

# Communique

Issued at the end of the 14th monthly meeting of the Honourable Minister of Power, Works and Housing with operators of the Power Sector, held on Monday, April 10th, 2017 at National Control Centre, Osogbo

## **1. Introduction**

The Honourable Minister of Power, Works and Housing, Babatunde Raji Fashola (SAN) chaired the fourteenth monthly meeting of operators in the electricity industry. The meeting was hosted by the Transmission Company of Nigeria at its National Control Centre, Osogbo. The Governor of Osun State, Ogbeni Rauf Aregbesola and the Deputy Governor of the State, Otunba Grace Titilayo Laoye-Tomori were also present.

The meeting focused on identifying, discussing, and finding practical solutions to critical issues facing the Nigerian Electricity Supply Industry.

The operators were fully represented at the highest executive management levels, including a Commissioner of the Nigerian Electricity Regulatory Commission (NERC), Managing Directors and CEOs of Generating Companies (GenCos), Distribution Companies (DisCos), and the Transmission Company of Nigeria (TCN), as well as various government agencies such as the Niger Delta Power Holding Company (NDPHC), the Nigerian Bulk Electricity Trader (NBET), Nigerian Electricity Liability Management Company (NELMCO) and Nigerian Electricity Management Services Agency (NEMSA) responsible for the regulation and development of the electricity industry.

## **2. The meeting deliberated and resolved as follows:**

- I. The Managing Director, Transmission Company of Nigeria, highlighted the issue of unutilized load (previously described as load rejection) currently causing high system frequency on the national grid, and encouraged the industry to take necessary steps to address the problem. TCN restated its commitment to expand transmission infrastructure and improve its operation and performance within the power sector value chain.
- II. The Vice Chairman, Nigerian Electricity Regulatory Commission affirmed the Federal Government's expressed commitment to tariffs that ensure a self-sustaining power

sector and to supporting NERC in applying sanctions where appropriate to ensure operators comply with the rules. NERC highlighted the recently reconstituted commission's focus on fair but firm regulation in the following areas: enforcing DisCo metering commitments, prepaid meters for MDAs, centralised management of market revenues collected from all customers, appropriate capitalisation of DisCos, and prudent procurement.

- III. The Honourable Minister emphasized that the purpose of the NESI is to ensure that citizens can access power safely, reliably, and consistently and that it must remain committed to ensuring the achievement of these objectives:
  - a. NERC was tasked with ensuring fair play for consumers and providers within the sector.
  - b. The Honourable Minister reiterated that the Federal Government is committed to its responsibilities in the power sector, through policies such as the Power Sector Payment Assurance Guarantee to ensure liquidity stability in the sector so that generating companies are paid for their services.
  - c. He also stated that all stakeholders remain committed to their various roles in supplying and distributing power to ensure that the power sector functions effectively.
- IV. The Governor of Osun state acknowledged the gradual improvement of electricity supply especially in Osun State which hosts the National Control Centre.
- V. Acknowledged the importance of the Power Sector Recovery Plan as critical to ensuring accountability for losses, improving customer service, customer accessibility, safety, and performance in the sector.
- VI. Urged electricity customers to play their role in the success of the industry, through the timely payment of bills, ending the vandalism of power assets, and the assault of electricity workers who seek to install or read meters. Federal Government had started by the payment of an initial tranche of ₦374,551,000 to Abuja Electricity Distribution Company (AEDC) for outstanding MDA debts at the Federal Secretariat, Abuja.
- VII. The meeting received confirmation from Independent System Operator (ISO) that the intention of Paras Energy (a private generating company) to sell 60MW internationally

will not jeopardize the power purchased by the Nigerian Bulk Electricity Trader (NBET) for use in the domestic market.

- VIII. NDPHC provided updates on host community connections in Egbema, and announced significant progress on Oronta and Omotosho which were previously limited by funding challenges. Progress was also announced on reconnecting Magboro community, subject to safety checks by the Nigerian Electricity Management Services Agency (NEMSA). Olorunsogo Power also stated that funding of road repairs in the host community has also been approved.
- IX. TCN presented a report on the problem of unutilized load on the grid and committed working closely with the DisCos to eliminate the occurrence of the problem.
- X. Market Operator(TCN) announced a 9% improvement in energy delivered to DisCos from the Transmission Company of Nigeria for the month of February, as compared to January. Ikeja and Yola DisCos showed improved remittance to the Market Operator for services rendered in the month of February. The Market Operator encouraged sector participants to fulfil all their obligations to ensure the success of the Power Sector Recovery Plan.
- XI. NEMSA presented a report on its investigation of various customer complaints especially complaints related to the integrity of meters. The meeting acknowledged incidents of insider malpractice, and the negative impact on customers and agreed on the need for vigilance to eliminate such cases.
- XII. TCN presented a brief on ongoing works to address specific challenges and limitations around the country. TCN acknowledged the delay in replacing the damaged 60MVA transformer at Katampe which caused prolonged load shedding and poor service in parts of Maitama, Wuse II and Jabi in Abuja
- XIII. NERC reported on stakeholder performance for 2016. DisCos were ranked based on metering progress, NBET and MO remittance, amongst other indicators. Eko DisCo was ranked as the best performing Distribution Company, while Kaduna DisCo was ranked as the lowest. Okpai (Thermal Plant) and Jebba (Hydro Plants) were ranked as the best performing in their respective categories, based on indicators such as percentage availability and reporting compliance.