

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
August 14, 2024.

The Nigeria Electricity Regulatory Commission Transfers Oyo State Electricity Market Oversight to the State Regulator

On Monday, August 5, 2024, the Nigeria Electricity Regulatory Commission ("NERC"), by an order titled "Transfer of Regulatory Oversight of the Electricity Market in Oyo State from NERC to the Oyo State Electricity Regulatory Commission" (the "Order"), transferred the state electricity market regulatory oversight in Oyo State to the Oyo State Electricity Regulatory Commission ("OSERC").

The transfer was made following Oyo State Government's fulfilment of the provisions under the Electricity Act 2023 (the "Act"), including notifying NERC of its intention to regulate the electricity market within the state. Further to this, the Order mandates the Ibadan Electricity Distribution Company ("IBEDC") to incorporate a subsidiary ("IBEDC Subco"), within sixty (60) days from the effective date of the Order, to take over electricity distribution in Oyo State in fulfillment of the requirement of the Act.

Read more at:

<https://nerc.gov.ng/media/order-on-transfer-of-regulatory-oversight-to-oyo-state-electricity-regulatory-commission-ose-rc>

Nigeria's Crude Oil Production Rises to One Million, Seven Hundred Thousand (1,700,000) Barrels Per Day ("bpd")

The Chief of Naval Staff, Emmanuel Ikechukwu Ogalla, reported that Nigeria crude oil production has surged to about One Million, Seven Hundred Thousand (1,700,000) bpd and he attributed this increase to the enhanced security strategies that have been put in place to curb crude oil theft.

He mentioned that the Nigerian Navy currently have twelve (12) vessels on the sea to protect oil production and curb oil theft. He also mentioned that the Nigerian Navy has successfully closed off channels used for the sale of illegally refined petroleum products.

Read more at:

<https://businessday.ng/news/article/nigerias-oil-output-surge-to-1-7mbpd-on-crude-theft-crackdown-says-navy-chief>

Removal of Fuel Subsidy Causes Petroleum Importation to Reduce by Fifty Percent (50%)

On August 7, 2024, the Minister of Information and National Orientation, Mohammed Idris, announced that the petroleum importation in Nigeria has reduced by fifty percent (50%) since the removal of subsidy.

He also mentioned that the local oil production has risen from One Million, Two Hundred and Twenty Thousand barrels per day (1,220,000 bpd) in the second quarter of 2023 to about One Million, Five Hundred and Fifty Thousand (1,550,000 bpd) in the fourth quarter of 2024.

Read more at:

<https://nairametrics.com/2024/08/09/fuel-subsidy-removal-slashed-domestic-consumption-of-petrol-by-50-idris-mohammed>



The Port Harcourt Refinery is Set to Begin Operations in August 2024

The National Operations Controller (“NOC”), of the Independent Petroleum Marketers Association of Nigeria (“IPMAN”), Zarma Mustapha, on August 8, 2024, disclosed that the Port Harcourt refinery (the “Refinery”) is set to begin operations in August 2024, and it is expected that the Refinery will produce Ten to Twelve Million (10,000,000 – 12,000,000) litres of petroleum per day.

The NOC further disclosed that the Refinery is set to operate independently and sell at the prevailing market price, with little to no government interferences, to recover its cost of operation and particularly, the repayment of the One Billion Five Hundred Million United States Dollars (US\$1,500,000,000.00) loan it obtained in 2021.

Read more at:

<https://www.thetimes.com.ng/2024/08/port-harcourt-refinery-will-produce-12-million-liters-of-petrol-daily-to-begin-operation-this-month-marketers>

Japan grants the Federal Government of Nigeria a Five Hundred Million United States Dollars (\$500,000,000) investment to boost power supply in Ogun and Lagos State

The Minister of Power, Adebayo Adedun, announced that Japan, through the Japanese International Cooperation Agency (“JICA”), granted a Five Hundred Million United States Dollars (\$500,000,000.00) facility to Lagos and Ogun States to aid power supply and access.

The Minister further disclosed that the facility will be used to strengthen transmission infrastructure along the Lagos–Ogun industrial corridor and stated that the investment aligns with the objectives of the Presidential Power Initiative (“PPI”), aimed to improve Nigeria’s power infrastructure.

Read more at:

<https://nairametrics.com/2024/08/10/ogun-state-secures-500-million-investments-from-japan-to-boost-power-supply>