

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
April 08, 2024.

Nigerian Electricity Regulatory Commission Approves Significant Increase in Electricity Tariff.

On Wednesday, April 3, 2024, the Federal Government through the Nigerian Electricity Regulatory Commission ("NERC"), approved an increase in the electricity tariff paid by customers within the Band A category of electricity distribution to Two Hundred and Twenty-five Naira per Kilowatt per hour (N225/kWh).

The Vice Chairman of NERC, Mr. Musiliu Oseni also noted that the increase in tariff reflects the Federal Government's position to realign the incumbent subsidy regime by transitioning to a targeted subsidy regime to alleviate the effects of macroeconomic changes. Subsidies in this regard, for the 2024 fiscal year are expected to reduce by about One Trillion, One Hundred and Forty Billion Naira (N1,140,000,000,000).

Read more at:

<https://nairametrics.com/2024/04/04/new-hike-in-electricity-tariff-to-reduce-subsidy-for-2024-by-n1-14-trillion-nerc>

Sustainable Energy for All ("SEforALL") Announces the Signing of Grants with Nineteen (19) Energy Developers for the Development of Solar and Battery Storage Systems.

On Friday, April 5, 2024, Sustainable Energy for All ("SEforALL") announced the signing of grants with nineteen (19) clean energy systems developers under its Results-Based Financing ("RBF") multi-donor fund: the Universal Energy Facility ("UEF")'s Stand-Alone Solar for Productive Use ("SSPU") programme.

The issued grants are for the deployment of high capacity solar and battery storage systems to businesses and institutions across Nigeria and are expected to be fully installed and operational before the end of the year 2024.

Read more at:

<https://businessday.ng/energy/power/article/universal-energy-facility-signs-grant-deals-for-solar-deployment-in-nigeria/>

Dangote Refinery Supplies Automotive Gas Oil ("AGO") at One Thousand Two Hundred and Twenty-five Naira (N1225) per Litre.

The Dangote Petroleum Refinery (the "Refinery") commenced the supply of refined petroleum products on Tuesday, April 2, 2024.

The president of the Independent Marketers Association of Nigeria ("IPMAN") stated that local oil marketers have agreed with a price of One thousand, Two Hundred and Twenty-five Naira (N1,225.00) the equivalent of Ninety-six Cents (\$0.96) per litre of diesel following a bulk purchase agreement.

The Refinery commenced production of AGO and aviation fuel in January 2024. It is envisaged that the sale of refined petroleum products at fairly reasonable rates will not only increase supply of refined petroleum products but will also ensure that the petroleum products are sold at economically sustainable prices.

Read more at:

<https://www.premiumtimesng.com/business/682811-dangote-refinery-begins-sale-of-petroleum-products-official.html>



The Nigerian Midstream and Downstream Petroleum Regulatory Authority (“NMDPRA”) Announces a New Base Price for Natural Gas

The Nigerian National Petroleum Company Limited (“NNPCL”) has announced the review of the Domestic Base Price (“DBP”) a new base price for natural gas at Two United States Dollars and Forty-two Cents per Million British Thermal Unit (\$2.42/MMBTU) for the strategic power sector, and Two United States Dollars and Ninety-two Cents per Million British Thermal Unit (\$2.92/MMBTU) for the strategic commercial users.

The Chief Executive of the NMDPRA, Mr. Farouk Ahmed, explained that the Petroleum Industry Act 2021 (the “PIA”) provides that the Market-based pricing regime for the domestic gas market in Nigeria is to be determined by regulations issued by NMDPRA.

Read more at:

<https://businessday.ng/news/article/nmdpra-increases-gas-price-for-strategic-sectors>

Husk Power Systems Secures Twenty Million United States Dollars (USD\$20,000,000) to Expand the Establishment of Mini-Grid in Nigeria.

Husk Power Systems, a leading rural energy services company has announced that it secured Twenty Million United States Dollars (USD\$20,000,000.00) in debt financing from the European Investment Bank (“EIB”) to expand its Nigerian operations.

Husk Power Systems will thus mark the first mini-grid company in Nigeria accessing corporate-level debt. It is also the largest debt-financing secured for mini-grids in Sub-Saharan Africa.

The funds are to be directed towards several key initiatives including constructing community solar mini-grids and installing rooftop solar systems for commercial and industrial (C&I) customers. Husk Power systems operates over twenty (20) mini-grids across Nigeria and has a target of establishing at least Five Hundred (500) mini-grids within the country in five (5) years.

Read more at:

<https://businessday.ng/energy/article/husk-power-secures-20m-to-expand-mini-grid-in-nigeria>