

ELECTRICITY

CORPORATE IMAGES

2018: Turbulences in Nigeria's quest for stable electricity

By Simon Echowofun Sunday

As year 2018 winds down, *Daily Trust* chronicles the cruise time and turbulences that rocked Nigeria's quest for stable electricity. From initial system collapses to a stronger grid, increased transmission capacity, and regulatory role, the Nigerian Electricity Supply Industry (NESI) has tales to tell.

Generation

For actual electricity generation, the highest recorded quantum remains 5,222 megawatts (MW) attained on December 18, 2017. It has not crept past that in 2018 but for most period of the year, the peak generation was above 4,000MW - a remarkable feat for the sector.

The feat was sustained by the N701.9 billion intervention Payment Assurance Guarantee (PAG) initiated by the Minister of Power, Works and Housing, Mr Babatunde Fashola, to ensure the about 24 Generation Companies (GenCos) get at least 50 per cent of their monthly invoices to the DisCos so they can pay for gas and other services and sustain generation.

In spite of this fund and the willingness of the GenCos to generate power, the Executive Secretary, Association of Power Generation Companies (APGC), Dr Joy Ogaji, said the GenCos are forced to ramp down on generation daily because the DisCos reject the power. Statistics backing from the System Operator (SO) shows over 1,000MW of electricity was rejected by DisCos almost on daily basis for most part of 2018. But they are not alone, lack of gas to power some GenCos and transmission line constraints also accounted for a significant chunk of unutilised electricity in 2018.

The hydropower GenCos are worst hit by the electricity load rejection. Officials of Mainstream Energy Solutions Ltd (MESL), operators of over 900MW power capacity at Kainji and Jebba said they are often asked to ramp down whenever the DisCos reject power. To avoid grid system collapse, the SO (TCN) often directs GenCos to shut down turbines to reduce the quantum of electricity on the grid.

The greatest fears of the GenCos is that as the N701bn PAG ends shortly, they could fall back to the average 30 per cent the DisCos return to them through the Nigerian Bulk Electricity Trading Plc (NBET), which would hamper their operations. Ogaji had called for action from the Federal Government on this.

Transmission hits 8,100MW

The Transmission section of the power sector value chain is said to have improved significantly this year. The section managed by the Transmission Company of Nigeria (TCN) witnessed the commissioning of critical substations and over 30 transformers nationwide through its Transmission Rehabilitation and Expansion Programme (TREP) targeting 20,000MW capacity by 2021.

These added infrastructures include the Odogunyan substation in Lagos, Mayo Belwa substation in Adamawa State; 100MVA transformers in Katampe and Apo substations in Abuja; 60MVA transformer in Keffi, Nasarawa State; multiple transformers in Mando, Kakuri and Zaria in Kaduna State, and more.

While TCN recorded barely 7,000MW bulk electricity wheeling capacity in December 2017, as at November 2018, the public firm did another simulation and announced 8,100MW.

The national grid frequency was stable for longer periods this year than it was since 2015. The grid recorded 11 system collapses occurring between January and September. This was however slightly higher than the 10 collapses recorded in 2015 being the year with the lowest occurrence since 2010, reports from the System Operator (SO) arm of TCN showed.

While TCN made significant improvements, there are key lines that are still constrained especially, the Alaoji to Onitsha, Awka to Enugu, and Odukpani lines, hampering effective delivery of electricity.

The Managing Director of TCN, Mr Usman Gur Mohammed, had at the fourth quarter briefing said plans are ongoing to expand those lines. He said in spite of the investments, there are many commissioned transformers that the Distribution Companies (DisCos) have not connected to bring the increased power to electricity consumers.

Distribution

There are often mixed reactions about electricity distribution in Nigeria as many consumers have their expectations. What was more important to them this year besides stable supply was that they could measure their consumption and pay commensurately. This December, the DisCos are taking more power, above 4,000MW, the sector's daily operational reports indicated.

However, there were huge records of load rejection during the year. Explaining the reasons behind this, the Executive Director, Research and Advocacy at the Association of Nigerian Electricity Distributors (ANED), Barrister Sunday Oduntan, said it made no business sense for DisCos to take power that is dumped on them by the transmission section especially where they do not have customers to supply, while the core areas suffer poor bulk power supply to their stations.

For metering, the DisCos said the lack of cost reflective tariff is making them sell electricity as deficit price since February 2016 and that it has hampered their investment speed. While metering continues, customers yearning for them shows the process is rather slow, while many DisCos' customers complain of huge estimated bills, not commensurate with actual consumption.

The DisCos are into enumeration to capture more customers into the paying net which could increase revenue and solve the liquidity crisis in the power sector. The Federal Government through TCN is investing N72bn as Distribution Expansion Programme (DEP) to provide infrastructure for some DisCos so they can sustain supply to certain customers.

But Oduntan advised the government, which still has 40 per cent stake in the DisCos, to find a lasting intervention template to cushion the over N1 trillion market shortfall so Nigerians can get better supply experience even as the DisCos battle energy theft and meter bypass among the end-users.

Any Regulation?

The Nigerian Electricity Regulatory Commission (NERC) finally had its chairman, Prof. James Momoh, over two years after the full board was to be operational. It moved to its permanent building in April after it activated the Meter Assets Provider (MAP) Regulation.

Many electricity consumers and experts have poorly rated NERC on handling of complaints and key issues in the sector.



From left: Indomie Fan Club (IFC) Coordinator, Faith Joshua; winners of the 2018 IFC Road Safety Quiz Competition, Adebambo Deborah and Ifeonye Emmanuel, both of Kings Crown School Surulere; and Head of Special Marshal and Partnership, Federal Road Safety Corps (FRSC) Lagos Sector Command, Mr Bashiru Adeyemi, during the 2018 IFC Road Safety Quiz Competition organised by IFC in partnership with FRSC in Lagos recently



Lagos ex-chairperson, Nigerian Institute of Public Relations (NIPR), Nkechi Ali-Balogun (left) presents the 2018 Best BJAN Regulator in Nigeria to Alhaji Garba Bello Kankarofi, during the 6th Annual Brands and Marketing Conference 2018 hosted by the Brand Journalists Association of Nigeria (BJAN) in Lagos recently. With them is the chairman BJAN, Goddie Ofose and vice chairman, Clara Okoro



From left: Minister of Finance, Hajiya Zainab Ahmed; Acting Director-General, Securities and Exchange Commission, Ms Mary Uduk; Director-General, Debt Management Office, Ms. Patience Oniha; and the Comptroller General, Nigeria Customs Service, retired Col. Hameed Ali, during a press conference on the activities of the Ministry of Finance in Abuja, yesterday



From left: Executive Director, Cargo/Operations, Skyway Aviation Handling Company Plc (SAHCO), Mrs Boma Ukwunna; Acting Executive Director, Sales/Marketing, SAHCO, Mr Adigun Olaniyi; Company's Secretary, Omolara Bello; and Head Human Resources, Mr. Folorunso Elegbade, during SAHCO Plc's Roadshow to mark the extension of the Initial Public Offer (IPO) in Lagos recently.