

An Address to the Edo State Power Sector Round Table. Presented By

Dr. Sam Amadi (Chairman / CEO) Nigerian Electricity Regulatory Commission (NERC)

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Holding at the Banquet Hall,
Government House, Benin City

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Dr. Sam Amadi

Chairman / CEO



Nigerian Electricity Regulatory Commission
(NERC)

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Electricity in Edo State Today:

Edo state has been an incredible trail- blazer in the area of rural electrification. In as far back as 1972, the now Edo state had already enacted Edict No. 6 of 1972 which established the appropriately titled Rural Electricity Board. The Board which was mandated to provide electricity to remote areas and communities of the now Edo state has been variously totally neglected, underfunded, or performing below par until very recent times when the present administration revitalized the Board. So far, the task before my Commission with regards to Edo State has been significantly made easy as a whole lot of milestones have been recently reached and on behalf of the Commissioners and staff of NERC, I commend these laudable achievements. These notable achievements stand out as testimony to the visionary leadership of your administration as the pacesetter in exploring the “viable opportunities for both state and private sector investments” under the on- going federal government Power Sector Reform.

The Future of Electricity Provision in Rural Nigeria: the International linkage

As regulators of the power sector, we at NERC are tirelessly working to ensure that not just sufficient and reliable electricity is provided, but most crucially, that power is even- spread and made accessible to all remote communities of the country. The successful implementation of an across- the- board rural electrification programme would be in ultimate fulfillment of the various UN- DP, UN-Framework Convention on Climate Change (FCCC), UN- MDG & the World Bank efforts at fostering global grass root economic development through modern energy provision. As the World Commission on Sustainable

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Development (WCSD) has found following the 1987 Mrs. Gro- Harlem Brundtland's "Our Common Future", lack of modern energy inhibits economic growth, while poverty occasioning economic retardation brings about environmental apathy, crude ways of living and an over-reliance on nature for survival. All the above problems are the key precipitators of climate change, and ironically, they are all problems that modern energy could ameliorate thus it becomes doubly crucial to the wider international community that the present federal administration succeeds in the Road Map to Power scheme. Therefore we at NERC are assuring you that the government and people of Edo state are not alone, but in the good company of both NERC the regulator, the federal government, and the wider international community as you 'develop strategies' aimed at "dealing with the challenges of electricity provision". Despite our best efforts however, shortage of funds as occasioned by over-subsidized tariffs have contrived to ensure that poor financial recovery frustrate efforts to connect some of these areas (even where possible) to national grid as long transmission lines are very expensive while there still exists a seriously low- level demand-supply balance in energy usage in most rural and difficult to access communities of Nigeria.

The challenges of rural electricity provision

Majority of rural areas in Nigeria face serious challenges and natural incapacitations with regards to being connected to the mainstream national grid. These inhibitions could come in the form of seriously undulating topography, communities totally cut off by rivers, creeks, swamps, deep gullies and other near- insurmountable physical challenges including very remote and off- course communities. NERC faces strong challenges in regulating for the

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provision of electricity for communities within the above described clusters given that they mostly require customised community specific power generating sources. It is to this effect that staffs at the Research and Development Division of our Commission have been seriously researching into various forms of renewable energy that will potentially match the geographical endowments of specific areas of the country. Given the abundance of very diverse renewable energy sources in the country, the Commission is now seeking to collaborate with international bodies including the World Bank to harness renewable energy sources for energy generation particularly for remote communities, in an eco- bio diversified country like Nigeria, this could range from mini hydro, bio-mass, solar, thermal and solid waste. We aim to internationalise the task of regulating for the attainment of electricity needs in rural areas to support their household and small scale productive activities. For instance, UNDP assistance is likely to focus on energy efficient options through both conventional and renewable energy. In this focus area, special attention must be given to the distinct energy needs of rural communities with particular attention to peculiar household and economic activities, and the essential role of energy services in supporting value-added activities in these rural areas. NERC's internal policy in this area will focus on remote communities where needs are most acute. However, our international collaborators' criteria will certainly include, but not limited to the natural climate change mitigational potentials of the community.

NERC as a Promoter of clean energy technology

In the revitalised NERC, at the core of our climate change mitigation strategy lies the deployment of an assortment of enduring and effective modern energy

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technologies which are available mostly at highly subsidised rates or even outrightly free at various global climate change arenas and fora who are very eager and logistically ready to support rural win-win development options, as such in turn address both global environmental protection and local development needs. The potential areas of interest to our partners will include modernised biomass, solar photovoltaics, wind, hydrogen and other renewable energy options. High-efficiency, super-clean carbon-based energy systems will also form part of the win-win solutions. It must be noted here as the UNDP has attested that actions taken at the local level to promote sustainable energy options also support global sustainable development goals, thus generating a win-win outcome in environment and development.

In furtherance to the above pursuits, NERC is also working out modalities for seeking collaborations with relevant Educational and Research & Development (R&D) institutions in the country that have been active in researching into the use of alternative and renewable energy technologies suitable for rural areas. We opine that a substantial amount of research might already have been carried out in the field but so far, given that there is no comprehensive body of knowledge or a dedicated national co-ordinating centre for articulating these sectoral ideas, we as a nation might have been put in a dually disadvantaged position where:

- Our researchers' and scientists' inventions are not been effectively utilised.

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- Such a situation will ultimately (as my background experiences in research have taught me) lead to a loss of motivation and drive as efforts of these important researchers are not appreciated.

To address this shortcoming, NERC through the Chairman's Brown Bag (lecture) Series and other strategic research and knowledge development oriented programmes aim to articulate, harness and collate in totality, all qualitative local researches in the area of renewable energy. We aim to action these researches for enhancement of expansive energy production in rural areas, all these efforts will be amplified and hopefully supported by the various climate change and clean energy initiatives existing at the international quarters. While some of our proposed programme will be long-term strategies of solving energy problems in an enduring manner in inner communities, we realise that our potential international partners wish to use the medium of energy provision to address other fundamental problems that militate against the combined global efforts at combating climate change, such as the environmentally unfriendly and unsustainable over-dependence on nature by rural dwellers. We intend to collaborate with state governments like Edo in assessing the natural climate change mitigating attributes of rural communities and bringing such to the notice of our international partners. We will also make efforts where possible to suggest improvements while instituting better energy technology alternatives. For instance, we intend to create awareness among the population on the adverse effects of uncontrolled use of fire wood as a source of energy and to promote the use of other alternative sources of energy.

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In all, my tenure as the Chairman of NERC will see the creation of a compendium of data on energy projects in the country and also maintain a record of feasible energy technologies for rural deployment and also for low-income urban population.

We shall also seek to advance cooperative R&D activities in energy technology development through marrying of various R&D institutions and activities into joint energy technology projects thus making them more feasible. We shall also seek to effectively co-ordinate existing efforts and also promote regional and international collaboration for the effective deployment of renewable sources of energy.

We shall also carry out surveys to identify individual communities with sufficient potentials for anchoring decentralised electricity generation, we will then work out modalities for making such an area independent from the national grid. These efforts will have a potential of saving several thousands of tons of carbon- dioxide emissions that would have otherwise been emitted under the regular business as usual (BAU) style of production and transmission. Such huge emissions reductions would be an attraction for would be foreign assistance for such projects.

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Thank You for your audience



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