

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
December 23, 2024.

The Nigerian Electricity Regulatory Commission (“NERC”) Issues Order of Transfer of Regulatory Oversight to the Lagos State Electricity Regulatory Commission (“LASERC”)

On December 3, 2024, the Governor of Lagos State, Mr. Babajide Sanwo-olu, signed the Lagos State Electricity Bill 2024 into law, as the “Lagos State Electricity Law 2024” (the “Law”).

Following this enactment and in compliance with the condition precedents for establishing a State's electricity market under section 230(2) of the Electricity Act, 2023 (“EA”) the Nigerian Electricity Regulatory Commission (“NERC”) issued an ‘Order of Transfer of Regulatory Oversight of the Electricity Market in Lagos State from NERC to the Lagos State Electricity Regulatory Commission (“LASERC”)

Read more at:

https://nerc.gov.ng/wp-content/uploads/2024/12/Transition-Order-for-Ikeja-Electric_18122024154325.pdf

Dangote Petroleum Refinery Extends Exportation of Premium Motor Spirit (“PMS”) to Angola, Ghana and South Africa

Dangote Petroleum Refinery (the “Refinery”) has recorded another remarkable feat by extending the exportation of Premium Motor Spirit (“PMS”) to three (3) other African countries; Angola, Ghana and South Africa, after its first exportation of PMS to Cameroon in December, 2024.

The Vice President of Oil and Gas, Dangote Industries Limited, Mr. Devakumar Edwin disclosed this position while attending to a host delegation from the Japanese Business Community in Nigeria, led by Japan's Ambassador-designate to Nigeria, Mr. Suzuki Hideo.

Mr. Edwin noted that Dangote Industries Limited acted as the Engineering, Procurement, and Construction (“EPC”) contractor for the Dangote Refinery, stating that cutting-edge technologies were incorporated from around the world to ensure that the facility meets the highest standards.

Read more at:

<https://punchng.com/dangote-refinery-extends-export-to-three-african-countries>

The Nigeria Customs Service Announces Zero Percent (0%) Import Duty on Compressed Natural Gas (“CNG”) and Liquefied Natural Gas (“LPG”) Equipment.

In line with President Bola Ahmed Tinubu's administration mandate to increase domestic gas utilisation in Nigeria, the Nigerian Customs Service (“NCS”) has announced a zero percent (0%) import duty on all Compressed Natural Gas (“CNG”) and Liquefied Natural Gas (“LPG”) Equipment.

This development was disclosed in a statement made by the NCS National Relations Officer, Mr. Abdullahi Maiwada. The exemption encompasses all equipment related to CNG and LPG imported into Nigeria. As a result, all equipment and infrastructure related to the expansion of CNG and LPG, have become zero-rated for Value Added Tax (“VAT”).

Read more at:

<https://businessday.ng/news/article/nigeria-customs-announces-0-import-duty-on-cng-lpg-equipment>



The Nigerian Electricity Regulatory Commission (“NERC”) Issues Third Quarter, 2024 Report Reflecting the Performance of the Nigerian Power Sector over the Period

In compliance with the provision of section 56(3) of the Electricity Act, 2023 (“EA”), the Nigerian Electricity Regulatory Commission (“NERC”) is required to submit quarterly reports of its activities to the President and the National Assembly.

The Third Quarter 2024 Report (“the Report”) as published on NERC’s website contains a detailed outline of the operational capacity of the twenty-eight (28) grid connected power plants in Nigeria, the commercial performance of NERC in the third quarter (“Q3”), the regulatory functions of NERC in 2024 and the state of the industry amongst others.

According to the Report, all electricity Distribution Companies (“DisCos”) collectively recorded a revenue collection efficiency of Seventy-Four-point Fifty-five Percent (74.55%), short of the efficiency rate recorded in the second quarter report of 2024 which was Seventy-Nine-point Thirty-one Percent (79.31%).

Read more at:

https://nerc.gov.ng/resources/?doc_term=nerc+third+quarter+2024+report&ins=1#nerc-documents

The Nigerian Upstream Regulatory Commission (“NUPRC”) Announces Licensing Rounds to Harness Underdeveloped Oil Fields.

The Nigerian Upstream Petroleum Regulatory Commission (“NUPRC”), has announced plans for the 2025 licensing round, aimed at unlocking the potential of fallow assets.

NUPRC’s Chief Executive, Engr. Gbenga Komolafe, made this announcement at 2024 Commercial Bid Conference, held at Eko Hotel & Suites in Lagos State. He noted that the licensing rounds would focus on fallow assets and prioritize natural gas development, aligning with Nigeria’s commitment to the United Nations (“UN’s”) Sustainable Development Goals (“SDGs”).

It is believed that NUPRC’s commitment to eliminating bureaucracy and ensuring transparency in the acquisition of oil blocks will encourage and retain investments in the sector whilst strengthen Nigeria’s position in the African Oil and Gas sector.

Read more at:

<https://www.nuprc.gov.ng/nuprc-announces-2025-licensing-round-to-harness-undeveloped-fields>