

# Communiqué

Issued at the end of the 29<sup>th</sup> monthly meeting of the Honourable Minister of Power, Works and Housing with operators of the Power Sector, held on August 13, 2016 at Idris Kutigi International Conference Centre, Minna, Niger State.

The Honourable Minister of Power, Works and Housing, Babatunde Raji Fashola (SAN) chaired the twenty-ninth monthly meeting of operators in the electricity industry in furtherance to identifying, discussing and finding practical solutions to issues facing the Nigerian Electricity Supply Industry. The Executive Governor of Niger State was represented by the Hon. Commissioner Energy Resources, Niger State, Hon. Ibrahim Balarabe. The meeting was hosted by Mainstream Energy Services Ltd the concessionaire of Kainji and Jebba Hydro Power Plants on the national grid.

The operators were fully represented at the highest executive management levels, including Managing Directors and representatives 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), Nigerian Bulk Electricity Trader (NBET), the Nigerian Electricity Regulatory Commission (NERC) and Nigerian Electricity Management Services Agency (NEMSA) responsible for the regulation and development of the electricity industry.

The meeting deliberated on various issues and agreed as follows:

- i. Mainstream Energy informed that since taking over they have increased generation capacity from 542MW to 922MW with plan to increase to

1,300MW. Mainstream also announced its commitment of funding for Mainstream Foundation as its corporate social responsibility initiative.

- ii. Noted progress on the Meter Asset Provider (MAP) as a way to attract investment to support the DisCos to meter customers;
- iii. Noted that the current pressing challenges of the industry are on distribution infrastructure expansion and supply of meter, though challenges on generation and transmission remain;
- iv. That the Generating Companies (GenCos) should assist in harmonizing invoices of gas suppliers to resolve payment issues in the value chain;
- v. Noted that recovery of payments by GenCos have increased from 20% to 80%; and power supply capacity has improved from **4,000MW** to **7,000MW** since the implementation of the ₦701billion Payment Assurance Facility (PAF) began in Y2017;
- vi. That five (5) industrial customers are now benefitting from the Eligible Customer regulation and taking their power directly from Mainstream Energy Ltd; and paying their invoices for gas and transmission 100% which is good for the industry;
- vii. Acknowledged the desire by twenty-six (26) industrial customers seeking to benefit from the policy of Eligible Customers;
- viii. Commended NDPHC for completing the following projects:
  - a) 2x15MVA, 33/11kV Injection Substation at Okene;
  - b) 2x7.5MVA, 33/11kV Substation at Kabba;
  - c) 2x15MVA, 33/11KV at Confluence Beach; &
  - d) 1x7.5MVA, 33/11KV at Felele all in Kogi State.
- ix. Acknowledged that the Federal Government directed the Nigeria Electricity Regulatory Commission (NERC) to work out and implement Competition

- Transition Charges as provided by Law, to allay DisCos' fears of loss of revenue from various policies of Government;
- x. Encouraged State Government to work with the DisCos to improve power supply in their respective states;
  - xi. Noted that fifteen (15) markets such as Ariaria (with 37,000 shops), Sabon Gari (with 13,000 shops) and Sura markets (with 1000 shops) in Aba, Kano and Lagos respectively as flagships of Mini Grid Regulation to deliver environmentally friendly power to underserved customers;
  - xii. Identified six (6) hydro dams to be concessioned to private operators to build, operate, and transfer to improve delivery of power to Nigerian households;
  - xiii. Noted TCN expansion of transmission capacity at Bida from 30MVA to 60MVA as well as Suleja, Minna and Kontagora;
  - xiv. The meeting directed that TCN, AEDC, Niger State Government and the Ministry constitute a committee to work out ways of maximizing the use of the added capacity in Niger State to improve power supply to its residents;
  - xv. Noted the commitment of TCN to expand overloaded transmission capacity at Teginia;
  - xvi. Accepted the report of Benin DisCo and the Ministry for ongoing efforts to resolve service problem in Ondo State. 36 Communities previously without supply have been reconnected. 19 communities remain unconnected due to infrastructure that must be replaced at a cost ₦390million, and outstanding debts of N280million;
  - xvii. The Honourable Minister in conclusion directed that NERC as the regulator should take over the organization and conduct of the monthly meeting and that the Ministry should be represented and continue its oversight, policy and directional role.