and Afulilo equip	SAT1.2m	2025	EPC
N – 2 Project for Upolu	SAT\$10m	2025	EPC
N – 2 Project for Savaii	SAT\$2m	2025	EPC
Electric Vehicles	SAT\$1m	2026	EPC
EPC Energy Transition 2024-2034 Master Plan	SAT\$250k	2025	EPC
Upgrade of Daffron (Master Finance system)	SAT\$200k	2026	EPC
Salelologa Substation Upgrade			EPC
Upgrade to Datacenters Server Farm (tatte & Fuluasou)	SAT\$200k	2026	EPC
Off Grid rooftop/standalone solar	\$878k	2026	EPC
Anticipated Projects			
<i>The implementation of the following anticipated projects will depend on meeting the KPIs of the economic feasibility study analysis as required under Strategy 4.2.1</i>			
Underground 22kv feeder to Wharf	SAT3m	2027	EPC
West 3 Pure 33kv Pure Transmission Line	SAT\$11m	2026	EPC
Savaii RE Expansion	SAT\$10m	2026	EPC

EPC STATEMENT OF CORPORATE OBJECTIVES 2025 - 2027

Apia Township solar Hybrid streetlights	SAT\$258k	2027	EPC
Upgrade of Clear SCADA(Energy Management System)	SAT\$250k	2023	EPC
Afulilo Dam Floating PV	SAT\$6m	2026	EPC
Apolima Island Power System Upgrade	SAT\$181k	2026	EPC

- **Note-** Majority of the projects that were reflected with the previous corporate plan are included with the current due to continuation of other phases that will exist with the year 2025-2027.

7. SUPPORT FOR GOVERNMENT POLICIES

The EPC remains committed to support implementation of Government Policies through various projects;

1. Government Directive for 20% tariff reduction

The EPC supports the continuation of government's 20% reduction on tariff for domestic consumers. The 20% reduction was revoked for commercial customers will slightly change corporation's financial figures. EPC will continue to advise government for the removal of the 20% reduction while it anticipates an increase in revenue and cut unnecessary spending, to ensure uninterrupted electricity supply.

2. Community Service Obligation Program (CSO)

EPC no longer receives funding from Government for the supply, installation, repair and maintenance of street lights and new low voltage network, except for payment of street light consumption. EPC now funds from its Capital budget the construction of new line extensions and installation, repair and maintenance of street lights around the country. Additionally, the EPC continues with repair and maintenance of solar system at Mapuifagalele Home for the Elderly, to assist with the Home's electricity needs.

3. Government Projects

The EPC continues to provide support for the Road Widening Project, through i) relocation of power lines to allow for the widening of the road from Vaitele towards Faleolo, ii) construction of new power lines and electrical requirements where needed by our Government in relation to development that have huge impact on the welfare of our communities also economical iii) installation, repair and maintenance of street lights in the town area iv) standby power supply for national events to ensure continuous power supply.

4. Statutory Obligations.

As the sole provider of electricity in the country, the EPC plays a crucial role in the development of Samoa, through its contribution to the Energy Sector in improving infrastructure and service quality for Renewable energy generation. The corporation even contribute towards the Transport and Infrastructure sector through assistance in the design and construction of infrastructural developments to ensure all are sustainable and Resilience to climate change. The success of this obligation will indeed articulate to the holistic achievement of our national targets. EPC continues to support MPE policies in improving transparency, accountability and compliant.

5. STAFF DEVELOPMENT AND TRAINING

As part of its commitment to EPC commitment to upskilling staff, a strong emphasis on Training and development will ensure we maintain a skilled workforce that is capable of adapting to technological advancements, regulatory changes, and evolving customer expectations. EPC partners with Government, Donor Partners, Stakeholders and regional / international partners to deliver training when available.

8. MAIN ASSUMPTIONS AND RISKS

The following are the main assumptions and risks which are crucial to the efficient utilization of resources in ensuring the effective delivery of electricity services to the people of Samoa.

1. The projected continuation of the 20% tariff reduction in electricity prices as per Cabinet approval in November 2021, will continue to impact financial growth of the Corporation most likely on the first two years of the Corporate Planning period
2. Operational costs projected to increase during the years in particular direct costs with the increase of fuel prices worldwide and the flow on effect locally.
3. General election in 2026 results can affect the forecasting figures
4. Staff turnover and organization expansion is another factor

The EPC is very mindful of various unpredictable risks that posed uncertainty on the Corporation's drive to successfully achieve set strategic goals within the planning period.

9. DIVIDEND FORECAST

EPC DIVIDEND FORECAST FOUR YEAR PERIOD FROM 1ST JULY 2024 TO 30TH JUNE 2027

(in thousands of currency units)	Projected 2023 - 2024 (\$)	Projected 2024 - 2025 (\$)	Projected 2025 - 2026 (\$)	Projected 2026 - 2027 (\$)
EQUITY				
Capital and Reserves				
Issued Capital	160,280	160,280	160,280	160,280
Asset Revaluation Reserves	106,876	102,580	98,284	93,988
Self Insurance Reserves	13,530	13,530	13,530	13,530
Retained Earnings / (Accumulated Losses)				
at beginning	-36,982	-44,947	-47,176	-43,700
Restatement to correct LABS provision				
Dividend declared on Net Profit & OCI	0	0	0	0
Net Profit & OCI for the year	-7,965	-2,229	3,476	9,989
Special Dividend FY2018, 2019 & 2020				-1,992
Reverse Life Accident Benefit (LABS) provision				
Retained Earnings / (Accumulated Losses)				
at the end	-44,947	-47,176	-43,700	-35,704
Total Equity	235,739	229,214	228,394	232,094