



Clean Technology Hub
energy Innovation centre



NERC FIRST QUARTER 2022

Report Summary 11



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Curated by Clean Technology Hub

The Nigerian Electricity Regulatory Commission (NERC or the Commission), in line with the mandates enshrined in the Electric Power Sector Reform Act (EPSRA) 2004, has continued to perform its function of regulating the technical, operational, and commercial performance of the Nigerian Electricity Supply Industry (NESI). Through this regulatory oversight function, the Commission ensures the implementation of regulatory interventions to deliver first-rate services to electricity consumers.¹

The Nigerian Electricity Regulatory Commission released its quarterly report for 1st Quarter, 2022. The Report analyzes the state of the Nigerian Electricity Supply Industry (NESI) covering the operational and commercial performance, regulatory functions, and consumer affairs amongst others. Here are a few highlights:

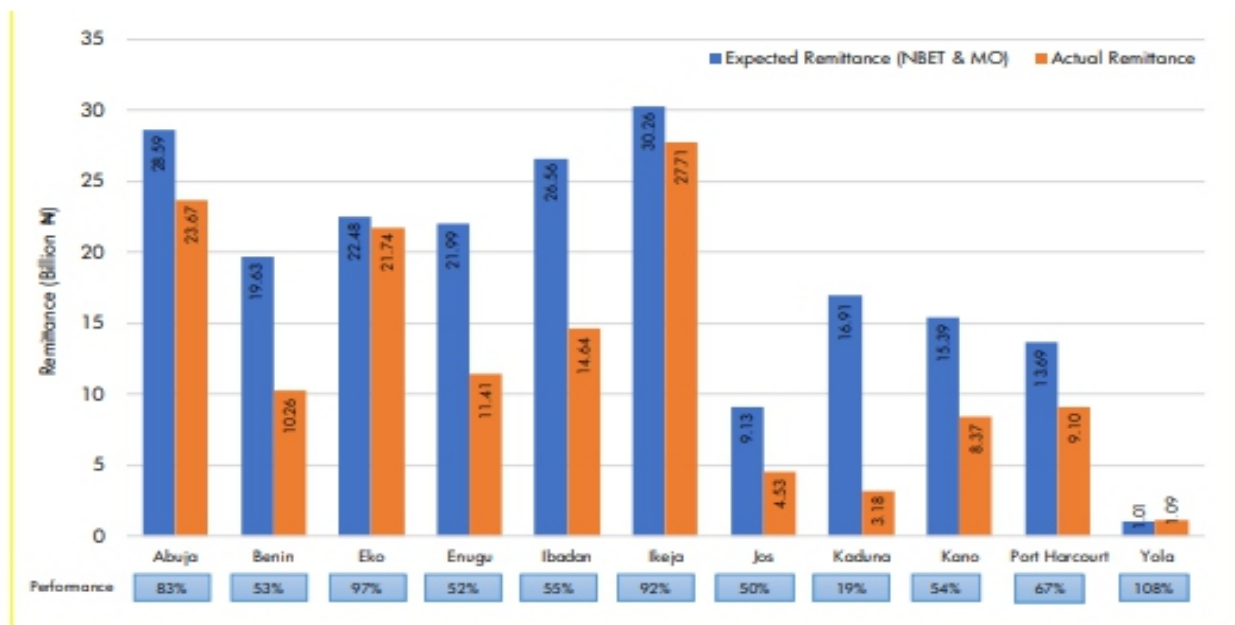
- From the twenty-six (26) grid-connected power stations in 2022/Q1, the average available generation capacity during the quarter was 4,712.34MW representing a 13.78% decrease (-753.38MW) compared to 5,465.72MW recorded in 2021/Q4.



¹ NERC (2022). Quarterly Report: First Quarter 2022. Abuja: Nigerian Electricity Regulatory Commission (NERC). Available at <http://ow.ly/hlCL5oMmev3>.

Image 1: Available Generation Capacity (October 2021-March 2022).²

- In terms of grid performance, in 2022/Q1, the system frequency was outside the normal operating limits (+/- 0.5%), resulting in two grid collapses within the quarter. According to the report, continuous operation at these levels could have detrimental impacts on the overall health and reliability of the grid in the short and long term.
- The total energy received by all DisCos in 2022/Q1 was 7,300.05GWh while the energy billed to the end-use customers was 5,649.21GWh representing a loss of about 1,650.84GWh. This indicates an average billing efficiency of 77.38%
- The total revenue collected by all DisCos in 2022/Q1 was ₦199.90 billion out of ₦295.69 billion billed to customers (a 67.36% collection efficiency). Aside from the technical losses due to infrastructure degradation, there is a huge shortfall between energy received, energy billed for, and energy paid for. From the foregoing, all DisCos did not meet their allowed Aggregate Technical and Commercial Collection (ATC&C) loss targets as specified in the Multi-Year Tariff Order (MYTO – billing mechanism). This poses an enormous threat on the ability of Discos to meet their market obligations to Nigerian Bulk Electricity Trading (NBET) Company.



² p. 8.

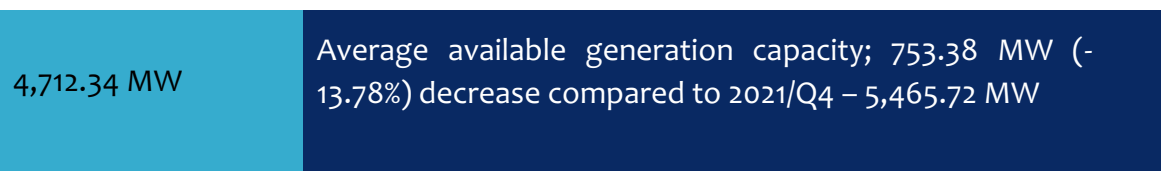
Image 2: DisCo invoices and remittances in 2022/Q1.³

- For metering, out of 12,542,581 registered energy customers as at March 2022, only 4,740,114 (37.79%) have been metered. To begin with, the number of registered energy customers is a far cry from what is expected given the country's population of over 200 million people. And, about 60% of the registered consumers are still subject to estimated billing.



Image 3: Status of Customer metering as at March 2022.⁴

- The Commission approved three (3) Mini-grid permits (to produce a capacity of 397kW in total) and thirty-eight (38) registration certificates (to produce 3.9MW in capacity in total) in 2022/Q1.⁵



³ p. 12.

⁴ p. 14.

⁵ NERC (2022). *Quarterly Report: First Quarter 2022*. Abuja: Nigerian Electricity Regulatory Commission (NERC). Available at <http://ow.ly/hlCL5oMmev3>.

8,848.04 GWh	Total quarterly energy generation; 632.17 GWh (-6.67%) decrease compared to 2021/Q4 – 9,480.21 GWh
4,103.44 MWh/h	Average hourly generation; 190.58 MWh/h (-4.44%) decrease compared to 2021/Q4 – 4,294.02 MWh/h
87.02%	Load Factor; 8.47 pp increase compared to 2021/Q4 – 78.55%
26.56%	Share of hydropower plants in the energy mix; 1.39 pp decrease compared to 2021/Q4 –27.95%
8.02%	Transmission Loss Factor; 2021/Q4 = 8.20%, 0.19 pp decrease compared 8.02% in 2021/Q4. MYTO allowance = 7.50%
7,300.76 GWh	Total energy received by the DisCos; 611.29 GWh (- 7.73%) decrease compared to 2021/Q4 – 7,912.05 GWh
5,649.21 GWh	Energy billed; 408.57 GWh (6.74%) decrease compared to 2021/Q4 —6,057.78 GWh
₦199.90 billion	Total revenue collected by the Discos (4.89% decrease compared to 2021/Q4 – ₦210.17 billion)
77.38%	Billing efficiency (0.82 pp increase compared to 2021/Q4 —76.56%)
67.36%	Collection efficiency (1.98 pp decrease compared to 2021/Q4 —69.34%).
547.88%	Aggregate Technical, Commercial and Collection Losses (0.97 pp increase compared to 2021/Q4 —46.91%)
₦ 205.63 billion	Combined invoice from NBET (MRT adjusted) and MO to DisCos (2.41% decrease compared to 2021/Q4 – ₦210.72 billion)

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₦135.69 billion	Total amount remitted by DisCos (9.04% decrease compared to 2021/Q4 – ₦149.19 billion)
65.99%	Discos' average remittance performance (4.81 pp decrease compared to 2021/Q4 —70.80%)
85,510	Number of new meters installed (6.92% increase compared to 2021/Q4 – 79,978)
94.70%	Average DisCo complaint resolution rate (0.69 pp decrease compared to 2021/Q4 – 95.39%)
70.78%	Forum Office complaint resolution rate (1.43 pp increase compared to 2021/Q4 —69.35%)
37	Number of fatalities (6 more death compared to 2021/Q4 – 31)
18	Number of injuries (9 more injuries compared to 2021/Q4 —9)
₦3.59 billion	Total revenue realized by the Commission (49.95% decrease compared to 2021/Q4 – ₦7.16 billion)
₦1.45 billion	Total expenditure by the Commission (41.28% decrease compared to 2021/Q4 – ₦2.47billion) ⁶

⁶ NESI Performance Key Facts of 2022/Q1. NERC, Quarterly Report, p. 17-18.