

Some Key Events in the Nigerian Power Sector in 2021

1. Meter Asset Provider and National Mass Metering Regulations: In August 2021, the Nigerian Electricity Regulatory Commission (the “NERC”) issued the Meter Asset Provider and National Mass Metering Regulations as an amendment to the NERC Meter Asset Provider Regulation, 2018. The objective of this regulation is to provide guidelines for the provision of meters to customers of successor electricity distribution licences in order to close the metering gap and eliminate the prevalent practice of estimated billing in the Nigerian electricity supply industry.
2. Completion of the First Phase of the National Mass Metering Programme: The first phase (phase zero) of the National Mass Metering Programme (“NMMP”) flagged off by the Federal Government on October 30, 2020 was completed in 2021. The Central Bank of Nigeria introduced the 3-phase NMMP to install 6.5 million meters by the end of 2023. The NMMP aims to address, among others, the lack of meters, to measure amount of electricity consumption by users, which has resulted in an estimated billing system for unmetered users and technical and commercial losses as well as energy theft.
3. Federal Government Sacks the Management of Abuja DisCo: The latest controversy to engulf the embattled Abuja Electricity Distribution Company Plc (“AEDC”) is the sacking of its management by the Federal Government, which followed the industrial action embarked upon by staff of AEDC over, among other raised issues, pension entitlements and unpaid emoluments. The industrial action, which only ended after a Memorandum of Understanding was signed by leading industry officials and the striking workers, was the last straw that forced the government’s hand, leading to the sacking of AEDC’s management. The said sacking has generated mixed reactions, including concerns that it has set a precedent for a new era of unbridled government interference in the management of the DisCos.
4. Nigerian Commercial Bank Takes over Abuja DisCo: The erstwhile majority investor in AEDC had been advanced a multi-million-dollar facility from a lending syndicate to acquire AEDC in 2013. Defaults in repaying the loan led to United Bank for Africa Plc (the mandated lead arranger of the facility) acquiring the defaulting shareholder’s 60 percent. stake in AEDC, effectively making UBA, AEDC’s majority shareholder, in a move greenlit by AEDC’s regulators.
5. Edo State Power Bill 2021: The Edo State Government announced that a new law to regulate the generation, transmission and distribution of electricity within the state is in the pipeline. It is expected that the enactment of this law will chart the course for other states of the Federation and foster investments in the electric power sectors of states.
6. Nigerian Electricity Market Stabilization Facility: In order to address the liquidity problems faced by electricity distribution companies in Nigeria, the Central Bank of Nigeria (CBN) in 2015 set up the Nigerian Electricity Market Stabilization Facility (CBN-

NEMSF) to enable distribution companies to get access to loans and ultimately improve electricity supply in Nigeria. Under the same initiative, the CBN disbursed at least ₦20.58 billion to distribution companies (Discos) under the CBN - NEMSF – Phase 2.

7. [Afreximbank US\\$50m new debt financing for Aba IPP Power Project](#): African Export-Import Bank (Afreximbank) during the IATF 2021 signed a US\$50 million Term Loan facility with Geometric Power Limited in connection with the Aba Integrated Power Project in Nigeria.¹ The facility will finance the initial capital required to acquire rights to the Aba Ring Fenced Area, support the completion of remaining works, and the commissioning and commencement of operations of the Aba Integrated Power Project in South-eastern Nigeria.
8. [All On, partners launch \\$10m solar equipment facilities in Nigeria](#): Nigerian impact investment company, All On, Odyssey Energy Solutions and the recently launched Global Alliance for People and Planet (The Alliance) have announced the launch of a global aggregated procurement programme for renewable energy companies, supported by a \$10 million Financing Facility in Nigeria. The new Demand Aggregation for Renewable Technology (DART) programme will ensure that affordable, high quality solar products reach the communities most in need in Nigeria, before piloting the programme in four additional countries in Africa.
9. [TCN Announced Plan to Rehabilitate and Replace Old Circuit Breakers Nationwide](#): The Transmission Company of Nigeria (TCN) announced on November 21, 2021 that it has commenced a scheme to rehabilitate and replace old circuit breakers under its transmission network across the country. The rehabilitation and replacement work marks TCN's determination to ensure that all circuit breakers in its network are certified healthy and perform optimally. The TCN revealed that its plan to rehabilitate the circuit breakers will be extended to all substations in the country whose circuit breakers are twenty (20) years and above.

¹ G. Elias & Co. advised on this transaction.

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