

Simplified Guides to Nigeria's Energy Access Policies

Curated by Clean Tech Incubation and Acceleration Foundation with the generous support of ALL ON





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ELIGIBLE CUSTOMER REGULATION, 2017

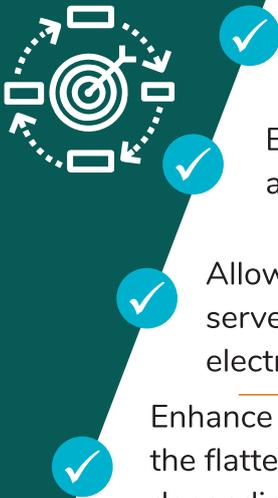


Executive Summary

The Eligible Customer Regulation permits electricity generation companies (GenCos) and Independent Power Producers (IPPs) to by-pass the Bulk Trader (the Nigerian Bulk Electricity Trading Plc (NBET)) and distribution companies (DisCos) and sell electricity directly to “Eligible Customers” as defined by the regulation.

 <p>Legal Foundation</p>	<p style="text-align: center;">EPSRA 2005</p> <p>The Minister may issue a directive to the Commission specifying the class or classes of end-use customers that, from time to time, shall constitute eligible customers under this Act.</p>
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Objectives

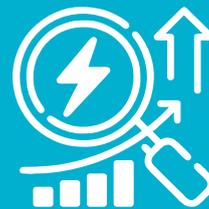
	<ul style="list-style-type: none"> Facilitate competition in the supply of electricity, promote the rapid expansion of generation capacity and opportunity for improvement in quality of supply. Encourage third party access to transmission and distribution infrastructure as a precursor to full retail competition in the Nigerian electricity market. Allow licensed generation companies with uncontracted capacity to access un-served and underserved customers thus improving the financial liquidity of the electricity industry. Enhance the stability and operational efficiency of generation companies arising from the flatter load profiles of Eligible Customers and possibly lower technical losses, depending on the required network interconnection.
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High electricity consumers	Independent Power Producers and Investors
Electricity generation companies	Electricity distribution companies

 <p>Implementation Status</p>	<p>As of August 2018, Mainstream Energy Solutions Limited (MESL), operator of the Kainji and Jebba hydropower plants, was delivering a cumulative 1,162.9MWH of electricity directly to several Eligible Customer firms.</p>
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REGULATION ON NATIONAL CONTENT DEVELOPMENT FOR THE POWER SECTOR, 2014



Executive Summary

The Regulation on National Content Development for the Power Sector aims to promote the deliberate utilization of local human workforce and material resources across the value chain of the Nigerian Electricity Supply Industry (NESI).



Legal Foundation

This is based on the powers conferred on NERC by the Electric Power Sector Reform Act (EPSRA) 2005



Objectives

The objectives of the regulations include:



Opening the NESI at all levels to involve Nigerian people and experts.



Deliberate use of Nigerian human and material resources, goods and services in the NESI.



Leveraging existing and future investment in the NESI to stimulate the growth of Nigerian and Nigeria-located enterprises.



Building capabilities in the country to support increased investment into the NESI.



Key Provisions

Minimum specification of Nigerian content

Incentives

Key provisions

Implementation strategy of the Regulations



Stakeholders

Electricity Generation Companies and Independent Power Producers

Electricity Distribution Companies and Independent Electricity Distribution Networks (IEDN)

All power sector contractors and private sector companies especially foreign companies operating in the Nigerian power sector

All licensees of NERC



Implementation Status

The implementation of the Regulations started in 2015 with the setting up of the NESI Nigerian Content Consultative Forum which ran from 2015 – 2018. The forum developed the schedule which was broken down into three sub-sectors: generation, transmission, distribution and requirement of labour.

MINI-GRID REGULATIONS

2016



 Executive Summary



24th of May 2017
NERC released the minigrid regulations 2016



The regulation oversees all aspects of mini-grid development in Nigeria.



100kw-1mw

The document governs the development of mini-grid electricity generation plants with capacity from 100kW to 1MW in Nigeria.

Enacted by the Nigerian Electricity Regulatory Commission (NERC)



Legal Foundation

Sections 96 (1) and 70 (8) of the Electric Power Sector Reform Act (EPSRA) 2005.

The key objectives of the Mini-Grid Regulation include:

-  Incentivizing mini-grid investments in Nigeria.
-  Simplifying the process for private sector participation in the mini grid sector of the Nigerian electricity market.
-  Increasing access to electricity in un-served and underserved parts of Nigeria.
-  Grid extension, and increasing profitability of loss making areas and wider coverage of paying customers
-  Encouraging the use of renewables on a small scale (particularly small hydro and solar).

Key Provisions

Types of mini-grids

Tariffs and charges

Key Stakeholders



Rural Electrification Agency



The Nigerian Electricity Regulatory Commission (NERC)



Mini-grid developers.



Electricity distribution companies.



Un-served and underserved communities in Nigeria.

Implementation Status

The Mini-Grid Regulations are implemented by NERC, with close to 40 mini-grids either registered or approved under the regulations. There are currently more developers operating via registrations rather than via permit. It takes about a month for a mini-grid registration to be approved

NATIONAL ENERGY EFFICIENCY ACTION PLAN, 2016



NEEAP for NREEEP

The NEEAP sets out the implementation strategy for the National Renewable Energy and Energy Efficiency Policy (NREEEP) (2015).

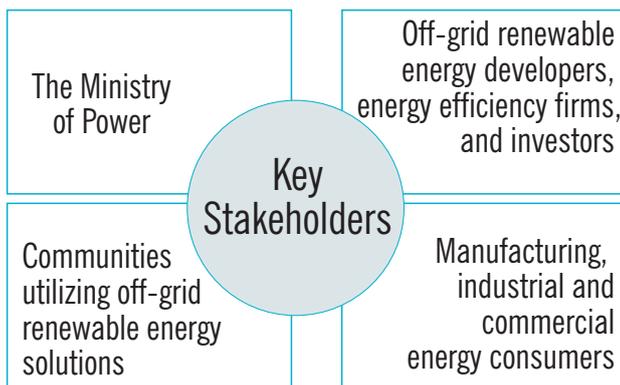
Policy Direction

It provides an overview on concrete policies to be implemented to achieve Nigeria's energy efficiency targets and the Sustainable Energy for All (SE4ALL) goals.

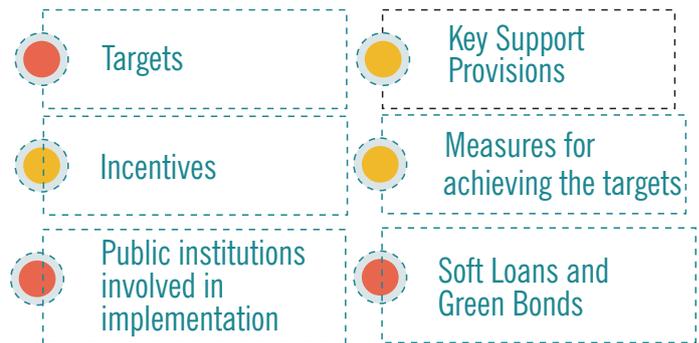


Legal Foundation

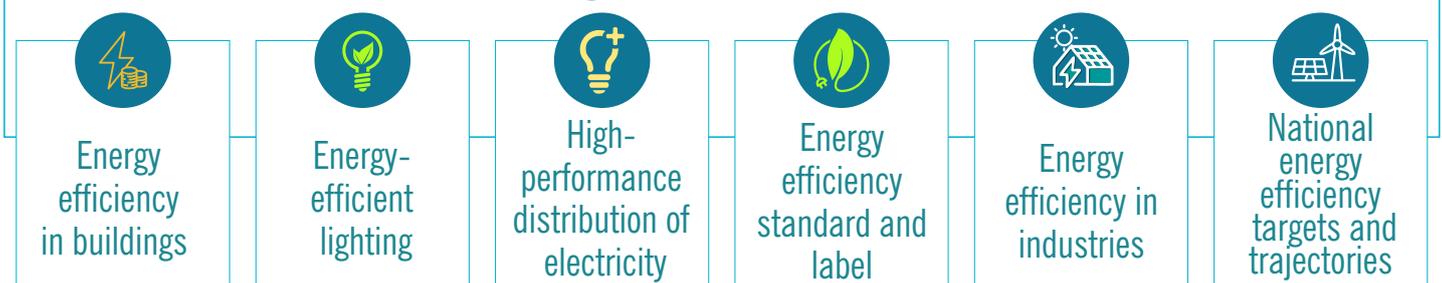
It currently provides the general framework for Nigeria's energy efficiency strategy with reference to other sector-specific energy efficiency related documents.



Key Provisions



Targets set for NEEAP



Implementation Status

There has been limited progress on the implementation of the NEEAP. The following have been successfully implemented:

- Development and adoption of Nigeria's first national building energy efficiency code.
- Implementation of a national program to implement an ISO compatible Energy Management Standard (EnMS) for industry (ISO 50001).
- Development and adoption of the Energy Guide Label.

NATIONAL POLICY ON CLIMATE CHANGE, 2013



Climate change strategy

The NPCC sets out Nigeria's response strategy to climate change and measures for the adoption of climate smart practices aimed at fostering sustainable development.

Response measures

It describes adaptation and mitigation measures in responding to the threat of climate change in the country

Legal Foundation



The NPCC is a policy document approved by the Nigerian Federal Executive Council (FEC) as the overarching national document for climate activities in Nigeria.

Key Provisions

The provisions of the policy cut across sectoral adaptation and mitigation approaches; policy response approaches; strategic action pillars and key implementing measures.



Implementation Status Specific to Off-Grid Renewable Energy



Diversification of Nigeria's energy mix



Issuance of foreign green bond



Development of professional and technical courses on renewable energy

NATIONAL RENEWABLE ENERGY ACTION PLAN, 2016



Implementation strategy

The NREAP sets out the implementation strategy for the National Renewable Energy and Energy Efficiency Policy

Policy Direction

It provides an overview on concrete policy and measures to be implemented to achieve Nigeria's renewable energy targets



Legal Foundation

NREAP is a supporting strategy document to the NREEEP

The NREAP is a supporting strategy document to the NREEEP and guides its implementation. It currently provides the general framework for Nigeria's energy efficiency strategy with reference to other sector specific renewable energy related documents.

The Ministry of Power

Off-grid renewable energy developers, energy efficiency firms, and investors

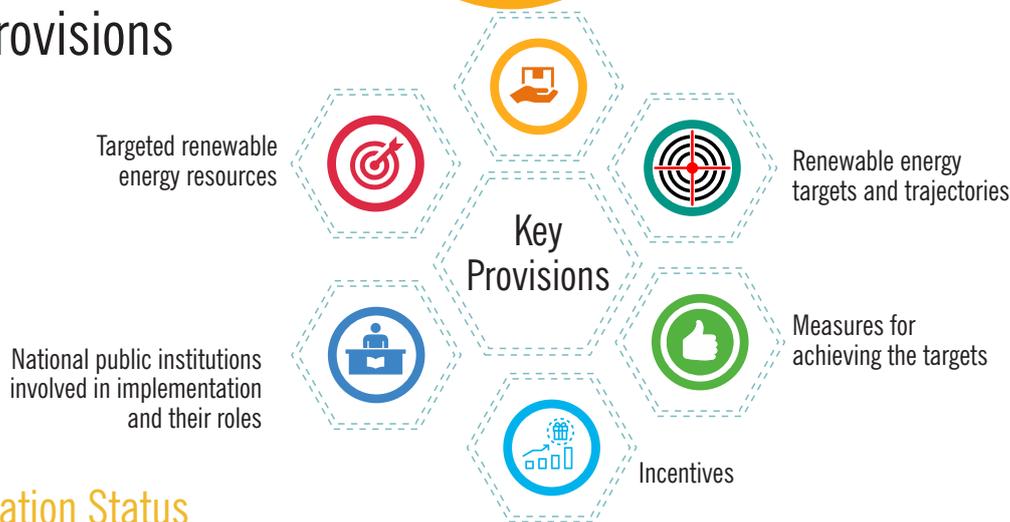


Stakeholders

Manufacturing, industrial and commercial energy consumers

Communities utilizing off-grid renewable energy solutions

Key provisions



Implementation Status

Projects	Signing of 14 power purchase agreements for utility-scale solar PV plants for a total generating capacity of 1,075MW
Regulatory	Approval of feed-in tariff regulations
Capacity building	Development of professional and technical courses on renewable energy and energy efficiency
Finance	Soft Loans and Green Bond

NATIONAL RENEWABLE ENERGY ENERGY EFFICIENCY POLICY, 2016



Executive Summary

The NREEEP sets out the Nigerian government's blueprint to increasingly harness the country's renewable energy and energy efficiency resources in driving sustainable development across the country. Developed in line with the country's national energy policy, the NREEEP outlines the government's programs and measures for deploying renewable energy and energy efficiency technologies and practices towards facilitating Nigeria's green transition.

Legal Foundation



The NREEEP is a policy document approved by the Federal Executive Council (FEC) and forms the overarching policy on renewable energy and energy efficiency in Nigeria.

Objectives

1

Guarantee of adequate, reliable, affordable, equitable and sustainable supply of renewable energy at cost-reflective and appropriate prices, as well as in an environmentally friendly manner

2

Promotion of investments for the renewable energy and energy efficiency sector

3

Provision of abundant electricity access to Nigerians, including more sustainable provisions for domestic use and cooking.

4

Establishment of appropriate financing mechanisms that support private investment in the renewable energy and energy efficiency sub-sectors

Key Provisions

1

Target renewable energy resources

2

Targets/milestones and timelines

3

Incentives

4

Key strategies and provisions

5

Stakeholders in implementation and their roles

Implementation Status

Adoption of action plans for renewable energy and energy efficiency

Adoption of feed-in tariff regulations and mini-grid regulations

NIGERIA'S NATIONALLY DETERMINED CONTRIBUTION, 2015



Executive Summary



NDC shows its global commitment towards embracing sustainable development measures that limit the rate of global warming and negative impacts of climate change.



It shows the country's climate targets and measures to be adopted in actualizing them.

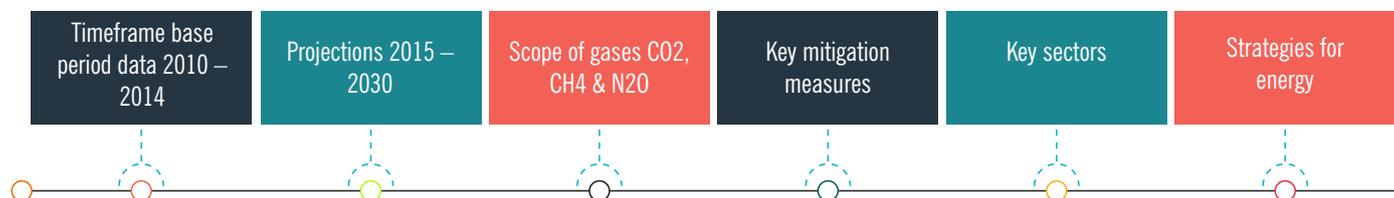
Legal Foundation



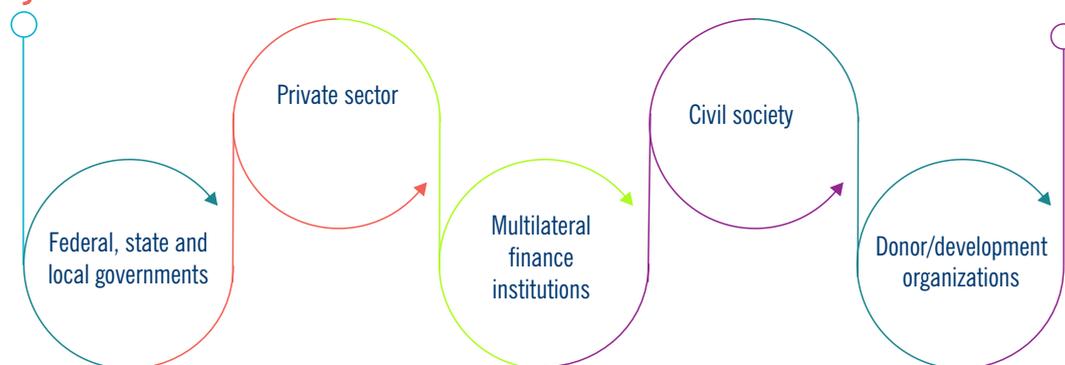
Nigeria's NDC is a voluntary climate action based on its national circumstances and priorities, and is not legally binding

However, some components have legally binding obligations such as regularly communicating and maintaining the NDC, pursuing domestic mitigation measures, and regularly providing information on the country's national inventory of emissions. The achievement of the NDC is not a legally binding obligation, but necessary for the implementation of the Paris Agreement.

Key Provisions



Key Stakeholders



Implementation Status

Specific to energy, the NDC emphasizes the following in implementation:



RURAL ELECTRIFICATION STRATEGY AND IMPLEMENTATION PLAN, 2016



Executive Summary



(RESIP) developed in line with the Federal Government's plan for rural electrification provides the implementation framework and measures for driving rural electrification across the country through on and off-grid energy solutions.



Section 88 of the Electric Power Sector Reform Act

RESIP was developed as set out in Section 88 of the Electric Power Sector Reform Act (2005) which mandates the establishment of the Rural Electrification Agency (REA), and a Rural Electrification Strategy and Plan.

Objectives

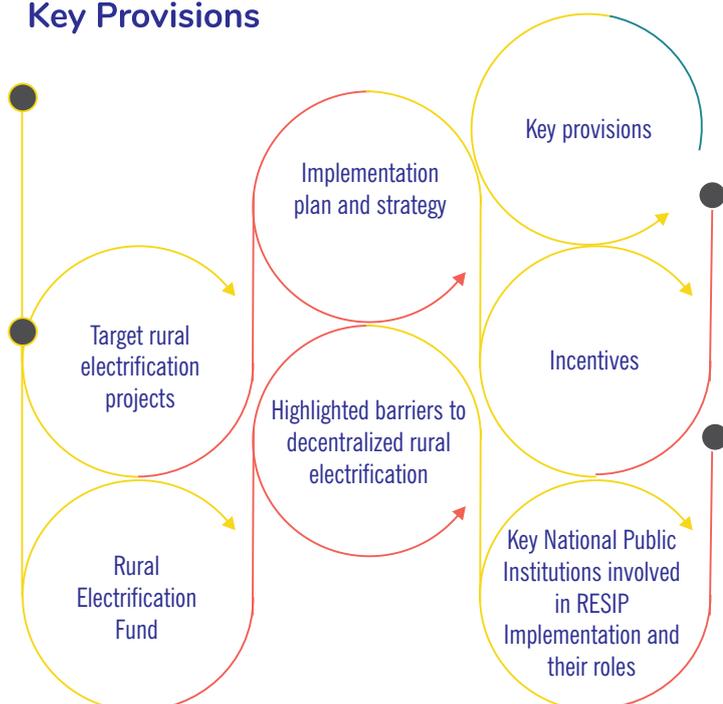
Promote economic and social activities in different sectors of the economy

Improve standard of living of rural population

Promote the use of affordable clean energy appliances to reduce hard monotonous routine work typically allocated to women

Encourage the adoption of clean energy to protect national health and environment

Key Provisions



Implementation Status

The key provisions of RESIP have been implemented significantly by the current administration of the Rural Electrification Agency (REA). This include

Setting up of the Rural Electrification Fund

Inclusion of mini-grids and stand-alone systems in the rural electrification mix

SUSTAINABLE ENERGY FOR ALL

ACTION AGENDA, 2016



SE4ALL

The Nigerian Government had earlier demonstrated its commitment to the Initiative by launching the SE4ALL program in Nigeria in August 2012.

UNGA

The SE4All initiative also supports the 2014-2024 Decade of Sustainable Energy for All, as declared by the UN General Assembly



Legal Foundation

Section 88 of the Electric Power Sector Reform Act

Nigeria's Sustainable Energy for All Initiative Action Agenda is the country's implementation document for the global Sustainable Energy for All. It shows Nigeria's commitment towards global sustainable development, and links to the country's policy and regulatory documents on sustainable energy

Key Provisions

2030 Targets – energy access, energy efficiency, renewable energy, access to electricity, and clean cookstoves

Existing gaps – electricity access, renewable energy and energy efficiency

Overview of Measures – Energy Access, Renewable Energy, & Energy Efficiency

Incentives

Overall measures for implementing the agenda

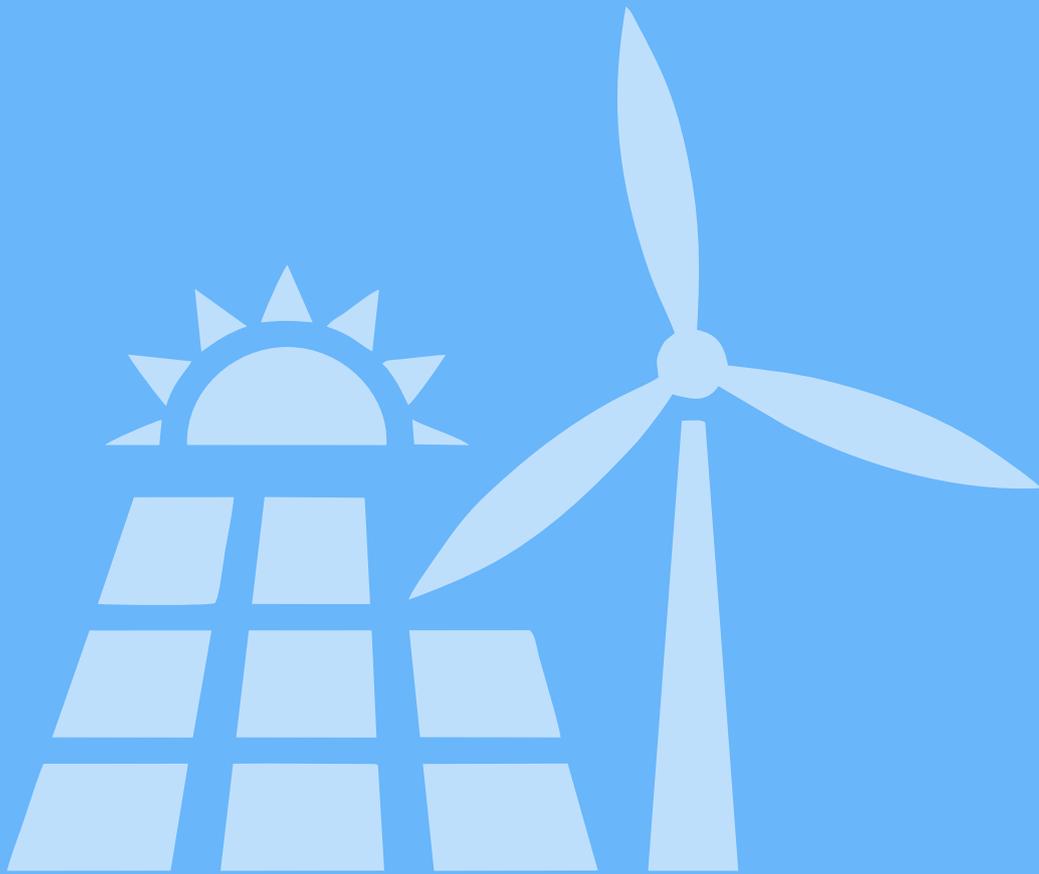
Role of Stakeholders involved in SE4ALL-AA Implementation

Implementation Status

A number of measures under the SE4ALL Action Agenda have been implemented or are undergoing implementation, including:

- The Rural Electrification Strategic Implementation Plan (RESIP) has been developed and is currently being implemented.
- Nigeria's first national building energy efficiency code has been developed and adopted.
- A national program to implement an ISO compatible Energy Management Standard (EnMS) for industry (ISO 50001) is being implemented by the Standards Organization of Nigeria.





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