



NIGERIAN ELECTRICITY REGULATORY COMMISSION

PLOT 1099, ADAMAWA PLAZA, FIRST AVENUE, CBD, ABUJA

ABRIDGED SECOND QUARTER 2016 (Q2 2016) STATE OF AFFAIRS OF THE NIGERIAN ELECTRICITY SUPPLY INDUSTRY

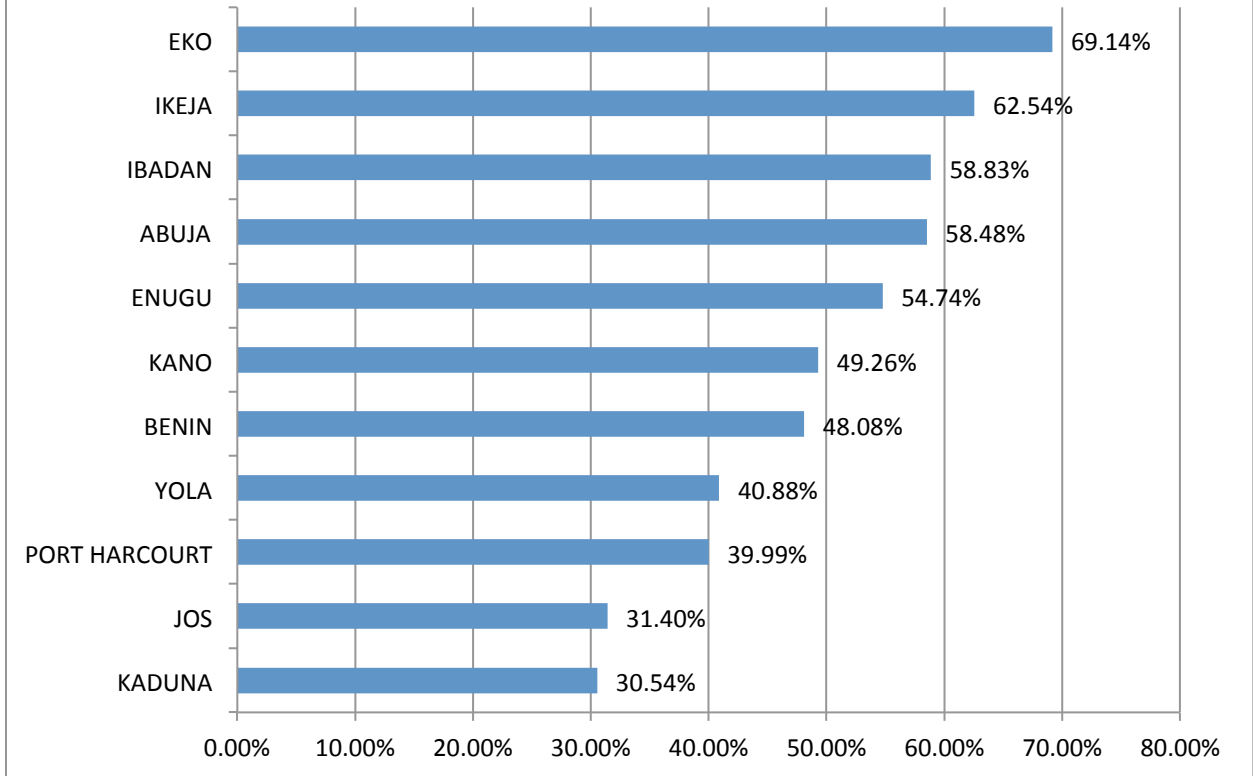
Nigerian Electricity Regulatory Commission (NERC) in exercise of its mandate as stipulated by Section 32 Sub Section (2f) of the EPSR Act 2005 **“To monitor the operation of the Electricity Market,”** the Commission issued the *Reporting Compliance Regulation* of 2009. The objective is to facilitate the effective performance of the Licensees, and enhance efficient monitoring of the industry by the Commission, while providing feedback on operations of the market.

This publication is an abridged report for the second quarter of 2016. The Commission considered certain indicators which are key for the current stage of the market (Transitional Electricity Market-**TEM**), which is governed by contracts and contract enforcements.

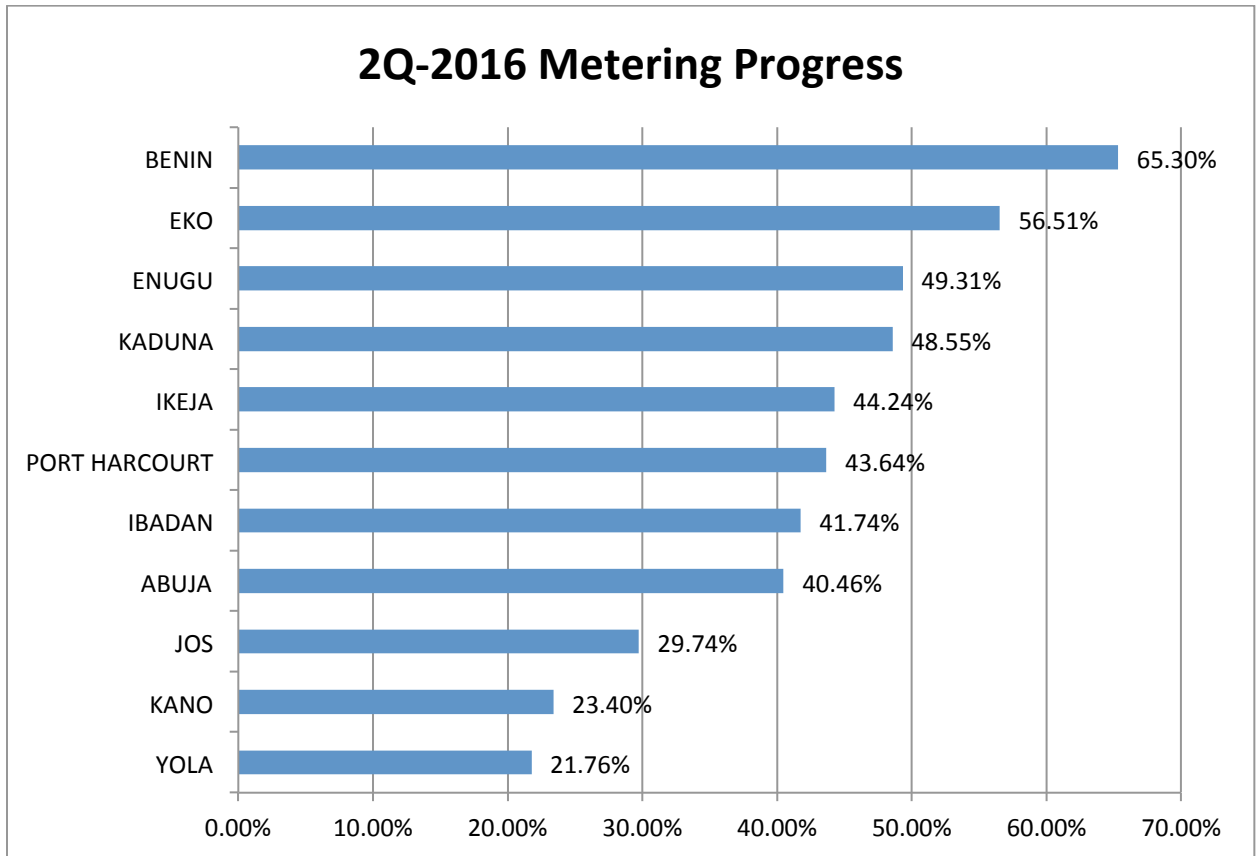
DISCOS' PERFORMANCE

1. Collection Efficiency: The difference between revenue collected and billed as a proportion of value billed:- This measures internal funding ability and revenue losses.

2Q-2016 Collection Efficiency



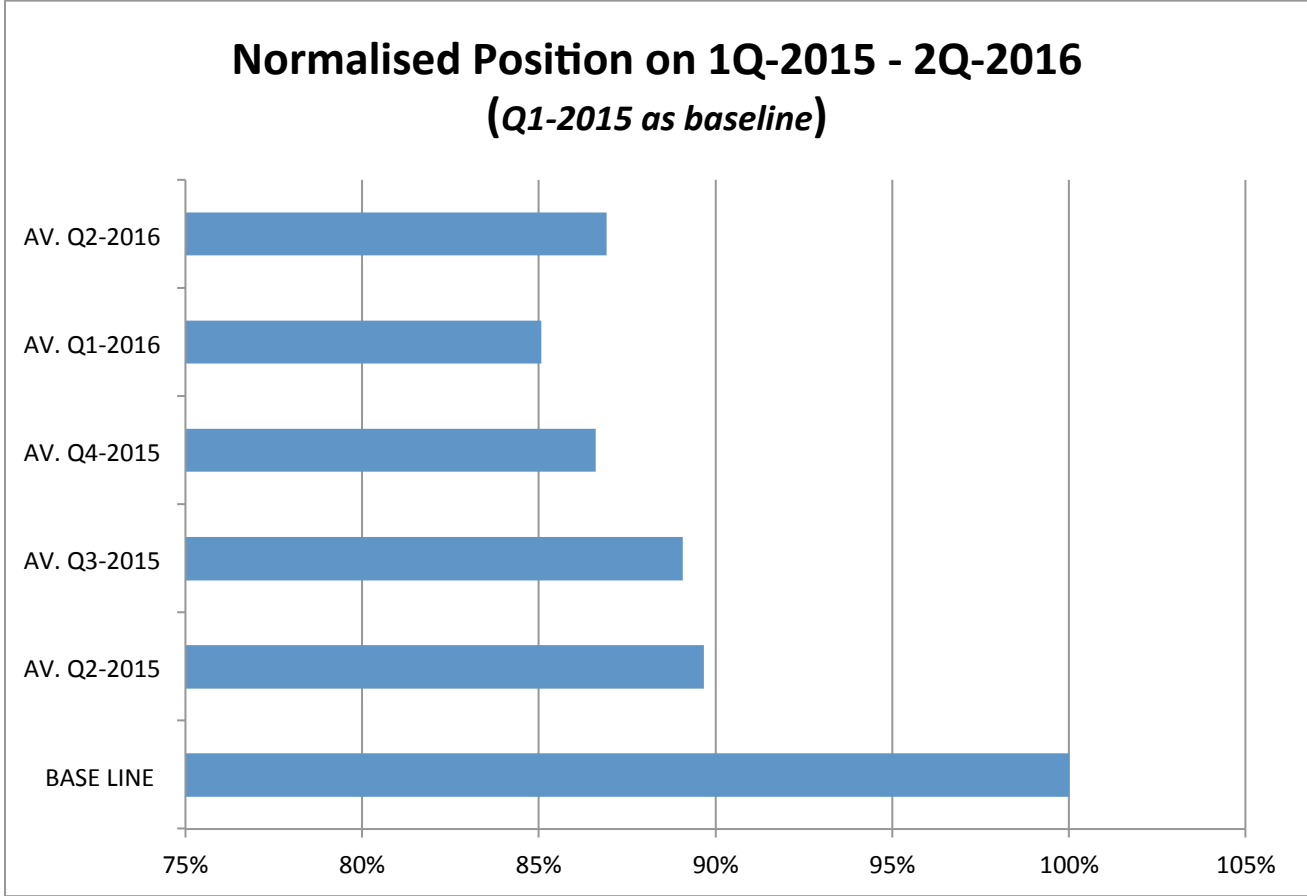
2. Metering Progress: This indicates the percentage of customers metered:- It measures accountability and energy audit.



TCN PERFORMANCE

The key measures, depicted in a single chart below, considered in the performance of TCN include transmission losses (20%), average interruption duration (35%), frequency fluctuation index (35%) and Reporting compliance (10%).

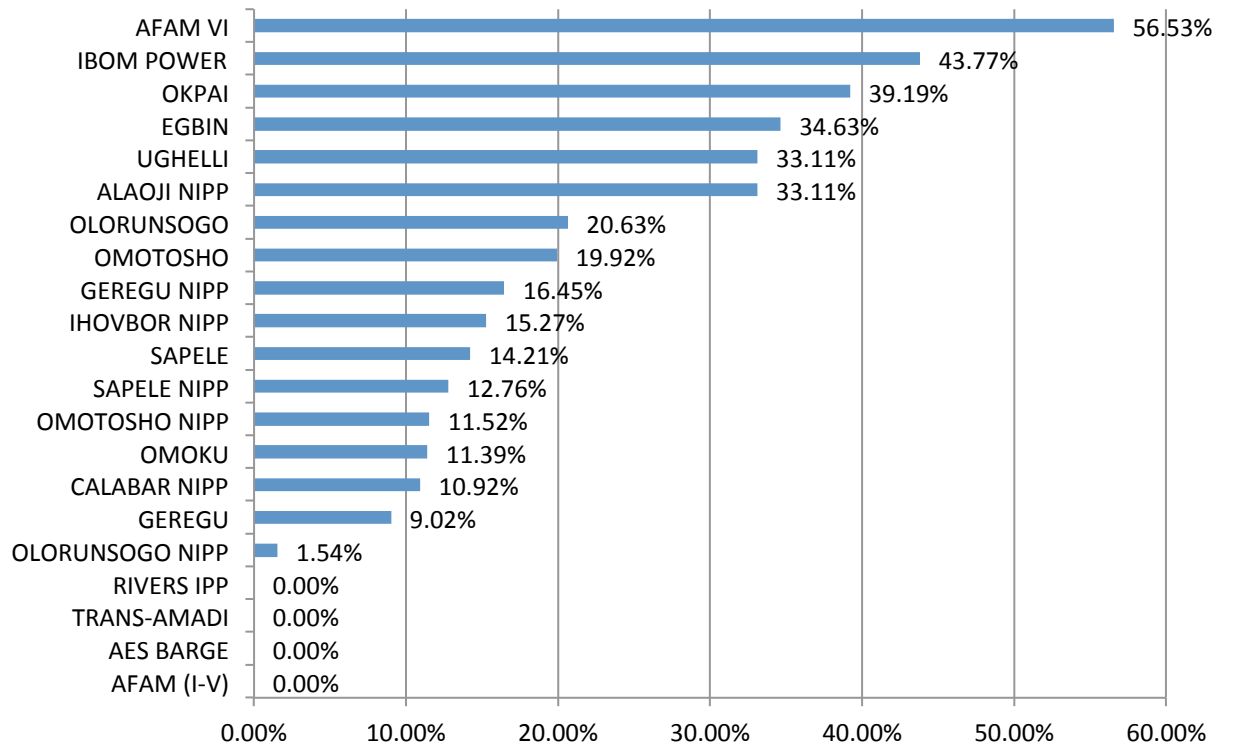
1. **Transmission Losses:** The difference between energy injected and supplied, as a proportion of energy injected:- It measures the efficiency of the transmission network.
2. **Average Interruption Duration:** The total duration of 330kV & 132kV interruptions divided by the number of interruptions:- This measures reliability and the speed of restoration.
3. **Frequency Fluctuation Index:** Proportion of reporting period where system frequency was outside grid code requirements:- This measures quality and stability.



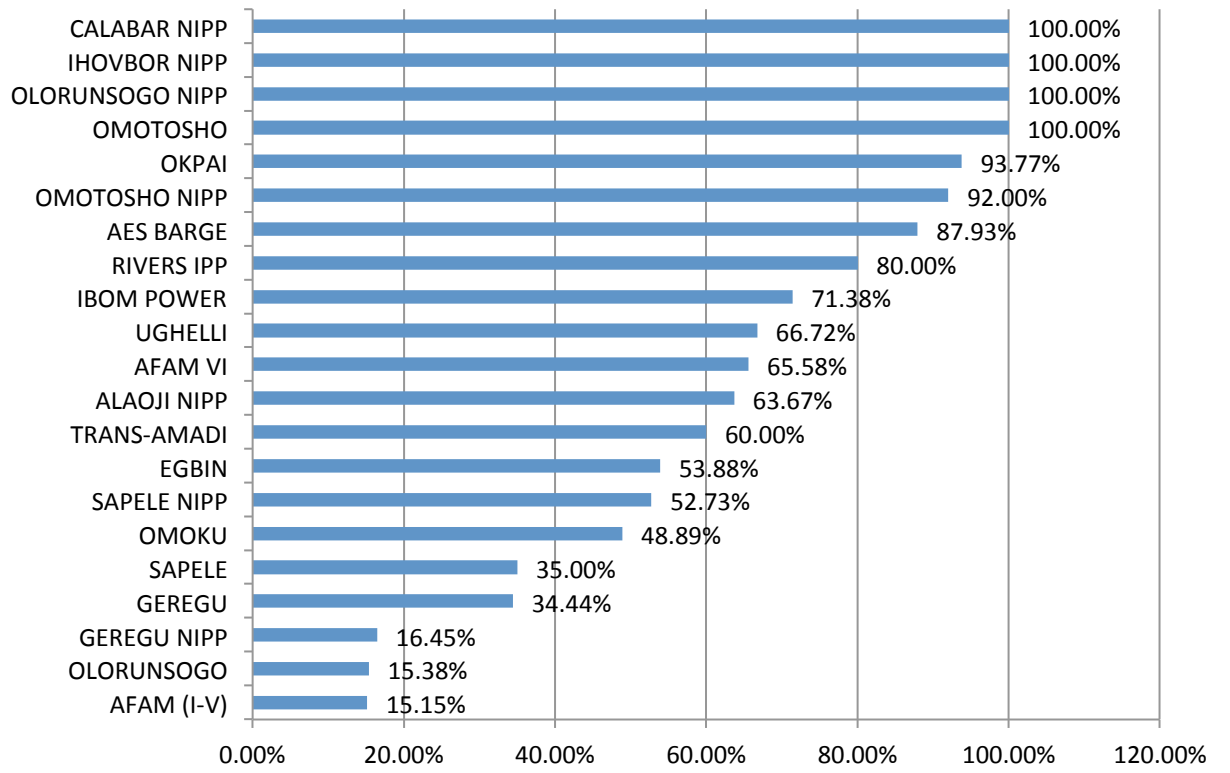
GENCOS PERFORMANCE

- 1. Load Factor: Energy sent out as a proportion of installed capacity x hours in month: - This measures the productivity of the power station.

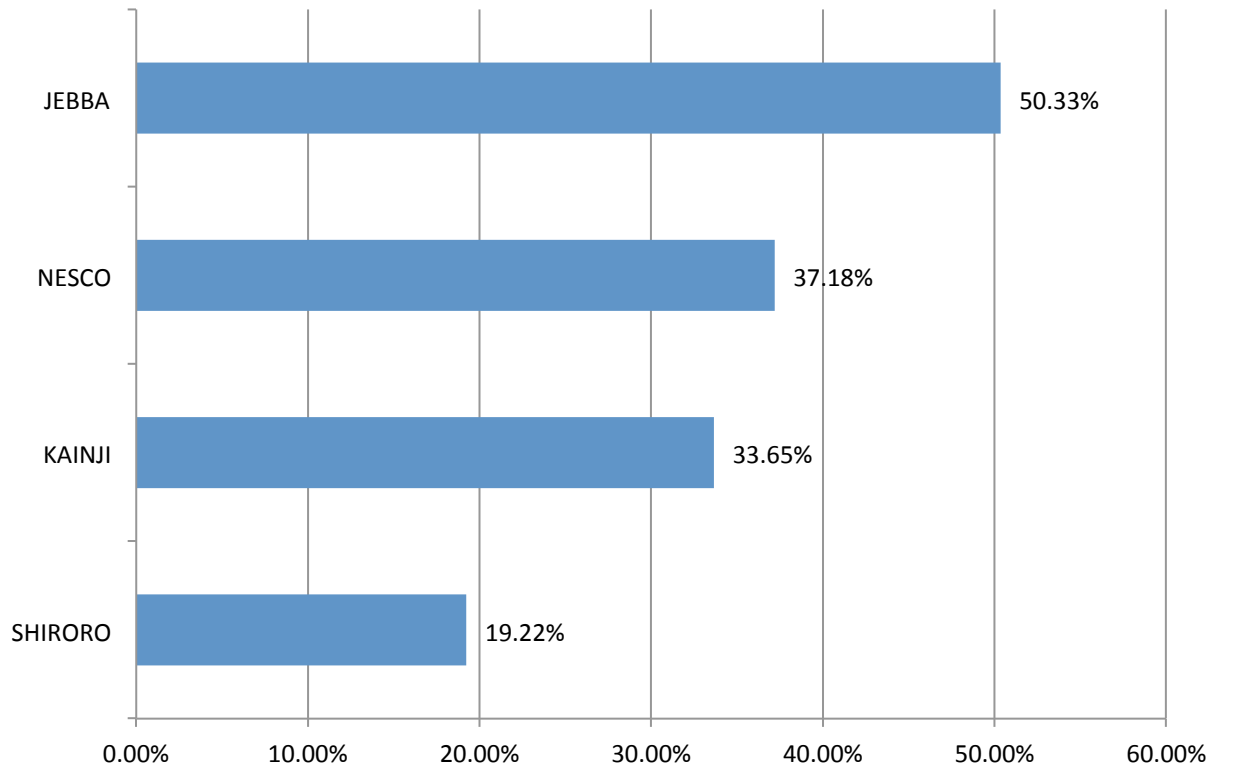
2Q-2016 THERMAL LOAD FACTOR

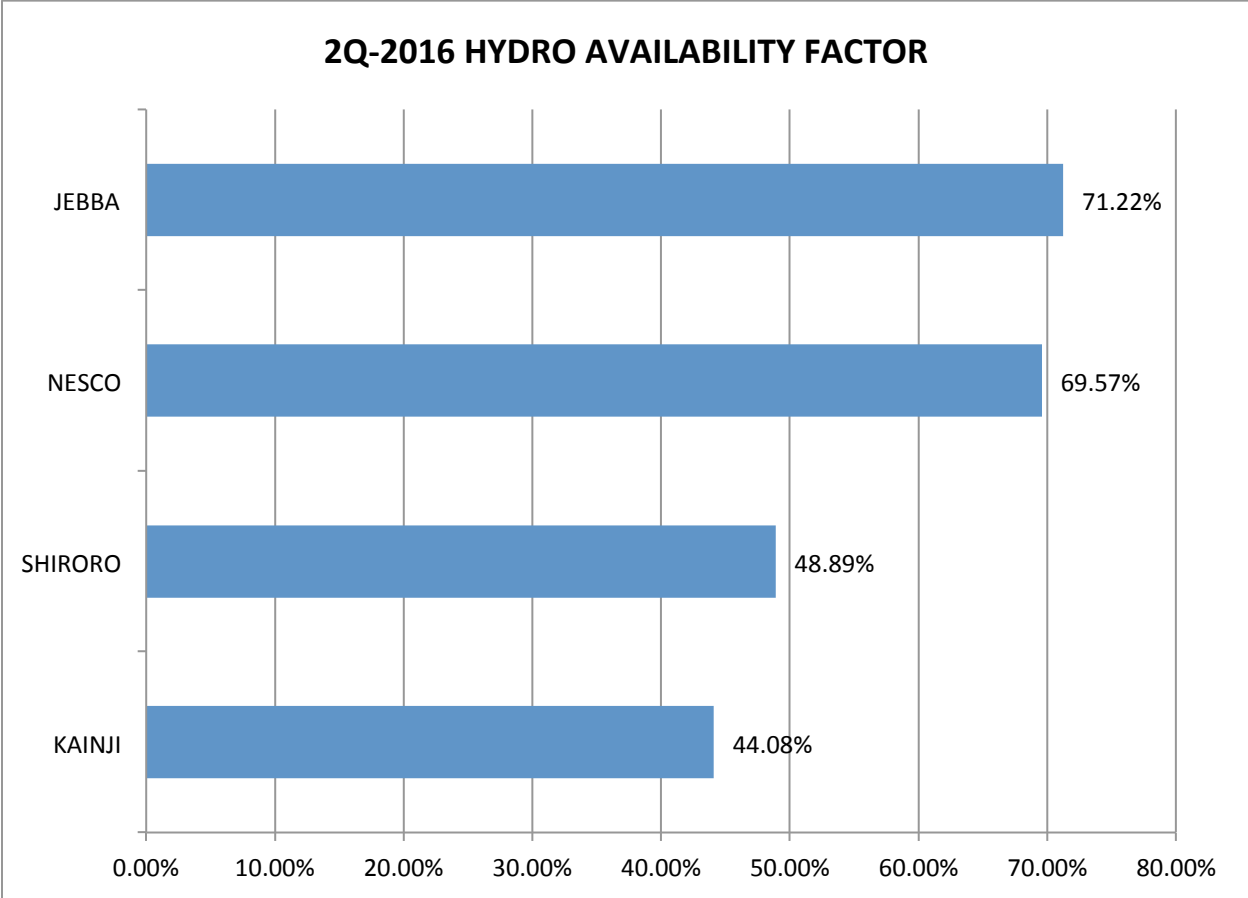


2Q-2016 THERMAL AVAILABILITY FACTOR



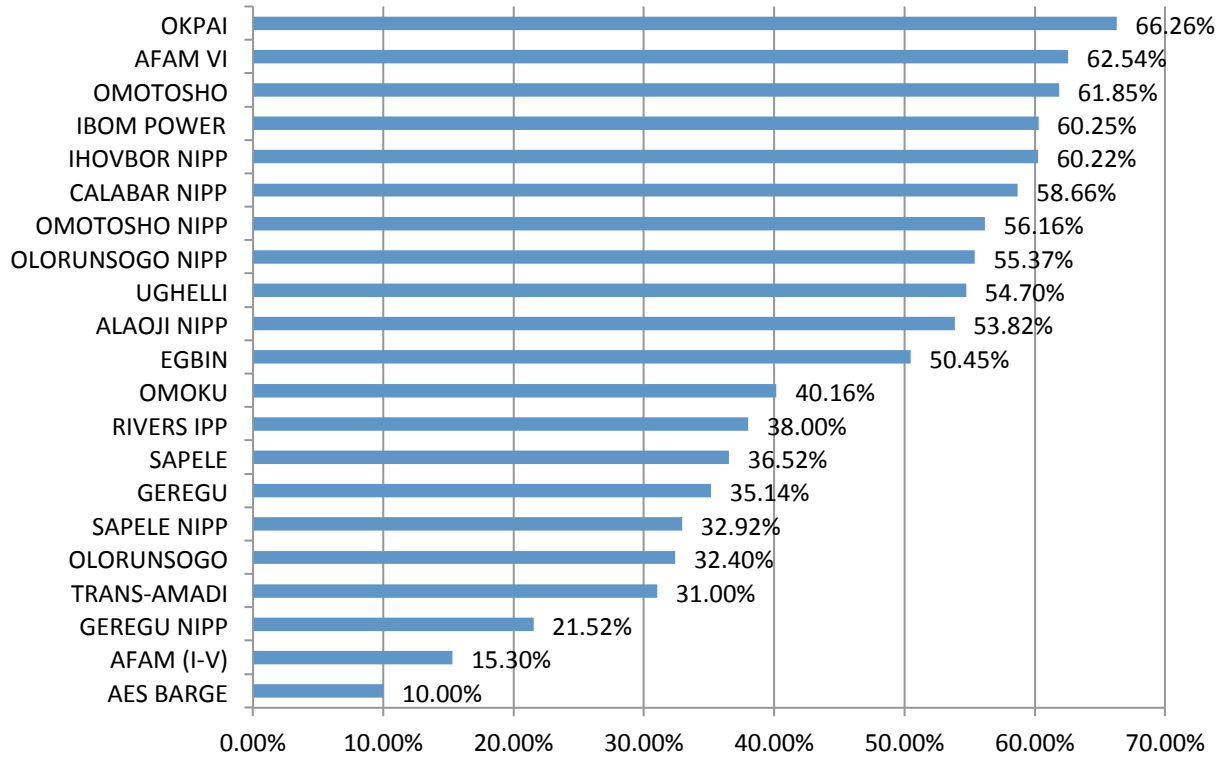
2Q-2016 HYDRO LOAD FACTOR

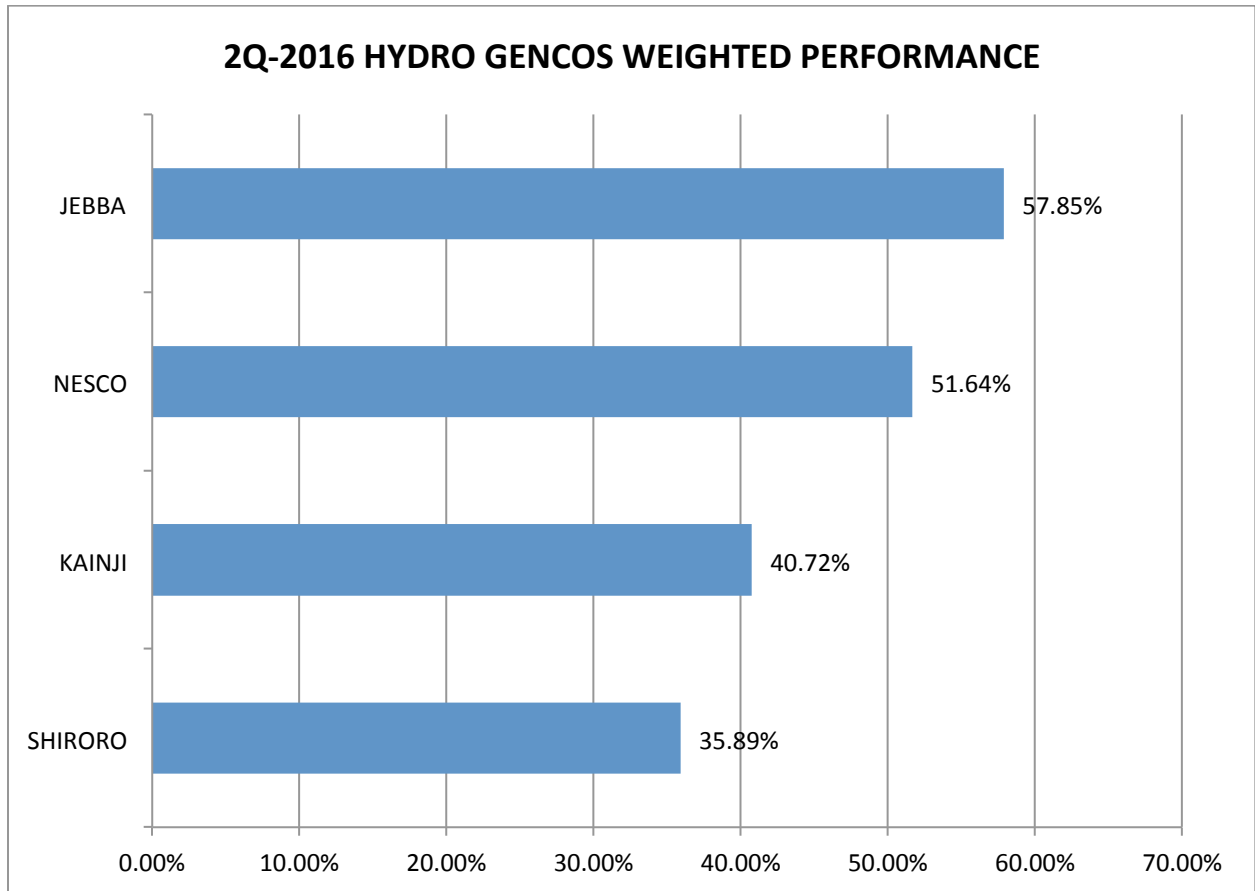




2. Weighted Performance based on Availability Factor (35%), Load Factor (45%) Station own use (10%) and Reporting Compliance (10%) measuring availability of generation capacity, station productivity, energy efficiency and regulatory compliance respectively.

2Q-2016 THERMAL GENCOS WEIGHTED PERFORMANCE





CONCLUSION

While the Commission recognizes the current challenges in the Nigerian Electricity Supply Industry, especially issues which the licensees are not competent and best suited to deal with, the Commission will continue to hold them responsible for those aspects that are within the purview of the Licensees, to ensure improvement in the sector.

MANAGEMENT