

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
September 11, 2024.

The Nigerian National Petroleum Company Limited (NNPCL) Increases the Price of Premium Motor Spirit ("PMS") by Twenty-Seven Percent (27%)

On Tuesday, September 3, 2024, the Nigerian National Petroleum Company Limited ("**NNPCL**") announced the increase of the retail price of Premium Motor Spirit ("**PMS**" or "**Petrol**"). The fuel price was increased from Six Hundred and Seventeen Naira (N617) to between Eight Hundred and Fifty-Five Naira (N855.00) and Eight Hundred and Ninety-Seven Naira (N897) per litre (depending on the location) reflecting about twenty-seven per cent (27%) increment in the price.

One of the factors responsible for this increment is the pending debt of about Six Billion United States Dollars (\$6,000,000,000.00), which NNPCL disclosed that it owed to its supplier. An additional factor disclosed by NNPCL was the need to review the PMS price to reflect the global market price and thus reduce the financial burden on the NNPCL who provided PMS at lower prices than the actual market value of the products.

Read more at:

<https://businessday.ng/news/article/nnpc-raises-petrol-price-to-n897-as-dangote-product-enters-market-in-48hrs>

Dangote Refinery Commences the Production of Premium Motor Spirit (PMS)

Dangote Refinery (the "**Refinery**") has commenced the production of Premium Motor Spirit ("**PMS**" or "**Petrol**"). The Refinery, worth Twenty Billion United States Dollars (\$20,000,000,000.00) is projected to produce Six Hundred and Fifty Thousand (650,000) barrels of PMS daily, with NNPCL and other independent marketers being off takers of its produced PMS.

NNPCL is scheduled to purchase PMS from the Refinery at a price to be determined by an agreement between the Dangote Group and the Federal Government of Nigeria. The offtake of PMS from the Refinery by NNPCL and other independent marketers is also envisaged to commence by September 15, 2024. However, the prospective date when PMS would be available in the market for final consumers is currently uncertain.

Read more at:

<https://www.premiumtimesng.com>

Federal Government of Nigeria grants UTM Offshore Limited Licence to Construct ("LTC") for the first Floating Liquefied Natural Gas ("LNG") plant in Nigeria

On September 6, 2024, the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("**NMDPRA**") announced the grant of a Licence to Construct ("**Licence**" or "**LTC**") to UTM Offshore Limited ("**UTM**") for the construction of a Floating Liquefied Natural Gas Plant ("FLNG Plant" or the "Plant") in the offshore regions of Akwa Ibom State covered by Oil Mining Lease ("**OML**") 104.

The FLNG Plant which would be the first of its kind in Nigeria is projected to be fully constructed by 2028, while gas production is envisaged to commence by 2029. The Plant has the capacity to process natural gas up to Three Hundred and Twenty-Four Million Standard Cubic feet per day (324,000,000 MMSCF/D), and to produce Two Million, Eight Hundred Thousand (2,800,000) metric tonnes of Liquefied Natural Gas ("**LNG**") annually.

Read more at:

<https://www.nairametrics.com>



The Nigerian National Petroleum Company Limited (“NNPCL”) executes Memorandum of Understanding (MOU) for the establishment of Gwagalada Independent Power Plant Project

On September 5, 2024, the Nigeria National Petroleum Corporation Limited (“NNPCL”) executed a Memorandum of Understanding (“MOU”) with China Engineering and Machinery Corporation (“CEMC”) to jointly establish the Three Hundred and Fifty Mega Watts (350 MW) Gwagalada Independent Power Plant (“Plant”) Phase 1 project.

The MOU was signed in Beijing, China by NNPCL’s Executive Vice President (Gas, Power and New Energy), Mr. Olalekan Ogunleye and the Chairman of CEMC Nigeria, Mr. Zhang Daguang respectively.

The Plant is to be situated on a piece of land spanning Five Hundred and Forty-Seven (547) hectares in Gwagalada, Abuja. It is an integral part of the Ajaokuta-Kaduna-Kano Gas Pipeline Project (“AKK Project”), which is in line with Nigeria’s Gas Master Plan infrastructure blueprint. Particularly, gas supply to the plant will be routed through the AKK Project which is currently under construction.

Read more at:

<https://nairametrics.com/2024/09/07/nnpc-signs-mou-with-chinese-company-for-350-megawatts-gwagalada-independent-power-plant/>

Nigeria Generates Five Thousand, Three Hundred and Thirteen Mega Watt (5,313 MW) of Electricity as the Peak Amount of Electricity Generated in Three (3) Years

In a statement released by the Minister of Power, Mr. Adebayo Adedun, it was announced that Nigeria’s power generation reached a peak of Five Thousand, Three Hundred and Thirteen Megawatts (5,313MW) on September 2, 2024, making it the highest amount of electricity generated by the country in the past three (3) years.

In August 2024, the power generation had increased to Five Thousand, One Hundred and Five Megawatts (5,105MW), which was the all-time highest in three (3) years, at the time. This development appears to lend credence to the Federal Government’s aspiration of generating Six Thousand Megawatts (6,000MW) of electricity before the end of the year.

Read more at:

<https://businessday.ng/news/article/nigerias-power-generation-hits-three-year-high-of-5313mw/>