

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
October 28, 2024.

Dangote Refinery Ships PMS by Sea to Domestic Markets for The First Time

After a month of distributing by trucks, the Dangote Refinery (the “**Refinery**”) has supplied almost Seventy-Nine Million, Four Hundred Thousand (79,400,000) liters of Premium Motor Spirit (“**PMS**” or “**Petrol**”) by sea to Nigeria’s domestic fuel market (the “**Supply**”).

The Supply is the flag-off of the Refinery's target of transporting seventy-five percent (75%) of its local petroleum products supply via sea routes, primarily using the seaways in key locations such as Warri, Port-Harcourt, Calabar and Atlas. Petrol destined for central Nigeria will be shipped from Port-Harcourt and Warri, while those destined for the East and Northeast will be shipped from Calabar.

Read more at:

<https://punchng.com/naira-for-crude-dangote-gets-nnpcls-first-supply/>

Eighty-Five Point Two percent (85.2%) of Nigerian Households are on Estimated Electricity Billing

On October 23, 2024, the National Bureau of Statistics (“**NBS**”) released the Nigeria Residential Energy Demand-Side Survey Report 2024 (the “**Report**”). The Report was conducted in the residential sector of nine states across the country as a pilot case study. According to the Report, eighty-five point two percent (85.2%) of Nigerian households are unmetered and still depend on estimated billing model for electricity tariffs.

The Report states that only fourteen point eight percent (14.8%) of households use the prepaid billing system during the period under review. Furthermore, the Report highlights that averagely, each household spends Four Thousand, One Hundred and Fifty-Five Thousand Naira, Eight Kobo (N4,155.08) monthly on electricity tariff.

However, proactive steps are being taken to address the meter deficits. Earlier in 2024, the Nigerian Electricity Regulatory Commission (“**NERC**”) directed electricity distribution companies to invest Two Hundred and Seventy-Five Billion Naira (275,000,000,000.00) for meter procurement between 2024 to 2027. The World Bank has also introduced a Five Hundred Million United States Dollars (US\$500,000,000.00) metering program to address the metering deficits.

Read more at:

<https://tribuneonlineng.com/energy-survey-85-2-households-use-estimated-billing-nbs>

Enugu State Establishes the First Subnational Electricity Market in Nigeria

Following the enactment of the Enugu State Electricity Law 2023, and the establishment of the Enugu Electricity Regulatory Commission (“**EERC**”), the Nigerian Electricity Regulatory Commission (“**NERC**”), in April, handed regulatory power over Enugu state’s (the “**State**”) electricity market to EERC (the “**Handover**”), with a six-month transitioning period that elapsed on October 22, 2024.

The Handover is pursuant to section 230 of the Electricity Act 2023 and the consequential Order of NERC dated April 22, 2024.

Read more at:

<https://punchng.com/enugu-assumes-full-regulation-of-electricity-market>



Nigeria Plans to Boost Crude Oil Production by an Additional One Million (1,000,000) Barrels of Crude Oil Daily in the Next Twelve (12) to Twenty-Four (24) Months

At the third anniversary of the Nigerian Upstream Regulatory Petroleum Commission (“**NURPC**”) held in Abuja on October 21, 2024, the Chief Executive Officer of the NUPRC, Mr. Gbenga Komolafe (the “**CEO**”), announced that the country plans to produce an additional One Million (1,000,000) barrels of crude oil daily (the “**Additional Barrels**”) in the next twelve (12) to twenty-four (24) months. The Additional Barrel would increase the country’s total oil output to Two Million, Three Hundred Thousand (2,300,000) barrels per day.

The CEO also noted that there was a dip in oil production - from One Million, Five Hundred and Seventy-One Thousand barrels per day (1,571,000 bpd) in August to One Million, Five Hundred And Forty-Four Thousand (1,544,000) in September, representing a One and Sixty-Eight Percent (1.68%) decline.

Read more at:

<https://www.vanguardngr.com/2024/10/fg-unveils-plan-to-boost-oil-production-by-1-million-barrels-per-day-in-24-months>

The Federal Government to Ban Export of Liquefied Petroleum Gas from November 1, 2024

On October 22, 2024, the Minister of State for Petroleum Resources (Gas), Mr. Ekperikpe Ekpo (the “**Minister**”) announced that the Federal Government has ordered the Nigerian National Petroleum Company Limited (“**NNPCL**”) and Liquefied Petroleum Gas (“**LPG**”) producers to stop exporting LPG produced in-country or import equivalent volumes of LPG exported at cost-reflective prices (the “**Ban**”). The Ban is to become effective from November 1, 2024.

On the pricing framework for the LPG, the Minister noted that the Nigerian Midstream and Downstream Petroleum Regulatory Authority will engage stakeholders to create a domestic LPG pricing framework within ninety (90) days (the “**Framework**”). The Framework will be based on local production costs, as opposed to the current model, which indexes prices against external markets.

Read more at:

<https://businessday.ng/news/article/fg-bans-cooking-gas-exports-to-stabilise-soaring-prices>