

Communique

Issued at the end of the 22nd monthly meeting of the Honourable Minister of Power, Works and Housing with operators of the Power Sector, held on Monday, December 11, 2017 hosted by the Kogi State Government in collaboration with Geregu Power Plc at Geregu Power Plant, Ajaokuta, Kogi State

1. Introduction

The Honourable Minister of Power, Works and Housing chaired the twenty-second monthly meeting of operators in the electricity industry, supported by the Honourable Minister of State II for Power, Works and Housing, Surveyor Suleiman Zarma Hassan. Kogi State Government, in collaboration with Geregu Power at Geregu Power Plant, Ajaokuta, Kogi State. The meeting focused on identifying, discussing, and finding practical solutions to critical issues facing the Nigerian Electricity Supply Industry.

The operators were fully represented at the highest executive management levels, including Commissioners of the Nigerian Electricity Regulatory Commission (NERC), Managing Directors and CEOs of Generating Companies (GenCos), Distribution Companies (DisCos), the Transmission Company of Nigeria (TCN), Gas Companies (GasCos) and other government agencies such as the Niger Delta Power Holding Company (NDPHC), the Nigerian Bulk Electricity Trader (NBET), Nigerian Electricity Liability Management Company (NELMCO) and Nigerian Electricity Management Services Agency (NEMSA) responsible for the regulation and development of the electricity industry, as well as the Nigerian National Petroleum Company (NNPC).

2. The meeting reiterated its purpose, and in addition deliberated and agreed as follows:

- i. Geregu Power Plant informed the meeting about the significant investment of \$94 million by the new owners of the plant to raise generation capacity from 414MW to 434MW. The majority shareholder is Forte Oil Plc.

- ii. The meeting acknowledged the Kogi State Government for resolving the wayleave problems that were preventing progress on the construction of the TCN substation of Kabba. Completion of the substation will increase delivery of power to Kabba and environs.
- iii. Acknowledged significant improvement of generation capability from what it was in January/March 2017, when it was constrained by gas and debts to GenCos and Gas Suppliers.
- iv. Acknowledged that the 701bn guarantee programme has helped secure the production side of the value chain by enabling NBET to pay generating companies and gas suppliers.
- v. As an example of improvements in generation, only one out of three turbines each in Geregu I and II were running when the Honourable Minister visited in 2016, and now all three turbines in Geregu I are running. The new challenge is that turbine output is curtailed due to insufficient distribution infrastructure to take the power from the power plants.
- vi. That available nationwide generation capacity has reached over 7000MW, which can be evacuated due to TCN's efforts to improve and complete transmission facilities with the support of state governments such as Kogi State. Distribution Companies have pledged to match the transmission capacity in order to deliver the additional 2000MW to consumers.
- vii. That on Friday December 8th, 2017, a peak generation of 5155MW was reached, surpassing the previous peak of 5074MW in February 2016, which is the product of team work from the Presidency, TCN, and all government agencies, as well as private generation and distribution companies and the support of the various communities, such as Ajaokuta, who play host to our vital power infrastructure.
- viii. Reiterated efforts to add incremental power in 2018, from the following plants: Azura (450MW), Katsina Wind Farm (10MW), Gbarain (115MW), Gurara (30 mw), Dadin-Kowa (29MW), Kaduna (215MW), and Kashimbilla (40MW) which will require significant upgrades in distribution to reach customers, excluding the mini-grids and solar home systems that will come onstream in 2018 – all off grid.

- ix. The Honourable Minister disclosed that he had held discussions with the Manufacturers Association of Nigeria, and various Chambers of Commerce to change the normal power conversation from 'I have no power' to 'How can I get delivery of some of the unutilized 2000 MW generation capacity?'
- x. Identified projects which Kogi State is directly benefitting from NDPHC improvements in distribution infrastructure in Okene, Idah, Confluence Beach, Ankpa, Felele, Ohunene, and Ayingba areas of the state.
- xi. Progress was noted on service related issues to improve the experience of power in Nigeria, such as minimising estimated billing, rollout of metering, and improvement of service quality.
- xii. NDPHC noted that construction on Okija and Omotosho community connection project is complete and is awaiting energization by December 31, 2017.
- xiii. Generating Companies, Distribution Companies and TCN committed to improving customer service in the power sector by informing customers at least 7 days in advance of any planned repair or maintenance outage of infrastructure to the affected communities.
- xiv. Benin Electricity Distribution Company noted that all 36 communities in Ondo North are now connected after signing the Memorandum of Understanding with the DisCo, and that connection in Ode-Aiye in Benin DisCo in Ondo South will be completed early next year.
- xv. Enugu Electricity Distribution Company confirmed that the 60MVA substation at Aba has been restored.
- xvi. TCN noted progress of projects in Obajana, Egbe, Kabba and Okene to improve supply in Kogi State. TCN is also proposing a 330kV line from Makurdi to Ayingba to ensure Kogi State benefits from the upcoming Mambilla Hydro project.
- xvii. Reaffirmed adoption of Power Sector Recovery Programme as the guiding tools for achieving incremental, stable and eventually uninterrupted power.