



# NIGERIAN ELECTRICITY REGULATORY COMMISSION

## STAKEHOLDER ENGAGEMENT ON THE RENEWAL OF THE BULK ELECTRICITY PURCHASE AND RESALE LICENCE ISSUED TO THE NIGERIAN BULK ELECTRICITY TRADING PLC

The Nigerian Electricity Regulatory Commission (“NERC” or the “Commission”) hereby invites stakeholders in the Nigerian Electricity Supply Industry (“NESI”) and interested members of the public to a stakeholder engagement on the application for the renewal of the bulk electricity purchase and resale licence filed by the Nigerian Bulk Electricity Trading Plc (“NBET” or the “Trading Licensee”) on 12 February 2021.

2. This stakeholder engagement is being convened pursuant to sections 45 and 47 of the Electric Power Sector Reform Act (“EPSRA” or the “Act”) and section 7 of the NERC Business Rules of the Commission Regulations 2006 (the “Business Rules”).

### BACKGROUND

3. The Commission issued a bulk electricity purchase and resale licence (the “Licence”), for the maximum statutory tenure of 10 years, to NBET on 15 November 2011 following due consideration of sections 25(a) and 68(1) (2) of EPSRA.

4. Condition 6 of the terms and conditions (“T&Cs”) of the Licence authorises NBET to perform the underlisted activities in NESI –

- a. The purchase of electricity from generation licensees.
- b. The vesting or sale of electricity to distribution licensees deemed eligible.
- c. Resale of electricity to eligible customers after the directive by the Minister pursuant to section 27 of the Act.

5. Part I (3) of the T&Cs of the Licence recognises the status of NBET as a transitional licensee in NESI whose role changes with the evolution of competition in the market by subjecting the licence to 3-year reviews by the Commission during the pendency of the licence; and subjecting applications for renewal or extension of the licence to terms and conditions that the Commission considers appropriate.

6. The transitional nature of NBET's role in NESI and the adoption of a phased approach to the development of a competitive electricity market is recognised in section 25 of EPSRA which provides that *“immediately following the declaration by the Minister, under section 24(3) that **a more competitive market is to be initiated, the trading licensee described in section 25(a) shall not enter into any further***

***contracts for the purchase of electrical power or ancillary services and it shall, in accordance with its licence, begin the process of novating its existing rights and obligations to purchase electrical power and ancillary services to other licensees”.***

### STAKEHOLDER ENGAGEMENT

7. The Commission hereby requests for submission from stakeholders and interested members of the public on the following regulatory issues –

- a. Stakeholder perception on NBET's fulfilment of its mandate following the grant of the Licence on 15 November 2011.
- b. Stakeholder comments on progress that has been made towards achieving a more competitive, contract-based electricity market since the issuance of the initial licence to NBET in 2011.
- c. Stakeholder comments on the imminent commencement of partial activation of contracts for phased bilateral contracting for power between generation licensees and distribution licensees.
- d. Stakeholder comments on the novation of the rights and obligations of NBET following the declaration of a substantially competitive market as provided for in EPSRA and transitional compliance mechanisms.
- e. Stakeholder comments on NBET's role in a substantially/fully competitive market with due consideration of pending legacy issues.
- f. Any other matters that stakeholders believe should be given due consideration.

9. The stakeholder engagement is scheduled to hold by 10am on 17 September 2021 at the Marriott Hotel, Ikeja, Lagos; and the deadline for the filing of stakeholder submissions by 3pm on 15 September 2021.

10. All submissions should be addressed to the Chairman of the Commission and clearly marked “Stakeholder Comments on the Renewal of the Bulk Electricity Purchase and Resale Licence Issued to the Nigerian Bulk Electricity Trading Plc”.

**The Chairman**  
**Nigerian Electricity Regulatory Commission**  
**Plot 1387 Cadastral Zone A00**  
**Central Business District Abuja**