



COMMUNIQUE

COMMUNIQUÉ ISSUED AT THE END OF THE 3rd MEETING OF THE NIGERIAN ELECTRICITY REGULATORY COMMISSION WITH NIGERIAN ELECTRICITY SUPPLY INDUSTRY STAKEHOLDERS ON FEBRUARY 11, 2019 AT THE TRANSCORP HILTON HOTEL, ABUJA

The 3rd Meeting of the Nigerian Electricity Regulatory Commission (NERC) with the Nigerian Electricity Supply Industry (NESI) Stakeholders was held on February 11, 2019 at the Transcorp Hilton Hotel, Abuja. The licensees of the Commission and other stakeholders were fully represented at the highest levels of executive management. The Permanent Secretary (Power), Federal Ministry of Power, Works & Housing and other relevant Directors of the Ministry were also in attendance.

In his opening remarks, the Chairman of NERC, Prof. James Momoh, emphasised the importance of delivering on the commitments agreed at the last meetings, specifically, the commitments to address customer care, metering, grid stability and a sustained improvement in the supply of electricity to customers.

The Chairman set the tone of the 3rd meeting by prescribing a very participatory and interactive approach to facilitate the identification of realistic, measureable and implementable solutions to the current challenges bedevilling the electricity industry and to assign actionable items and associated timelines to stakeholders, with the Commission monitoring the implementation of these resolutions. He stated that the meeting would focus on the three under-listed industry issues to allow time for detailed discussion:

- a. Resolution of mismatch at TSP/DisCo interface points;
- b. Identification and resolution of factors limiting the optimal dispatch of generated capacity of GenCos and associated communication challenges.
- c. Management of planned outage schedules including communication to electricity customers and timely response to customer complaints.

Following an extensive deliberation on the state of the electricity industry and the urgency to improve throughput of electrical energy thereby improving service delivery by all the electricity distribution companies, the following action items were agreed:

- (i) All the electricity distribution licensees shall submit details of transmission challenges limiting the off-take of energy as well as matching projects being implemented by the utilities to improve throughput of the energy. The submissions shall include delivery timelines and impact on service delivery.
- (ii) TCN shall submit to NERC a report of specific transmission projects being undertaken for the purpose of debottlenecking the supply of electricity to load clusters and timelines for completion by Friday, February 15, 2019. NERC shall convene special one-on-one sessions with TCN and the DisCos on interface issues to ensure an alignment of TCN investments with DisCos' needs and anticipated load growth.

NERC shall develop a project summary template based on presentations made by each DisCo on interface challenges with TCN and a Workplan developed to facilitate the monitoring of the critical projects being implemented by DisCos and TCN.

NERC shall appraise and monitor the identification and implementation of all critical capital projects with a view to ensuring prudence and relevance to current challenges of the NESI.

- (iii) A tripartite Committee shall be facilitated by the Commission comprised of the DisCos, consumer groups and their respective host states for the purpose of enhancing better relationships between the stakeholders and pursuit of lasting solutions to potential conflict situations that may arise with operators, including customer restiveness, information asymmetry and other related matters.
- (iv) NERC shall review and monitor the operationalisation of the Merit Dispatch Order of generation plants taking into account dynamic load forecast and contractual terms underpinning the Power Purchase Agreements.
- (v) NERC shall review the disconnect between energy received by DisCos and market remittance and to ensure that the practice of discretionary upstream payments are eliminated.
- (vi) NERC shall follow-up with operators on actionable items agreed at the meeting in order to monitor, track and follow-through on their implementation.

Abuja, February 11, 2019