

## ELECTRICITY &gt;&gt;

# Fact check: Minimum electricity generation not 4,000mw as claimed

By Simon Echowofun Sunday

The Federal Government has said, by way of interventions, it has set a 'minimum' generation of 4,000 megawatts (mw) electricity, but statistics have shown that in spite of a N701 billion gas funding, the national grid's 'minimum' generation fluctuates around 3,500mw.

The Minister of Power, Works and Housing, Mr. Babatunde Fashola, disclosed this on July 14, when he conducted an 'Overview of the Power Sector at the Fourth Presidential Quarterly Forum' at the State House in Abuja.

Fashola, in a press statement issued by his spokesman, Hakeem Bello, same day, said the five-year Power Sector Recovery Programme (PSRP) unveiled in April sought to reset the industry for future growth.

The minister said: "Today we are now averaging about 4,000mw and we want to make that just a minimum," adding that, "That is the minimum threshold."

However, series of daily operational statistics obtained by *Daily Trust* from the Nigeria System Operator (NSO), a section of the Transmission Company of Nigeria (TCN) that controls the wheeling of electricity, have it that while the peak (maximum) generation in early July rose above 4,000mw, the 'minimum' electricity generation for the past months have fluctuated between 2,600mw and 3,600mw, not the 4,000mw threshold as claimed.

On July 14, when he presented his report, the 'maximum' generation was 4,297mw but the 'minimum' was 3,072mw, the daily operational report showed. This generation output is

coming two years after the previous administration exited, and at a time when the Federal Government said it approved N701bn in the Payment Assurance Programme being handled by the Nigeria Bulk Electricity Trading Plc (NBET) to pay promptly for gas.

The Permanent Secretary for Power, Mr. Louis Edozien, said payment for gas for January had been made while those for February, March and April were being processed.

In spite of this, power generation has declined. Latest record of peak generation for Sunday, July 23, showed the maximum energy generation was 2,829mw. Earlier on July 22, 3,711mw was generated but the lowest (minimum) then was 2,651mw with 73,195mwh energy reaching the estimated six million consumers.

**2015: Grid peaked at 3,205mw May 29, capacity at 7,000mw**

The power minister who had earlier contrasted the achievement of the previous administration in the statement, stressed on the word 'minimum' because according to him, "At the time this administration started its journey on May 29, 2015, the amount of power on the grid was 2,690mw."

But further checks by *Daily Trust* show that, as at May 29, 2015, the grid had 3,205mw peak generation. This was higher by 515mw from the 2,690mw contained in the statement. The differential generation figure is almost the present output of the three legacy gas-fired plants: Omotosho, Olorunsogo and Geregu, which generated 548mw as at July 21 when power peaked at 4,500mw.

A day before the handover



■ Minister of Power, Works & Housing, Mr Babatunde Fashola

on May 29, 2015, peak (maximum) generation was 3,155mw while the lowest (minimum) generation that day was 2,741mw. The recorded energy distributed to the six million registered electricity consumers was 70,344mw/h, statistics revealed.

Over 60 per cent of electricity is generated from gas-to-power with the rest from the three hydropower plants. Hence, issues of vandalism and strikes have continued to cut down power generation at present.

**Strikes, vandalism ravage power sector**

Industry reports for 2015 show that May 2015 had many issues of vandalism and industrial strike actions by oil and gas workers protesting for improved welfare. The Minister of Power then, Prof. Chinedu Nebo, who appealed to striking

workers, said strikes caused the shutdown of eight gas plants, including Utorogu, Chevron and Oredo in the Niger Delta region. Over 11 power plants were cut off from gas supply.

During the period, the Nigerian Electricity Regulatory Commission (NERC) had reported that only five plants were operational out of the 23 power plants nationwide due to the gas shortage.

The shortage had led to systems collapse which is still prevalent two years on. The NSO report said between January and early July of 2017, under Fashola, 16 systems collapse had occurred, comprising 13 total collapses (blackout) and three partial collapses.

**Power system capacity still stagnant**

Although the Federal

Ministry of Power, Works and Housing said transmission capacity has improved significantly, statistics have shown that little or nothing has changed in the system.

The capability of the 'network' is still constrained at 5,500mw achieved since 2015. Records obtained in May 2015, show the installed capacity of the existing Generation Companies (GenCos) to be 11,165mw, Available generation capacity is 7,139mw including the addition of two new power plants under the National Integrated Power Projects (NIPP).

The transmission capability (wheeling capacity) is at 7,000mw while the 'Network Operational Capability (NOC) which shows the actual quantum of power consumers can get per time from the industry through the Distribution Companies (DisCos) is 5,500mw.

Records of the systems' capacities obtained from the NSO as at July 23 indicate that the installed and the available capacity haven't changed; the transmission capability still remains 7,000mw and the NOC is still at 5,500mw. This means, no matter the power generation, not more than 5,500mw can be delivered to the over six million customers as at today, with the grid status Nigeria has.

The only change in the power system capability report is on the National Peak Demand Forecast (NPDF). The figure which was on 12,000mw energy demand in 2015 has been reviewed in line with actual population level to reflect about 19,100mw energy need.

## Invoice fraud: GenCos counter DisCos, demand evidence

By Simon Echowofun Sunday

The Association of Power Generating Companies (APGC) has countered the alleged accusations made by some Distribution Companies (DisCos) of inflating the monthly energy invoice.

The Executive Secretary of APGC, Dr. Joy Ogaji, in a statement yesterday, said the DisCos should provide evidence to prove the allegation, saying, "He who asserts must prove."

She said the allegation raised by the DisCos would be escalated to the Minister of Power, Works and Housing, Mr. Babatunde Fashola, who is expected to intervene and deal with the issues.

"It is a fact that GenCos, who are entitled to about 60 per cent of invoiced energy bills, face the greatest risk in the electricity value chain with

an outstanding unpaid invoice of over N500bn, deserve pity rather than ridicule. Trying to smear our image with such baseless and unfounded allegations is not only unfair but misleading to the Nigerian populace: giving the impression that the sector is not regulated, and that market participants can do as they please," it said.

On the call for removal of capacity charges from the invoices, APGC, representing over 20 GenCos, said it was a global practice.

"Capacity payment is needed in order to guarantee energy supplies and to keep the prices as low as possible. Without a capacity payment system, new investments in power plants will come to a standstill. It incentivises the GenCos to make capacity available when it is needed most," Ogaji said.

## AEDC to engage community youths in cash collection

By Simon Echowofun Sunday

The Abuja Electricity Distribution Company (AEDC) has revealed plans to resort to clusters of electric meters for its customers in Niger State as a temporary step to ensure accurate billing while speeding up its mass installation of household meters in the state.

The Director, Corporate Services, AEDC, Engr. Abimbola Odubiyi, said this yesterday at a meeting of the Niger State Council on Quality and Constant Electricity Supply held at the Government House in Minna.

Engr. Odubiyi said the firm was determined to meter all its customers as it recently signed contracts with two firms to provide

and install 90,000 meters worth N3.4bn.

"This bulk metering will be a stop gap arrangement because manufacturing and installation of individual meters would take some time, and we've noticed that one of the key desires of our customers is to be sure that their billing is being done accurately," he said.

The director also announced AEDC's plans to engage youths from the various communities where bulk meters were installed to help in cash collection at a fee.

"This idea, which was well received when we announced it two weeks ago in Bida, is a veritable means of empowering our youths and thereby reduce unemployment," Engr. Odubiyi said.