Clean Technology Hub
Energy Innovation Centre

Which Nigerian states have Enacted Electricity Laws?

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Background

The Federal Government of Nigeria (FGN) has spent over two decades attempting to overcome Nigeria's energy deficit by electrifying populations that lack electricity access and improving electricity supply to those connected to the national grid. Despite multiple reforms and the investment of over 6.7 trillion naira between 1999 and 2022,[1] over 85 million Nigerians continue to lack access to electricity and up to 31 million Nigerians live under the grid (connected to the national grid but receive little to no electricity from it).[2] The national grid has an installed capacity of over 16,300 MW (which is well below the 2001 goal of 40,000 MW by 2020) with a record available power generation of only 6,003 MW, which covers only 9.7% of national electricity demand.[3] The country has also experienced partial or total collapse 557 times between 1999 and 2024 (an average of 21 times annually or nearly twice monthly).[4]

- **Over 85 million Nigerians lack electricity, despite ₦6.7 trillion spent between 1999 and 2022.**
- **The national grid has collapsed 557 times, and current power generation meets only 9.7% of demand.**

[1] Adankin, O. (14 October). INVESTIGATION: Jonathan, Buhari spent N1.164 trillion on power in 8 years, yet Nigeria remains in darkness. PremiumTimes. https://www.premiumtimesng.com/investigationspecial-reports/357448-investigation-jonathan-buhari-spent-n1-164-trillion-on-power-in-8-years-yet-nigeria-remains-in-darkness.html?tztc=1. Oyedeji, O. (21 May 2023). Nigeria power expenditure shows money alone won't solve electricity problem. *Dataphyte*. https://dataphyte.com/latest-reports/nigerias-power-expenditure-shows-money-alone-wont-solve-electricity-problem/.

[2] Bjerde, A. (29 February 2024). Lighting up Africa: Nigeria can show the way. World Bank Blogs. https://blogs.worldbank.org/en/africacan/lighting-up-africa-nigeria-can-show-the-way#:~:text=In%20Nigeria%20alone%2C%20over%2085,Nigerians—%20are%20deprived%20of%20electricity.. Leo, B., Kalow, J., & Morello, R. (30 July 2015). Living "Under the Grid" in Nigeria - New Estimates. *Center for Global Development*. https://www.cgdev.org/blog/living-under-grid-nigeria-new-estimates#:~:text=Top-Line%20Estimate%3A%20There%20could,%2C%20poorest%20or%20poorer%20categories.

[3] USAID, (2021). Nigeria Power Africa Fact Sheet. https://www.usaid.gov/powerafrica/nigeria. Egboboh, C. (5 March 2025). Roy, P., Iwuamadi, K.C., & Ibrahim, J. (2020). Breaking the cycle of corruption in Nigeria's electricity sector: a political settlements analysis. Working Paper 020. London: Anti-Corruption Evidence. https://ace.soas.ac.uk/publication/breaking-the-cycle-of-corruption-in-nigerias-electricity-sector-a-political-settlements-analysis/. Nigeria's power generation hits of 6003MW. *BusinessDay*. https://businessday.ng/energy/article/nigerias-power-generation-hits-of-6003mw/#google_vignette. Akanonu, P. (2019). How big is Nigeria's power demand?. *Energy for Growth Hub*. https://energyforgrowth.org/wp-content/uploads/2019/11/How-big-is-Nigerias-power-demand-2.pdf.

[4] Akinloye B.O., Oshevire, P.O., & Epemu, A.M. (2016). Evaluation Of System Collapse Incidences On The Nigeria Power System. *Journal of Multidisciplinary Engineering Science and Technology*, 3(1): 3703-3711. Akpobome, P. (12 November 2024). Endless collapse of Nigeria's national grid. *The Nigerian Observer*. https://nigerianobservernews.com/2024/11/endless-collapse-of-nigerias-national-grid/#:~:text=Data%20showed%20that%20under%20President,2023%2C%20it%20collapsed%2014%20times.

In light of these persistent challenges, the Electricity Act 2023 was put in place and provides state governments with the power over electricity generation, transmission and distribution within their borders. Several states have enacted electricity laws and set up regulatory institutions. Consequently, as of January 2025, the National Electricity Regulatory Commission (NERC) had commenced the transfer of regulatory oversight to ten states and fully transferred oversight to five states (Enugu, Ekiti, Ondo, Imo and Enugu).

This technical brief presents some data on the number of states that have enacted their electricity laws as of March 2025. It also highlights some challenges that need to be overcome, and some recommendations for doing so.

States and Electricity Laws

20 states (56%) have enacted electricity laws that provide the legal framework for their intended electricity market interventions (Figure 7). 8 states (22%) have electricity bills in the State House of Assembly, while the remaining 8 states have not introduced electricity bills.

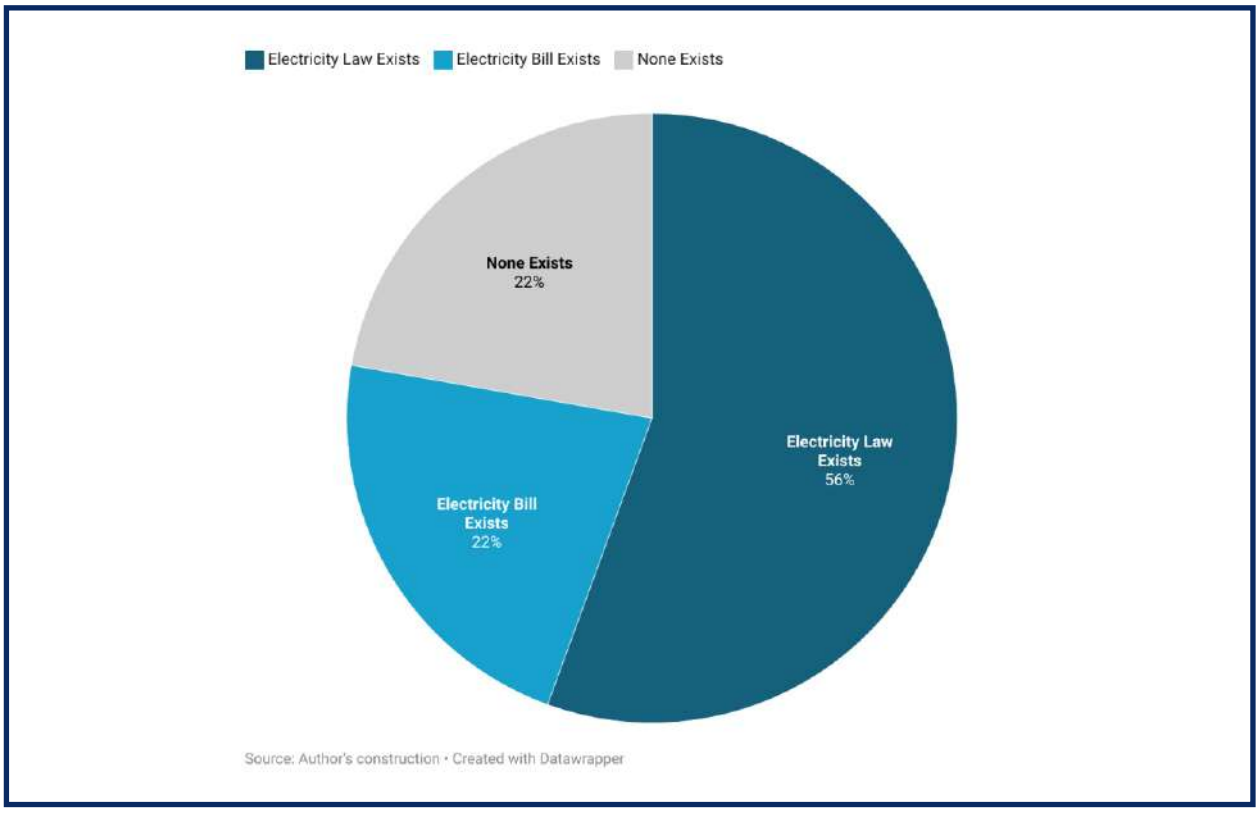
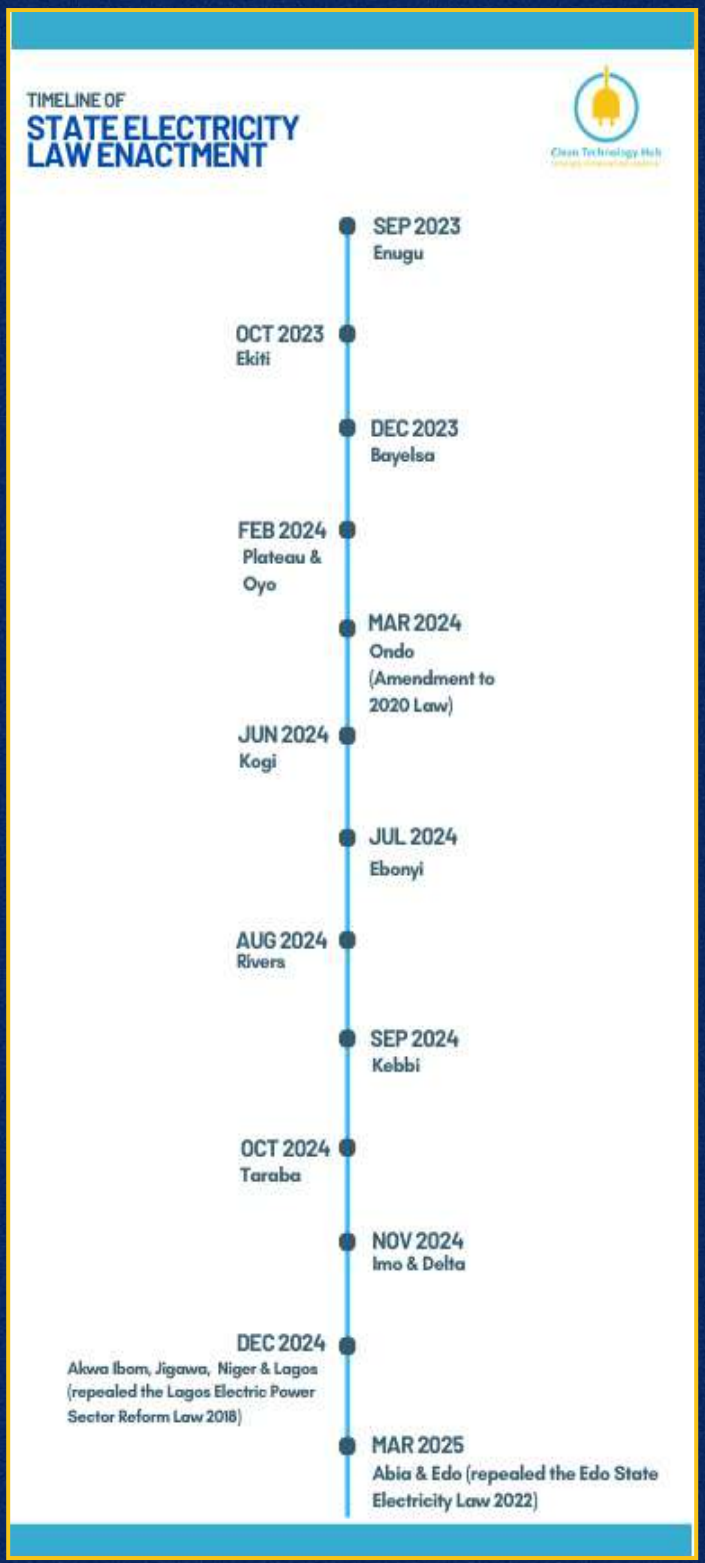


Figure 1: Percentage of states that have enacted electricity laws or have introduced electricity bills



Among these 20 states that have enacted electricity laws, 3 (15%) most passed their laws in 2023, 14 (75%) passed in 2024, and 2 (10%) passed their laws in 2025.

Across the states that have enacted electricity laws, the common stock of institutions established in a state are a state electricity regulatory commission (in Ondo's case, an Ondo State Electricity Regulatory Bureau or, in Akwa Ibom's case, and Akwa Ibom State Electricity Regulatory Board), a State Electrification Agency (which administers a State Electrification Fund) and a State Electricity Transmission Company. The incumbent distribution company (DisCos) is meant to create a subsidiary (SubCo) to handle the state's distribution segment. The state electricity regulatory commission will regulate this SubCo.

The electricity regulatory commissions oversee the entire state electricity market, with oversight covering licensing, tariff setting, consumer protection, compliance and enforcement standards, technical standards and safety, market rules and competition, renewable energy and environmental regulations, regulatory reporting and compliance monitoring, and regulatory advisory guidelines.

The state Ministry of Energy may retain powers to set overarching policies and policy targets, as in the case of Lagos State, where the Ministry of Energy and Mineral Resources was tasked with developing the Lagos Integrated Electricity Policy and Strategic Implementation Plan within six months of passage of the Lagos State Electricity Law 2024.[5]

The progress in enacting electricity laws differs by geopolitical zone. If having an electricity law or at least a bill in progress is considered, the worst-performing geopolitical zone is the North West, where only 29% of states in the zone have either enacted electricity laws or introduced electricity bills. The best performers are the South West and South South, although 100% of southern states generally have either enacted electricity laws or introduced electricity bills.

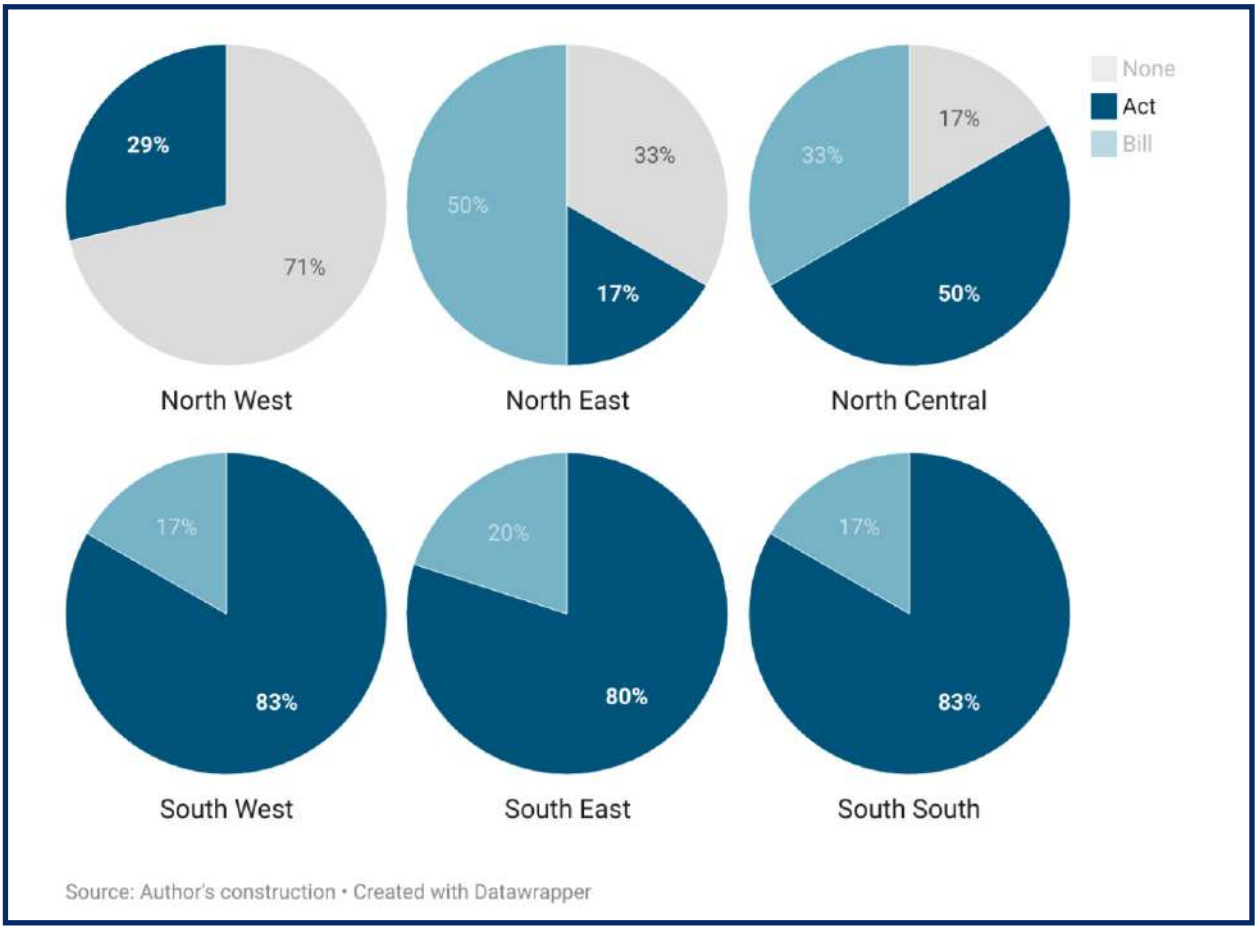


Figure 2: Percentage of states in each region by status of electricity law or bill

[5] Anderson (17 December 2024). The Lagos State Electricity Law 2024: Unlocking Innovation and Investment Opportunities in the Lagos Electricity Market. ttps://ng.andersen.com/the-lagos-state-electricity-law-2024-unlocking-innovation-and-investment-opportunities-in-the-lagos-electricity-market/.

As depicted in Figure 3 below, 82% of southern states have enacted electricity laws, with the exceptions being Osun, Anambra and Cross River. In contrast, only 32% of northern states have enacted electricity laws, with another 26% in the process of doing so within the state legislature.

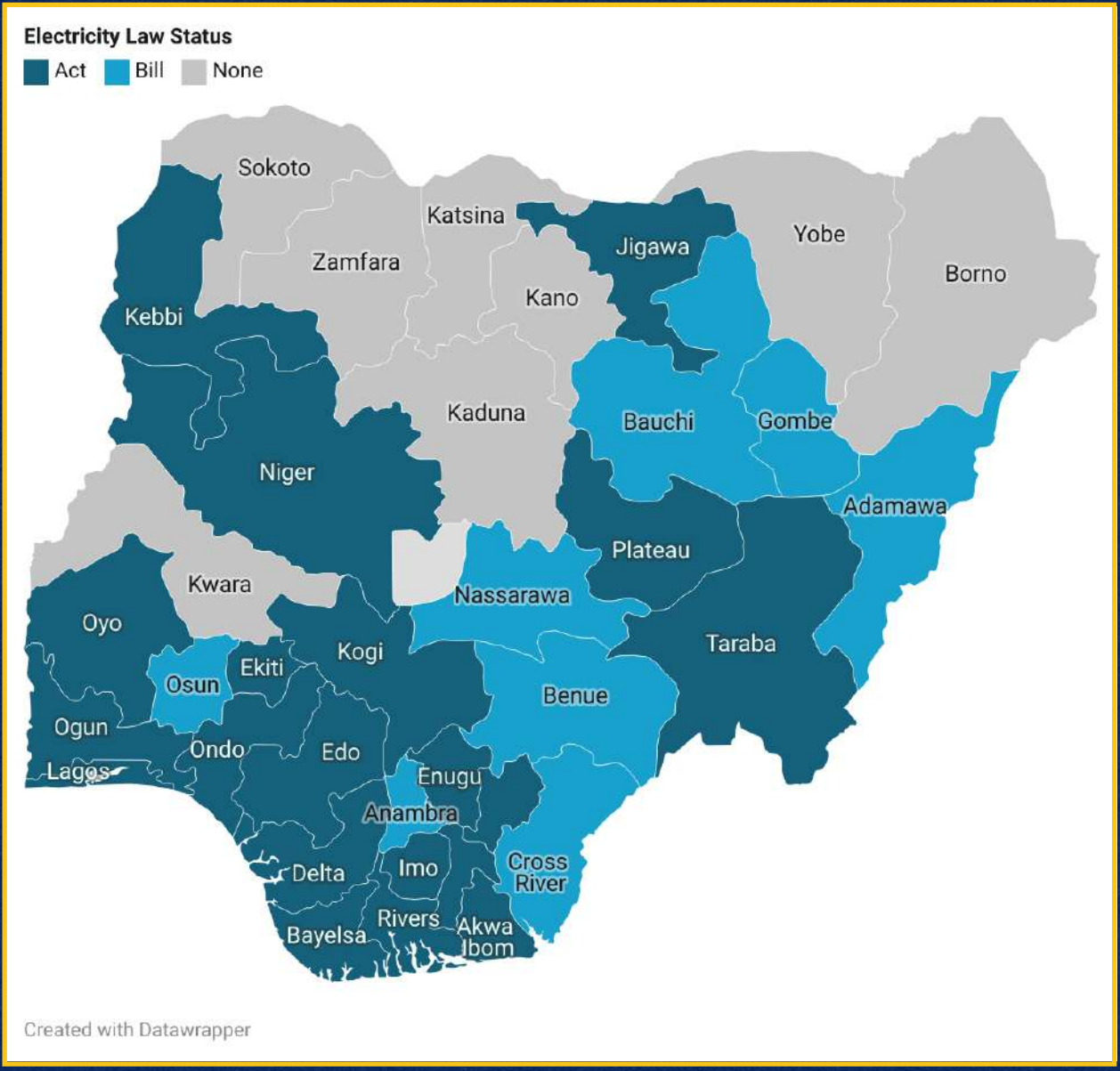


Figure 3: Location of states with electricity laws and bills

Key Challenges

The enactment of an electricity law, creation of electricity sector institutions, and transfer of regulatory oversight from NERC to state electricity regulatory commissions is only the first step in electricity sector governance. Several challenges exist in the availability of legal, regulatory and policy documents, as well as their content and application.

-  **Document Availability:**

  A key challenge is that most states do not publish their laws and policies on the internet, and there is currently no digital repository of these documents available online. Despite the fact that many state electricity regulatory agencies have set up websites, most have not emulated the National Electricity Regulatory Commission (NERC) in warehousing relevant documents on their websites. For example, the Edo State Electricity Regulatory Commission (EDERC) has a website, but does not hold the key electricity sector laws, regulations and policies of the state. The last news entry on the website was made eight months ago.[6]

-  **Simplified Summaries:**

  In addition to the unavailability of key sector documents online, there are presently no simplified summaries of these documents (for citizens, investors and companies). While such simplified summaries have been published for national laws, regulations and policies,[7] summaries of state-level policies have not been undertaken, save for a few reviews.[8]

-  **State Electricity Regulatory Commission Performance:**

  Informal engagement with some mini-grid developers suggests that there are already a few difficulties emerging with state electricity market governance. Some developers report that the electricity regulatory commission/board in some states

[6] https://erc.edostate.gov.ng/news/. As of 19 March 2025.
[7] Clean Technology Hub has published simplified summaries of many national laws and policies, including the National Policy on Climate Change (NPCC), 2013; Regulation on National Content Development for the Power Sector, 2014; Nigeria's Nationally Determined Contribution (NNDC), 2015; National Renewable Energy Action Plan (NREAP), (2015-2030); National Renewable Energy and Energy Efficiency Policy (NREEEP), 2015; Eligible Customer Regulations, 2017; Regulation for Mini-Grids, 2016; and Rural Electrification Strategy And Implementation Plan (RESIP), 2016.
[8] Sunmola, A., & Okoro, C. (2024). The Lagos State Electricity Law, 2024: A Synopsis. Lagos: Udo Udoma & Belo-Osagie. https://uubo.org/wp-content/uploads/2024/12/Article-The-Lagos-State-Electricity-LawFinal-Version.pdf.

are making mini-grid regulations more difficult for developers than is the case with the Nigerian Electricity Regulatory Commission (NERC), which operates at the federal level. Whereas obtaining a mini-grid permit from NERC is a one-off exercise, one state is known for placing a one-year validity on mini-grid permits. Another complaint by mini-grid developers is that spurious fees and fines are being imposed on developers, which, in combination with the requirement for annual renewal of permits, suggests that state electricity boards are viewing the mini-grid sector first as a revenue generation source, rather than primarily as a means of fostering electricity access.

Conclusion and Recommendations

To address the identified challenges, the following recommendations are made to policymakers, development partners and researchers:

-  **Accessibility:**

  An online repository should be established, where electricity laws, regulations and policy documents are housed, to make it easier for industry practitioners, project developers, potential investors and the general public to find information. In addition, simplified versions of these documents should be available to enhance public knowledge of the contents of these documents.

-  **Ranking and Indexing:**

  Given the northern underperformance in enacting electricity laws, there needs to be in-depth research to assess the readiness of state governments to drive electrification. Nigeria's states vary in geographical and population size and density, terrain, optimal electrification technology mix, budgetary size, fiscal sustainability, institutional capacity and market conditions. Understanding how the most important factors affect the drive of state governments to undertake electrification efforts and the likelihood of effectiveness of these efforts is critical for a wide range of stakeholders, from power companies and investors to development partners and federal power sector institutions.

- **Uniformity:**

  Variation in institutional capacity, fiscal capacity and political economy of states suggests that electricity market players may experience wide variation in state regulatory practices. Key players need to come together (possibly under the aegis of the Forum of State Commissioners of Power and Energy in Nigeria), develop best practice frameworks, and advocate for state government actors to sign onto such frameworks voluntarily.

- **Further Research:**

  As more market players garner experience in operating within each state's electricity market, researchers would need to incorporate experiential data in assessing each state's quality of electricity market. This would help to better understand the drivers of improper behaviour by state electricity governance institutions, the adaptive measures taken by market operators, and the impacts of various reforms and practices on different stakeholders.