

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
November 18, 2024.

The Nigerian National Petroleum Company Gas Marketing Limited (“NGML”) signs an Agreement to Supply Gas to Dangote Refinery.

The Nigerian National Petroleum Company Gas Marketing Limited (“NGML”), a subsidiary of the Nigerian National Petroleum Company Limited (“NNPCL”) has executed a Gas Sale and Purchase Agreement (“GSPA”) with Dangote Refinery and Petrochemicals Free Trade Zone (“Dangote Refinery”).

The GSPA signed by NGML's Managing Director, Mr. Justin Ezeala, and the President/Chief Executive Officer of the Dangote Group, Aliko Dangote, provides for the supply of natural gas for power generation and feedstock at the Dangote Refinery, in Ibeju-Lekki, Lagos State.

Read more at:

<https://businessday.ng/energy/oilandgas/article/nnpc-signs-10-year-gas-sale-purchase-deal-with-dangote-refinery>

The Federal Government of Nigeria Records a Milestone Production of One Million Eight Hundred (1,800,000) Barrels of Crude Oil Per Day.

The Minister of State, Petroleum Resources (Oil), Senator Heineken Lokpobiri (the “Minister”), recently announced that the Federal Government of Nigeria (“FGN”) had recently achieved the production of One Million, Eight Hundred Thousand (1,800,000bpd) barrels per day of crude oil and condensate output.

He also stated that the FGN envisages that it will achieve the production of Two Million, Five Hundred Thousand barrels per day (2,500,000bpd) by December 2024.

The production rate achieved by the FGN is a significant step towards meeting the quota allocated to Nigeria by the Organisation of Petroleum Exporting Countries (OPEC). It also reflects the country's potential for increased crude oil production.

Read more at:

<https://www.thisdaylive.com/index.php/2024/11/15/reaching-a-milestone-fg-says-it-has-hit-1-8m-bpd-crude-oil-output-targets-2m-bpd>

Kano Electricity Distribution Company to establish “Safe Grid” Project to Cater for Electricity Demand in Kano, Katsina and Jigawa States.

Kano Electricity Distribution Company (“KEDCO”) has announced a novel partnership for an initial investment of One Hundred Million United States Dollars (\$100,000,000) to develop a One Hundred MegaWatts (100MW) grid for Kano, Katsina and Jigawa States (the “Safe Grid”).

KEDCO is partnering with its core investor Future Energies Africa (“FEA”) and the respective state governments to attain the One Hundred megawatts goal for the Safe Grid. The Safe Grid will complement the ongoing “Utility 2.0” project earlier announced which is being undertaken in collaboration with thirty-one (31) key developers to build mini-grids with a capacity of sixty MegaWatts (60MW). These developers include Bagaja, Elektron, Paras, Grid Crux, Strom, Prado, Axxela, Bayshore, and Husk amongst others.

Read more at:

<https://businessday.ng/energy/power/article/kano-disco-building-100mw-safe-grid-to-protect-consumers-from-grid-collapses>



The Federal Government of Nigeria Signs One Billion, Two Hundred Million Dollars (\$1,200,000,000) Agreement to Restore Gas Plant for Aluminum Smelter.

The Federal Government of Nigeria has signed a One Billion, Two Hundred Million United States Dollars (\$1,200,000,000) contract with Chinese state-owned engineering firm China National Chemical Engineering Company (“CNCEC”) to restore a gas processing plant crucial for the country’s aluminium production.

The Ministry of Petroleum stated that it is envisaged that the restoration of the gas processing plant One Hundred will result in the increased production of up to One Hundred and Thirty-five Million standard cubic feet per day (135,000,000scf/d) at the dormant aluminium smelter.

It is envisaged that the rehabilitation of the gas processing plant would allow Nigeria to significantly encourage the production of aluminium and position Nigeria as a major producer of aluminium in Africa and globally.

Read more at:

<https://businessday.ng/news/article/nigeria-signs-1-2-billion-deal-to-revamp-gas-plant-for-aluminium-smelter>

Benue State Government Announces Plans to Enact Its State Electricity Law

The Commissioner for Transport, Renewable Energy and Power of Benue State, Mr Omale Omale announced that the Benue State Government (the “State”) had begun taking active steps towards establishing its state’s electricity market in alignment with the Electricity Act of 2023 (the “EA”) which empowers states (in line with the Fifth Alteration of the Constitution of the Federal Republic of Nigeria) to enact their own electricity law.

He further stated the Electricity Law of the State (the “Law”) had been drafted and was being vetted by the Ministry of Justice for onward presentation to the state executive council.

The enactment of the law will help regulate the energy sector, address the energy needs of the State, and promote commercialization and investments for the state.

Read more at:

<https://punchng.com/benue-govt-set-to-enact-electricity-law>