

NIGERIA ELECTRICITY MARKET INSIGHTS

The big numbers for the Industry

Power delivered to industry for December

59%

below the 2018 MYTO 10-year Order projection

Average cost reflective tariff in December was

49.1
₦/kWh

Compared to MYTO average tariff of 31 ₦/kWh

Total shortfall from Handover to end of December 2018 (EMRC estimate)

₦1.7
Trillion

More key figures in the annex



1 Headlines for January

- **How will Discos survive when the Bill to End Estimated Billing is passed?**

- The bill on estimated billing was passed by the House of Reps and will be transmitted to the Senate for agreement before Presidential assent.
- If enacted, this would be a significant change to Discos' revenue base and Discos would need a tariff change before it came into force.
- If Discos can potentially be prohibited from issuing estimated bills, how will they survive?

- **Overview of the MAP Market**

- About 55% of 8.3 million customers are unmetered.
- Is the local manufacturing capacity sufficient to meet local content requirements of 30%?

- Careful apportioning of roles, responsibilities and risks in the Meter Service Agreement (MSA) is as important as well thought out meter deployment strategies.

- EMRC can support with Monitoring & Evaluation of MAP performance.

- **Upcoming Franchising Regulation: Case for Investment Planning**

- NERC had asked Discos for their Load Demand Forecasts and Expansion Plans and is planning to introduce the Franchising Regulation in 2019.

- Discos can best prepare for franchising if they can justify investments in 'Islands' identified in their networks.

- This will open up 'stranded' financing opportunities.

- **EMRC has developed an Optimisation Model for Network Investment (OMNI) that can support the process.**