NIGERIAN ELECTRICITY REGULATORY COMMISSION

DRAFT NET BILLING REGULATIONS

NIGERIAN ELECTRICITY REGULATORY COMMISSION

In exercise of the powers conferred on the Nigerian Electricity Regulatory Commission ("NERC" or the "Commission") to make regulations under section 226 of the Electricity Act 2023 ("EA" or the "Act") and other enabling powers, the Commission hereby issues the following regulations for the Net Billing in the Nigerian Electricity Supply Industry (NESI).

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CHAPTER I
GENERAL

1. Short Title

These Regulations may be cited as the Net Billing Regulations, 2025.

2. Commencement

1. These Regulations shall come into effect on the date it is approved by a resolution of the Commission.

2. The Regulations shall be signed by the Chairman of the Commission, who shall cause the seal of the Commission to be affixed thereon.

3. Objectives

The objectives of these Regulations include –

1. Establishment of a standardised framework for the interconnection of renewable energy installations at customer premises to an electricity distribution network, thus enabling customers to export surplus power to the grid under a credit-based billing system.

2. Provision of a clear compensation mechanism for the utilisation of excess power produced by a customer with a renewable energy facility installed at its premises.

3. To ensure that the interconnection of a renewable energy facility with a distribution network is implemented without compromising safety and overall network reliability.

4. Interpretation

1. In these Regulations, unless the context otherwise requires -

"Act" means the Electricity Act 2023.

"Agreement" means the contract between the Distribution Licensee and the User.

"Billing Cycle" or "Billing Period" means the period for which regular electricity bills are prepared by the Distribution Licensee, as specified by the Commission.

"Business Rules" means the Nigerian Electricity Regulatory Commission (Business Rules of the Commission) Regulations, 2006 or any subsequent amendment thereof.

“Carried-Forward Credit” means the monetary value accrued to a Prosumer when the value of the energy exported to the grid exceeds the value of the energy consumed from the grid in a billing cycle.

"Commission" means the Nigerian Electricity Regulatory Commission (“NERC”).

“Connectivity Charge” means the one-time fee determined by the Commission and payable by a prosumer for the purpose of gaining physical access to the distribution network, covering the reasonable and necessary costs incurred by the distribution network operator in enabling, facilitating, or reinforcing grid connection.

“Credits” means the energy-based compensation calculated as the product of the energy injected by a prosumer over a given period and the approved tariff for injected energy. The tariff for injected energy may differ from the retail electricity price and shall be determine/approved by the Commission.

Distribution Code" means the code and guidelines approved by the Commission for electricity distribution systems in Nigeria.

"Distribution Licensee" or "Licensee" means a person licensed under section 68 of the Act to operate and maintain a distribution system in a given area.

"Engineer" means a person licensed by the Council for the Regulation of Engineering in Nigeria (“COREN”) to practice engineering, having met the required academic and professional standards.

“Grid Code” means the set of technical rules and guidelines approved by the Commission that govern the operation, management, and security of electricity transmission network in Nigeria.

“Injected Energy Tariff” means the tariff set by the Commission for the energy injected into the grid by a Prosumer

"Interconnection Point" means the interface between the Renewable Energy System and the Licensee's network.

"kWp" means kilo Watt peak.

"Metering Code" means the Metering Code for the Nigerian Electricity Supply Industry or as may be amended by the Commission.

"NEMSA" means Nigerian Electricity Management Services Agency.

"Net Meter" means a bi-directional electricity meter that measures the difference between the amount of electricity a User draws from the grid and the amount of electricity they inject to the grid from their generation sources.

"Net Billing Arrangement" means an arrangement under which a prosumer with a Renewable Energy System may export excess electricity to the distribution network and receive energy-based compensation for such exports (credits). These Credits are netted against the User's electricity bill (for energy imported from the utility) over a given period.

"Net Billing System" means a Renewable Energy System equipped with a Net Meter.

"NESIS Regulation" means the Nigerian Electricity Supply and Installation Standards Regulation 2015.

"Person" means a natural or juridical person.

"Premises" means the areas on a property for which a separate meter or metering arrangement has been provided by the Licensee.

"Prosumer" means a User within the supply area of a Distribution Licensee who has a commissioned Net Billing Arrangement with the Distribution Licensee.

"Renewable Energy Sources" means only solar and small wind energy, for the purposes of this regulation.

"Renewable Energy System" means equipment that transforms the renewable energy sources recognised under this regulation into electrical energy.

"Tariff Order" means the most recent order issued by the Commission to a Licensee setting the rates for different categories of Users.

"Technical Codes" means the Grid Code, Distribution Code, Metering Code, Health & Safety Code, NESIS Regulation, and any other codes approved by the Commission for regulating technical aspects of the Nigerian Electricity Supply Industry.

"User" means a person supplied with electricity for personal, commercial (including Solar and Wind Interconnected Mini-Grids) or industrial use by a Distribution Licensee.

2. Unless stated otherwise in these Regulations -

   a. Words denoting any gender includes the other gender, and the singular includes the plural and vice versa;

   b. Words or expressions used in the Regulations but not defined shall have the same meanings respectively assigned to them in the Act;

   c. Any references to a statute or statutory provision includes a reference to that provision as amended, re-enacted, or replaced and any regulations or orders made under such provisions from time to time; and

   d. If an event is scheduled to occur by these regulations on a day that is not a business day, it shall be deemed to occur on the next business day.

3. All references to days in these Regulations are calendar days unless expressly stated otherwise.

5. Application of the Regulations

Without prejudice to the provisions of sections 2(2), 63(2)(b), and 230 of the Act, these Regulations shall apply to Renewable Energy Systems connected to a distribution network, with a minimum installed capacity of 50kWp and not exceeding 5MWp per User in Nigeria.

CHAPTER II
GENERAL APPLICATION & ADMINISTRATION

6. Scope & Administration

1. A Distribution Licensee shall enter into a Net Billing Arrangement with a User on a first-come, first-served, and non-discriminatory basis, in accordance with these Regulations.

2. The installed capacity for any User shall be a minimum of 50kWp and shall not exceed 5MWp.

3. The aggregated excess capacity injected into a Distribution Licensee's network (0.4/11/33kV) by the Prosumers shall not be more than 30% of the average load of the network asset.

7. Application procedure for Net Billing Arrangement

1. The Distribution Licensee shall publish the application procedure, including eligibility criteria and the tariff structure, at its offices and on its website. The procedure shall include the application form (Schedule I) and any other applicable requirements as prescribed in these Regulations.

2. A User intending to interconnect a Renewable Energy System to a Distribution Licensee under the Net Billing Arrangement shall follow the process below -

a. Submit an application to the distribution licensee using the application form as published on the Distribution Licensee's website, accompanied by -

i. Proof of occupying the property (e.g., utility bill);
ii. Evidence of payment of application fee as determined by the Distribution Licensee.
iii. A single line diagram of the proposed interconnection including the earthing system duly certified by a qualified Engineer;
iv. Specification of the proposed Renewable Energy System, including the system capacity and average excess capacity available for export.

b. Where the Renewable Energy System already exists, the User shall, in addition to the requirements in 2a(i-iii), provide;

i. Specification of the Renewable Energy System, including the

system capacity and average excess capacity available for export;

ii. Evidence of the commissioning date of the Renewable Energy System;

iii. Documentation of prior approvals or permits obtained, if any;

iv. Generation history or performance data of the system, if available;

v. A certified inspection report by a qualified Engineer confirming the safety, operational integrity, and compliance of the system with applicable technical standards and codes.

c. Upon receipt of the complete application, the Distribution Licensee shall evaluate the application and carry out a technical feasibility study on the distribution system and shall within ten (10) days issue a Distribution System Technical Feasibility Report (Schedule II) to the User containing -

i. User details, including load history;

ii. Capacity, peak load and average load of the affected distribution network segment;

iii. Assessment of the condition and suitability of the distribution infrastructure for the proposed interconnection.

d. Where the Distribution Licensee approves the application, the User shall execute a Net Billing Agreement (Schedule III) with the Distribution Licensee within five (5) days of receipt of the Distribution System Technical Feasibility Report, which shall contain, amongst other details, the following -

i. Capacity of Renewable Energy System;

ii. Location of the system;

iii. Interconnection voltage Level;

iv. Confirmation of compliance with applicable regulations and technical codes;

v. Injected Energy Tariff.

e. Where the Distribution Licensee rejects the application, the Distribution Licensee shall provide a written notice stating the reasons for the rejection and the required modification of the application for approval.

f. The User shall apply to the Commission using the prescribed form in Schedule IV, accompanied by the Net Billing Agreement with the Distribution Licensee. The Commission shall, within ten (10) days of receiving the completed application, approve and issue a registration certificate to the User.

g. Where the Commission declines to issue a registration certificate, the Commission shall provide written feedback stating the reasons for such refusal. The User may reapply for the registration certificate upon addressing the comments.

h. Upon receiving the Commission's registration certificate, the User shall -

   i. Pay the connectivity charge within fifteen (15) days to the Distribution Licensee (where no grid upgrades are required), or thirty (30) days (where grid enhancement upgrades are required);
   ii. Carry out the installation of the Renewable Energy System and the Net Meter within sixty (60) days;
   iii. Contract a certified Engineer thereafter to prepare a Net Billing Installation Report using the format in Schedule V.

i. Following payment of the connectivity charge, the Distribution Licensee shall carry out the necessary upgrades for the interconnection of the Renewable Energy System within ninety (90) calendar days. Where the required works include major reinforcement at 11/33 kV or above, the Parties may agree on a more extended period not exceeding one hundred and twenty (120) calendar days, and the Distribution Licensee shall notify the Commission within five (5) days of such agreement.

j. The User shall submit the underlisted documents as part of its application to NEMSA for inspection and pre-commissioning test –

   i. A copy of the Commission's registration certificate;
   ii. Proof of ownership of the Renewable Energy System;
   iii. A single line diagram;
   iv. Technical Feasibility Report; and
   v. Net Billing Installation Report in Schedule V.

k. NEMSA shall conduct an inspection within ten (10) days of receipt of the application. Following the site visit, NEMSA shall either issue an inspection certificate or notify the User of any deficiencies within seven (7) days.

l. The inspection certificate, issued by NEMSA, shall include the date of successful testing and the following details –

   i. The type of renewable energy technology;
   ii. The type and size of all critical components (panels, inverters, etc);
   iii. Total capacity of the Renewable energy system;
   iv. Specifications of the installed meter (accuracy, serial

number, etc.), and

v. Specifications of Anti-islanding protection device.

m. The User shall apply to the Distribution Licensee requesting the commissioning of the Renewable Energy facilities, submitting the following –

i. A copy of the Commission's registration certificate;
ii. NEMSA's inspection certificate;
iii. Net Billing Installation Report, to the Distribution Licensee for commissioning.

n. Upon receipt of the request for commissioning, the Distribution Licensee shall within three (3) days conduct the commissioning of the interconnection point.

3. Any changes in the ownership or occupancy of the premises shall require the formal transfer of the Net Billing Agreement to the new owner or occupier using the prescribed format in Schedule VI submitted to the Distribution Licensee.

CHAPTER III
TECHNICAL AND OPERATIONAL STANDARDS

8. System Installation: Interconnection & Safety

1. The installation, interconnection, maintenance and operation of Net Billing Systems shall be executed by a certified Engineer in compliance with the Distribution Code and the Nigerian Electricity Supply and Installation Standards (NESIS) Regulations, 2015 issued by the Commission as may be amended from time to time.

2. A Net Billing System shall be designed to operate in parallel to the distribution network and deliver power at a single point of interconnection in a safe and reliable manner. The system shall include protection mechanisms against over/under-voltage and frequency deviations in accordance with applicable technical standards. The prosumer shall ensure that the voltage fluctuations at the point of interconnection do not exceed ± 5% of the nominal voltage.

3. The Prosumer shall install both automatic and manual isolation devices to prevent backfeeding into the distribution network during grid outages and upon restoration of supply. The Net Billing System shall include anti-islanding protection and synchronisation mechanisms to ensure safe disconnection during outages and safe reconnection only when normal grid conditions are restored, in accordance with applicable technical standards. The isolator shall meet the following minimum criteria –

   a. Visible indications for open/close positions;
   b. Accessible at all times to the Distribution Licensee's personnel without prior clearance;
   c. Lockable in the open position;
   d. Not rated for load break and does not include over-current protection; and
   e. Installed at a minimum height of 2.5 meters above ground level in compliance with IEC 60364.

4. Every system shall be equipped with an automatic synchronisation device unless the inverter already includes such a technical feature.

5. All Net Billing Systems shall have the following equipment requirements –

   a. Circuit breakers or interrupting equipment, which shall handle the maximum fault current as specified in NESIS 2015.
   b. The design shall ensure that failure of any single component does not compromise overall safety and reliability.

c. Paralleling devices such as relays, contactors shall withstand 220% of the nominal voltage at the interconnection point in compliance with IEC 61727 standards.

6. A power conditioning unit shall be provided to filter harmonics and other distortions before injecting energy into the Distribution Licensee's network in accordance with the limits in the Distribution Code.

7. Technical standards for all renewable energy systems interconnected for the Net Billing System shall comply with the relevant standards as specified by the Commission as determined by the Commission from time to time.

9. Metering Requirement

1. The Prosumer shall be required to provide a net meter with -

a. a revenue-grade import/export meter or dual register smart meter,
b. Installed and conformed to the Metering Code.

2. Where required, meters installed for net billing shall be tested or checked in the presence of representatives from both the Prosumer and the Distribution Licensee.

3. The meter shall separately record -

a. energy imported from the Distribution Licensee; and

b. energy exported to the Distribution Licensee.

4. The Distribution Licensee shall be responsible for the remote reading, validation, and reconciliation of meter data for commercial settlement purposes.

CHAPTER IV
COMMERCIAL ARRANGEMENT

10. Applicable Tariffs

1. Under the Net Billing Arrangement, the energy consumed by the Prosumer from the Distribution Licensee shall be charged at the applicable end-user tariff approved by the Commission from time to time.

2. The energy exported to the Distribution License network by the prosumer shall be credited at a tariff determined based on the following elements using the net metering tariff tool -

    a. Fixed Charge, which shall be the average of the grid-connected hydropower plant generation tariff as determined by the commission from time to time.
    b. Variable Charge shall be the interconnection costs incurred by the Prosumer. This shall include all costs, excluding the Renewable Energy System.

11. Billing and Carried-Forward Credit

1. The Distribution Licensee shall issue monthly bills to Prosumers in accordance with the Commission's approved billing cycle, clearly showing -

    a. Energy imported from the Distribution Licensee network (kWh),
    b. Energy exported to the Distribution Licensee network (kWh),
    c. Applicable tariffs for import and export; and
    d. Monetary value of the net bill.

2. For each billing period, the Distribution Licensee shall separately record the following -

    a. The amount billed to the Distribution Licensee (Adl), which shall be the total energy injected by the Prosumer multiplied by the Injected Energy Tariff, shall be derived using the formula below:

$$A_{dl} = E_i \times T_i$$

Where: E_i = Energy Injected by Prosumer
T_i = Injected Energy Tariff

    b. The amount billed to the Prosumer (A_{bp}), which shall be the total energy consumed from the grid multiplied by the grid tariff, shall be derived using the formula below:

$$A_{bp} = E_c \times T_e$$

Where: E_c = Energy Consumed by Prosumer
T_e = End-User Tariff

The net billed amount (N_{BA}) after applying any Carried-Forward Credit. The net billed amount shall be derived using the formula below -

$$N_{BA} = A_{bp} - (A_{dl} + C_{fc})$$

Where: N_{BA} = Net Billed Amount
A_{bp} = Amount Billed to Prosumer
A_{dl} = Amount Billed to Distribution Licensee
C_{fc} = Carried-Forward Credit

c. Where the net billed amount is positive, the Prosumer shall make such payment to the Distribution Licensee within the allowed settlement period. Where the net billed amount is negative, the Prosumer shall be entitled to a Carried-Forward Credit. Carried-Forward Credits shall roll forward indefinitely and be applied to offset future consumption charges until fully utilized, transferred with the Premises in accordance with Schedule VI, or extinguished where the Net Billing System is relocated or the Agreement is terminated.

3. Where a Prosumer vacates the premises where the Net Billing System is installed, the accrued credits shall be transferred to the new owner or occupier, provided that the Net Billing Agreement is transferred to the new owner or occupier in accordance with the format specified in Schedule VI.

4. Where a Prosumer relocates the Net Billing System from the Premises, the credits accrued shall be zeroed, and the Prosumer shall be required to initiate a fresh application with the Distribution Licensee in accordance with section 7 of these Regulations.

5. The Distribution Licensee shall maintain a designated escrow (bank) account or a segregated escrow ledger for Prosumer Credits to manage settlement liabilities. Credit postings, debits, and balances shall be reconciled monthly and be made available to the Prosumer upon request. The Commission may issue further guidelines on escrow modalities.

12. Transfer and Assignment

1. Where a Prosumer is no longer in control or in possession of the Premises in which a Net Billing System is installed, the Prosumer may

upon agreement transfer the right to use the Net Billing System and associated credits to a new User in the manner prescribed in Schedule VI of these Regulations and the new User shall assume full responsibility for the operation and maintenance, thereof.

2. The application shall be accompanied by copies of all certifications issued to the prosumer in respect of the system.

3. There shall be no changes in the system configuration or installed capacity from that previously approved.

4. Where any changes are identified, the system shall be subject to a new approval process in accordance with Section 7 of these regulations.

5. The transfer shall be subject to the prior approval of the Distribution Licensee and compliance with all applicable laws, regulations, and requirements governing the original agreement between the Prosumer and the Distribution Licensee.

6. The transfer shall only take effect upon written confirmation from the Distribution Licensee.

CHAPTER V
MONITORING AND DISPUTE RESOLUTION

13. Monitoring

The Distribution Licensee shall maintain an up-to-date and publicly accessible register of all Prosumers. A quarterly report detailing number of Net Billing System, capacities, and energy flows shall be submitted to the Commission.

14. Dispute Resolution

1. All Disputes arising under these Regulations shall in the first instance be resolved by the parties through mutual negotiations within a period of thirty (30) days from the date the dispute arises.

2. Any dispute under these regulations shall be referred to the Commission for final adjudication.

CHAPTER VI
MISCELLANEOUS

15. Carbon credits & Environmental Obligation

1. All carbon credits accruing from Net Billing systems shall be vested solely with the Prosumer and may be carried forward to future settlement periods, unless otherwise specified by any other applicable law of the Federal Republic of Nigeria.

2. A Prosumer shall comply with all applicable health, safety, and environmental laws of the Federal Republic of Nigeria.

16. Amendment or Repeal

The Commission may amend or repeal, in whole or in part, the provisions of these Regulations.

THE COMMON SEAL OF THE NIGERIAN ELECTRICITY REGULATORY COMMISSION was affixed pursuant to the ORDER OF THE COMMISSION

Dated this _____ day of _____ 20___

_____

Musiliu Oseni PhD.
Vice Chairman

SCHEDULE I

APPLICATION FORM FOR NET BILLING ARRANGEMENT
(Distribution Licensee)
(Pursuant to S.7 of the NERC Net Billing Regulations, 2025)

IMPORTANT NOTE:
Your application is incomplete unless all required documents are submitted, and the application is accompanied by the appropriate processing fee.

In compliance with the NERC Net Billing Regulations 2025, I am herewith certifying that I [NAME] _____, hereby apply for the Net Billing Arrangement pursuant to section 7 of the Net Billing Regulations.

1.0 PARTICULARS OF APPLICANT AND CONTACT PERSON

Name of Applicant: _____

Physical address: _____

LGA: _____ State: _____

Tel: _____ Mobile:_____

E-mail: _____

Website Address: _____

Account/Meter No: _____

Category (Residential/Commercial/Industrial): _____

Name of Contact Person:_____

Mobile Phone of Contact Person:_____

E-mail of Contact Person:_____

2.0 LEGAL STATUS OF APPLICANT (for Commercial and Industrial Prosumers)

2.1 Indicate legal status of Applicant (Tick relevant option)

a.	Sole Proprietorship	
b.	Partnership	
c.	Public Limited Liability Company	
d.	Private Limited Liability Company	
e.	Cooperative Society	
f.	Incorporated Trustee	
g.	Feasibility report including demand forecast and historical load profile	
h.	Other (please specify)	

(Attach Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership, Deed of Trust, as applicable)

3.0 NATURE OF APPLICATION

3.1. State whether the Application is a fresh Application or a Renewal.

3.2. Has the Applicant ever been refused an application or was its agreement suspended and/or cancelled by the Commission?

If yes, give details of the refusal, suspension, and/or cancellation.

4.0 MAIN BUSINESS ACTIVITIES OF APPLICANT

Please indicate the main business activities the Applicant is currently engaged in.

5.0. DESCRIPTION OF PROJECT

5.1. Provide a detailed description of the project:

5.2. Indicate the site address of the Net Billing system (State, Local Government Area, and Ward).

6.0. PROJECT DETAILS

Installed Capacity (kW)	Category (Residential/Commercial/Industrial)	Type of Meter (Single/ three (3)-phase)	Type of Renewable Energy sources	Inverter Type (If applicable)	Connection Voltage (33kV/11kV/400V)	Peak Demand (kWh)

(Attach the title document for the property, lease or tenancy agreement to the land and a single line diagram).

DECLARATION BY THE APPLICANT

The project is not unlawful or contrary to the interest of the Federal Republic of Nigeria, provisions of the Electricity Act, 2023, and relevant NERC Regulations. I/we_____ hereby declare that the details stated above are, to the best of my/our knowledge, true and correct. I /we understand that any false or misleading information may result in disqualification or regulatory sanctions as may be determined by the Commission.

Dated this _____ day of _____20____

(Signature of Applicant)

In the presence of:

Sign:	Sign:
Name:	Name:
Designation:	Designation:

SCHEDULE II
DISTRIBUTION SYSTEM TECHNICAL FEASIBILITY REPORT

1. General Information

Distribution Licensee	[Name of Distribution Company]
Feeder Name	[11kV or 33kV feeder name]
Transformer Information (if applicable)	[DT Name, Rating (e.g., 500kVA)]
Connection Point	[Specific customer premises or service entrance point]

2. Technical Capacity and Integrity

Parameter	Actual Status / Remarks
Asset Peak Loading (%)	[e.g., 65% - Compliant / 92% - Overloaded]
Asset Average Loading (%)	[e.g., 65% - Compliant / 92% - Overloaded]
Voltage Level at Connection Point	[e.g., 415V, 11kV]
Reverse Power Flow Capacity	[Yes / No – Reasons]

3. Asset Physical Status (where applicable)

Asset Category	Functional Status
Feeder Lines	[Good / Degraded]
Distribution Transformer (DT)	[Functional / Needs Upgrade]
LV Distribution Lines	[Good / Degraded]
Service Cable to Customer	[Good / Degraded]

4. User Assessment

Metric	Value	Interpretation
User Connection Type	[e.g., 18 kW]	(High Voltage/Feeder Level, Low Voltage/DT Level)
Historical Average Load (kW)	[e.g., 10 kW Solar PV]	(e.g., 200kW)
Metering Status	[Yes / No]	(Metered/Unmetered)

5. Final Remarks

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6. Signature and Approval

Name	Designation	Date	Signature
Technical Officer (DisCo)	[e.g., Head of Engineering]		

SCHEDULE III

NET BILLING AGREEMENT BETWEEN DISTRIBUTION LICENSEE AND PROSUMER

This Net Billing Agreement ("Agreement") is made and entered into at (insert location) on this ____ day of _____ 20_____

between

(Insert full name of Prosumer), residing/having its registered premises at (insert address) (hereinafter referred to as "User" or "Prosumer" which expression shall include its heirs, permitted assigns and successors) of the First Part.

AND

(Insert Name of the Distribution Licensee), Company registered under the Companies and Allied Matters Act 2020 and licensed as a Distribution Licensee under the Electricity Act 2023, having its registered office at, (insert address) (hereinafter referred to as (insert name) or "Distribution Licensee" which expression shall include its permitted assigns and successors) of the Second Part.

"[User/Prosumer]" and "[Distribution Licensee]" are hereinafter jointly referred to as the "Parties" and individually as a "Party".

WHEREAS

1. The Prosumer desires to set up such Net-Billing System of (insert system capacity) at (insert location/address) connected with the Distribution Licensee's grid at (insert voltage level) voltage level for his/her/its own use within the same premises.

2. The Distribution Licensee agrees to provide grid connectivity to the Prosumer for injection of the electricity generated from the Prosumer's (insert capacity) renewable energy system into the power system of the Distribution Licensee and as per conditions of this agreement and in compliance with the applicable Regulations/Codes (as amended from time to time) which includes -

    a. The Electricity Act, 2023
    b. Nigeria Electricity Supply and Installation Standards Regulations, 2015.
    c. Nigeria Electricity Regulatory Commission Distribution Code, 2018 and amendments thereto.
    d. Nigeria Electricity Regulatory Commission Metering Code, 2014 and amendments thereto.
    e. Instructions, Directions and Circulars issued by the Chief Electrical Inspector of NEMSA from time to time.

f. NERC Nigerian Electricity Health and Safety Standards Manual
g. NERC Regulations on the Procedure for Tariff Reviews in NESI

Parties hereby agree as follows -

1. Eligibility

1.1. The Prosumer shall own the Net Billing System set up on its premises or premises in its legal possession.

1.2. The Prosumer shall consume electricity in the same premises where the Net Billing System is set up.

1.3. The Prosumer shall ensure the capacity of Net Billing System does not exceed the limit specified in section 5 of these Regulations.

1.4. The Prosumer shall meet the standards and conditions as specified by the Commission for being integrated into the distribution system of the Distribution Licensee.

2. Technical and Interconnection Requirements

2.1. The Prosumer agrees that its Net Billing System shall conform to the standards and requirements specified in the Regulations and Distribution Code and Nigerian Electricity Supply Installation Standards Regulations 2015, as amended from time to time by relevant authorities.

2.2. The Prosumer agrees that it has installed or shall install, prior to connection of the Net Billing System to the Distribution Licensee's network, an isolation device (both automatic and/or inbuilt) within the inverter and external manual relays.

2.3. The Prosumer agrees that in the case of non-availability of the grid, the Net Billing System shall disconnect/isolate automatically, and the Prosumer's system shall not inject power into the Distribution Licensee's distribution network.

2.4. All the equipment connected to the distribution system shall be compliant with relevant domestic and international standards, and installations of electrical equipment must comply with the Nigerian Electricity Supply Installation Standards Regulations, 2015.

2.5. The Prosumer agrees that the Distribution Licensee shall specify the interface/interconnection point and metering point.

2.6. The Prosumer and Distribution Licensee agree to comply with the relevant NERC Regulations with respect to the operation and maintenance of the Net Billing System, drawings and diagrams, site responsibility schedule, harmonics,

synchronisation, voltage, frequency, flicker, etc.

2.7. In order to fulfil Distribution Licensee's obligation to maintain a safe and reliable distribution system, the Prosumer agrees that if it is determined by the Distribution Licensee that the Prosumer's Net Billing System either causes damage to and/or produces adverse effects affecting other Users' or Distribution Licensee's assets, the Prosumer shall disconnect the Renewable Energy System immediately from the distribution system as directed by the Distribution Licensee until the fault is rectified to the satisfaction of Distribution Licensee at his own expense prior to reconnection.

2.8. The Prosumer shall be solely responsible for any accident to human beings/animals whatsoever (fatal/non-fatal) and damage to equipment that may occur due to back-feeding from the system when the grid supply is unavailable. The Distribution Licensee reserves the right to disconnect the Prosumer's installation at any time in the event of such exigencies to prevent accident or damage.

3. Approvals

3.1. The Prosumer shall obtain the statutory approvals where necessary before connecting the Net Billing System to the distribution network.

4. Access and Disconnection

4.1. The Prosumer agrees for the Distribution Licensee to have access to and operate the manual isolator, if required for repair and maintenance of the distribution system. Distribution Licensee shall have access to the Net Meter and the manual isolator of the Net Billing System, at all times.

4.2. In an emergency or outage situation, where there is no access to the isolator for both automatic and manual disconnection such as a switch or breaker, Distribution Licensee may disconnect service to the premises of the Prosumer.

5. Liabilities

5.1. The Prosumer shall indemnify the Distribution Licensee for damages or adverse effects from his/its negligence or intentional misconduct in the connection and operation of the Net Billing System.

6. Metering

6.1. The metering arrangement shall be in accordance with the Metering Code for the Nigerian Electricity Supply Industry or as may be amended by the Commission. The meter shall conform to the following –

a. General Requirements

i. All meters must be NEMSA-certified, bi-directional meters

measuring both imported and exported energy.

b. Residential Users:

i. Bi-directional meter of the same accuracy class as specified in the Metering Code.

c. Commercial/Industrial Users:

i. Bi-directional meter for expected load and energy export, conforming to the Metering Code.

d. Meter Data Monitoring:

i. Meters shall transmit real-time data for accurate billing and monitoring.

7. Commercial Settlement

7.1. All commercial settlements under this Agreement shall be in accordance with these Regulations –

a. Where the Prosumer imports more electricity from the distribution network than they export during a billing cycle, the net energy consumed shall be billed at the tariff approved by the Commission for the Prosumer's category from time to time.

b. In case of net export of energy by the Prosumer to the distribution network during the billing cycle, the net export value shall be rolled over to the next billing cycle as credit.

8. Connection Costs

The Prosumer shall bear all costs related to the meter and setting up the interconnection system up to the point of connection to the distribution licensee network.

9. Inspection, Test, Calibration, and Maintenance before connection

Before connecting, the Prosumer shall complete all inspections and tests finalised in consultation with the Distribution Licensee to which the system is connected. The Prosumer shall make available to Distribution Licensee all drawings, specifications, and test records of the projects as the case may be.

10. Representations and Warranties

10.1. Each Party represents and warrants to the other party that as of the effective

date -

a. It has all requisite power, capacity, and authority to enter into this Agreement and the execution and delivery of this Agreement have been duly authorised by all necessary action on its part, (or its board of directors or similar governing body, as applicable), and no other action or proceeding is required to authorise the execution of this Agreement.

b. This Agreement constitutes and expresses its legal, valid, and binding obligation and is enforceable against it in accordance with the conditions and terms herein stipulated.

c. This Agreement is executed by a duly authorised representative of that party.

d. It has the financial capability, technical competence, and good standing to perform its obligations under this Agreement.

10.2. Each Member represents that each warranty and representation set out in Clause 10 is true, complete, accurate, and not misleading as of the Effective Date.

11. Records

Each Party shall keep complete and accurate records and all other data required by each of them for the proper administration of this Agreement and the operation of the net-billing system.

12. Dispute Resolution

12.1. All disputes or differences between the Parties arising out of or in connection with this Agreement shall be first tried to be settled through mutual negotiation, promptly, equitably, and in good faith.

12.2. In the event that such differences or disputes between the Parties are not settled through mutual negotiations within thirty (30) days or a mutually extended period after such dispute arises, it shall be referred to the Nigerian Electricity Regulatory Commission for final adjudication.

13. Termination

13.1. Either party may terminate this Agreement immediately upon written notice if the other party materially breaches any term of this Agreement and fails to remedy such breach within thirty (30) days of receiving written notice.

13.2. The Prosumer can terminate the agreement at any time by giving the Distribution Licensee thirty (30) days prior written notice.

13.3. The Distribution Licensee has the right to terminate the Agreement with 30

(thirty) days prior written notice, if the Prosumer commits a breach of any of the terms of this Agreement and fails to remedy the breach within thirty (30) days of receiving written notice from the Distribution Licensee of the breach.

13.4. The Prosumer shall upon termination of this Agreement, disconnect the Net Billing system from the Distribution Licensee's distribution network within one (1) week to the satisfaction of the Distribution Licensee.

14. Communication

The addresses and contacts for the service of notices and other documents are as follows

If to DisCo:

[ADDRESS]

Attention: _____

Tel: _____

E-mail address: _____

If to Prosumer:
[ADDRESS]

Attention: _____

Tel_____

E-mail address_____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorised officers, and copies delivered to each Party, as of the day and year herein above stated.

For [ELECTRICITY DISTRIBUTION COMPANY]

Signed at _____ on this _____ day of _____ 20___

By:

Name:

WITNESSES

1. _____

2. _____

For [PROSUMER]

Signed at _____ on this _____ day of _____ 20__

By:

Name:

WITNESSES

1. _____

2. _____

SCHEDULE III B

Connectivity Charges Payable by the Prosumer

System Size	Applicable fees per connection
From 50kW up to 100 kW	NGN .....
More than 100 kW up to 500 kW	NGN .....
More than 500 kW up to 1 MW	NGN .....
More than 1MW up to 5MW	NGN.....

The Connectivity Charges for Net Billing System shall be payable by the Prosumer to the respective Distribution Licensee.

SCHEDULE IV

APPLICATION FORM FOR NET BILLING ARRANGEMENT (Commission)
(Pursuant to S.7 of the NERC Net Billing Regulations, 2025)

IMPORTANT NOTE:
Your application is incomplete unless all required documents are submitted, and the application is accompanied by the appropriate processing fee.

In compliance with the NERC Net Billing Regulations 2025, I am herewith certifying that I [NAME] _____ , hereby apply for the Net Billing Arrangement pursuant to section 7 of the Net Billing Regulations.

1.0. PARTICULARS OF APPLICANT AND CONTACT PERSON

Name of Applicant: _____

Physical address: _____

LGA: _____ State: _____

Tel: _____ Mobile:_____

E-mail: _____

Website Address: _____

Category (Residential/Commercial/Industrial): _____

Name of Contact Person:_____

Mobile Phone of Contact Person:_____

E-mail of Contact Person:_____

Electricity Distribution Company Name: _____

Date of Signed Net Billing Agreement: _____

2.0. LEGAL STATUS OF APPLICANT (for Commercial and Industrial Prosumers)

2.1. Indicate legal status of Applicant (Tick relevant option)

a.	Sole Proprietorship	
b.	Partnership	

c.	Public Limited Liability Company	
d.	Private Limited Liability Company	
e.	Cooperative Society	
f.	Incorporated Trustee	
g.	Feasibility report including demand forecast and historical load profile	
h.	Other (please specify)	

(Attach Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership, Deed of Trust, as applicable)

3.0. NATURE OF APPLICATION

3.1. State whether the Application is a fresh Application or a Renewal

---

3.2. Has the Applicant ever been refused an application or was its agreement suspended and/or cancelled by the Commission?

If yes, give details of the refusal, suspension, and/or cancellation.

4.0. MAIN BUSINESS ACTIVITIES OF APPLICANT

Please indicate the main business activities the Applicant is currently engaged in.

5.0. DESCRIPTION OF PROJECT

5.1 Provide a detailed description of the project:

5.1. Indicate the site address of the Net Billing system (State, Local Government Area, Ward,)

Attach the title document for the property, lease or tenancy agreement to the land and a single line diagram).

6.0. PROJECT DETAILS

Installed Capacity (kW)	Category (Residential/Commercial/Industrial)	Type of Meter (Single/ three (3)-phase)	Type Renewable Energy sources	Inverter Type (If applicable)	Connection Voltage (33kV/11kV/400V)	Peak Demand (kWh)

DECLARATION BY THE APPLICANT

The project is not unlawful or contrary to the interest of the Federal Republic of Nigeria, provisions of the Electricity Act, 2023, and relevant NERC Regulations. I/we_____ hereby declare that the details stated above are, to the best of my/our knowledge, true and correct. I /we understand that any false or misleading information may result in disqualification or regulatory sanctions as may be determined by the Commission.

Dated this _____ day of _____20__

(Signature of Applicant)

In the presence of:

Sign:	Sign:
Name:	Name:
Designation:	Designation:

SCHEDULE V
Net Billing Installation Report

The Net Billing Installation Report assesses the impact of a renewable energy system ("RES") installation on the distribution network and identifies necessary technical and safety requirements for integration, especially for systems above 50 kW. The study is a prerequisite for approval and should be conducted by a qualified engineer. It must be submitted with the Net Billing application. Below are the minimum details to be filled out for the installation report of the Net Billing system:

Field	Description	Details to Fill
Prosumer Information		
i. Name	Enter the name of the Prosumer (individual or organisation).	
ii. Contact Information	Provide contact details for the Prosumer (phone number and email address).	
iii. Type of Prosumer	Specify the type of Prosumer (Residential, Commercial and Industrial)	
iv. Energy Source	Specify the renewable energy source used (e.g. Solar PV, Wind, Small hydro etc.)	
v. Installed Capacity (kW)	Enter the installed capacity of the renewable energy system. Example: "50 kW."	
vi. Energy Storage	Does the Prosumer have energy storage (e.g., batteries)?	[] Yes [] No
vii. Self-Consumption Rate (%)	Approximate percentage of energy consumed by the Prosumer from their own production.	
viii. Grid Export (%)	Approximate percentage of energy available for export to the grid.	
Licensee Information		
i. Licensee Name	Enter the name of the electricity Distribution Licensee (Distribution company).	
Description of Electrical Supply System		
i. Voltage Levels	Indicate the voltage levels at the proposed interconnection point (e.g., 33 kV, 11 kV, or 400V.	
ii. Connection Type	Specify the type of connection (e.g., overhead lines, underground cables). Example: "Overhead line connection."	

Field	Description	Details to Fill
iii. Distribution System Components	List key components involved (e.g., transformers, circuit breakers). Example: "Transformer rated at 11 kV/400 V."	
System Study		
i. Load Profile	Provide details about your energy consumption pattern (e.g., peak load times, average consumption and minimum consumption). Example: "Peak load at 6 PM, average usage 50 kW/day."	
Power Flow Analysis		
i. Voltage Range	Specify the voltage range of the RES	
ii. Current Range	Specify the voltage range of the RES	
iii. Fault Current	Specify the fault current	
iv. Power Factor	Specify the power factor	
Protection Scheme Requirements	List safety measures needed for operating your renewable energy system, such as circuit breakers or surge protectors.	
Environmental Impact	Summarize how the renewable energy system affects the environment (e.g., noise, emissions, land use).	
Additional Information	Include a single-line diagram of the electrical distribution system for the Net Billing.	

SCHEDULE VI

NET BILLING TRANSFER OF AGREEMENT FORM

The Chief Executive Officer

——Distribution Company

[Address]

(Pursuant to S.13 of the NERC Net Billing Regulations, 2025)

IMPORTANT NOTE:
Your application is incomplete unless all required documents are submitted, and the application is accompanied by the appropriate processing fee.
The necessary documents include: copies of certifications issued to the previous prosumer.

In compliance with the NERC Net Billing Regulations 2025, I am herewith certifying that I [Insert NAME] _____, hereby apply for transfer of a Net Billing Arrangement pursuant to section 13 of the Net Billing Regulations.

1.0. PARTICULARS OF APPLICANT AND CONTACT PERSON

Name of Applicant: _____

Physical address: _____

LGA: _____ State: _____

Tel: _____ Mobile:_____

E-mail: _____

Website Address: _____

Category (Residential/Commercial/Industrial): _____

Name of Contact Person:_____

Mobile Phone of Contact Person:_____

E-mail of Contact Person:_____

Electricity Distribution Company Name: _____

Date of Signed Net Billing Agreement: _____

2.0. PARTICULARS OF PREVIOUS OCCUPIER AND CONTACT PERSON

Name of Occupier: _____

Physical address: _____

LGA: _____ State: _____

Tel: _____ Mobile:_____

E-mail: _____

Website Address: _____

Category (Residential/Commercial/Industrial): _____

Name of Contact Person:_____

Mobile Phone of Contact Person:_____

E-mail of Contact Person:_____

Electricity Distribution Company Name: _____

Date of Signed Net Billing Agreement: _____

3.0. LEGAL STATUS OF APPLICANT (for Commercial and Industrial Prosumers)

3.1. Indicate legal status of Applicant (Tick relevant option)

a.	Sole Proprietorship	
b.	Partnership	
c.	Public Limited Liability Company	
d.	Private Limited Liability Company	
e.	Cooperative Society	
f.	Incorporated Trustee	
g.	Feasibility report including demand forecast and historical load profile	
h.	Other (please specify)	

(Attach Certificate of Incorporation, Memorandum and Articles of Association, Deed of Partnership, Deed of Trust, as applicable)

4.0. NATURE OF APPLICATION

4.1. State whether the Application is a fresh Application or a Renewal

---

4.2. Has the Applicant ever been refused an application or has its agreement suspended and/or cancelled by the Commission/Distribution Licensee?

If yes, give details of the refusal, suspension, and/or cancellation.

5.0. MAIN BUSINESS ACTIVITIES OF APPLICANT

Please indicate the main business activities the Applicant is currently engaged in.

6.0. DESCRIPTION OF PROJECT

6.1 Provide a detailed description of the project:

6.2. Indicate the site address of the Net Billing system (State, Local Government Area, and Ward).

(Attach title document for the property, lease or tenancy agreement to the land)

7.0. PROJECT DETAILS

Installed Capacity (kW)	Category (Residential/Commercial/Industrial)	Type of Meter (Single/ three (3)-phase)	Type Renewable Energy sources	Inverter Type (If applicable)	Connection Voltage (33kV/11kV/400V)	Peak Demand (kWh)

DECLARATION BY THE APPLICANT

The project is not unlawful or contrary to the interest of the Federal Republic of Nigeria, provisions of the Electricity Act, 2023, and relevant NERC Regulations. I/we_____ hereby declare that the details stated above are, to the best of my/our knowledge, true and correct. I /we understand that any false or misleading information may result in disqualification or regulatory sanctions as may be determined by the Commission.

Dated this _____ day of _____20__

(Signature of Applicant)

In the presence of:

Sign:	Sign:
Name:	Name:
Designation:	Designation:

SCHEDULE VII
Application Process