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**KEYNOTE SPEECH FOR THE 4TH NIGERIAN ENERGY FORUM HELD ON
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VICTORIA ISLAND, LAGOS.**

“Energy: Why it is important and the way forward”

Dr. Wiebe Boer, CEO, All On

Good morning ladies and gentlemen. It’s an honour to be giving one of the keynote presentations at the Nigeria Energy Forum. More importantly, as the CEO of All On I am proud to be associated with this fine group of patriotic and passionate Nigerians who have built this forum into one of the most important annual events on the power sector calendar.

It’s a great pleasure to speak to a roomful of people tirelessly working to close Nigeria’s energy access gap. I am excited to see that the room is full of a lot of familiar faces. But I am more excited about the new faces, because the new faces signify growth and increasing interest in addressing Nigeria’s number one foundational socio-economic problem – our lack of reliable, affordable power.

Last year I published a book on the history of football in Nigeria, one of the key topics that unites all Nigerians in a positive way. Power is also like that – it unifies all Nigerians whether rich or poor, rural or urban, north or south, Christian or Muslim, male or female, young or old. But unfortunately, it unifies us for a negative reason.

Those of us in the room today are here because we do not accept this condition, because we want to change that narrative. We want to transform Nigeria’s power sector from a sector that causes collective national concern to one of innovation, entrepreneurship, and an example where the undying Nigerian spirit came together to successfully address a seemingly insurmountable problem – but in our own way. We’ve done it in telecoms

when it was impossible. We did it in financial inclusion. We did it in tech. We did it in entertainment. Now let’s do it in power.



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So, when I was asked to deliver the keynote on **“Energy: Why it is important and the way forward”** today, and I was told to send in my slides for a presentation, I thought...no. No slides!!! What am I going to project on slides that you don't already know? Would it be the numbers or the statistics? Would it be the problems and the challenges? Would it be the enormous potential that this sector portends to solve our energy needs in Nigeria or the potential for economic empowerment through the businesses that solve these needs? But we all know this.

So today, I want to go a different route. I want to go beyond the ritualistic presentations and endless slides, and I want us to have a real conversation about energy – on grid, and off grid. I want us to look at how far we've come, but also how much further we have to go and how much faster we need to get there.

Let's take a quick look at where we are coming from. Nigeria is coming from over four decades of underinvestment in the power sector, resulting in 120 million Nigerians in either a no-grid or bad-grid situation. That's more people than the entire population of the next largest African country – and almost the population of all of the rest of West Africa. The energy gap serves as the foundation for a lot of the challenges the nation faces; health, education, insecurity, unemployment, environmental pollution, amongst others. We have an installed capacity of approximately 10,000 MW and a distributed capacity of just over 4,000MW on a good day; to serve a population of about 198million persons in 2019, despite numerous projections to increase capacity over the years that have not materialized.

This is not acceptable. We cannot continue to be the nation of perpetual darkness. We cannot continue to normalize this and just accept that in Nigeria power will always be a problem – and the national excuse for why we haven't achieved what we should have as a nation. We must be the generation that turns this around and leaves no Nigerian in darkness. But is that dream a reality? Can we get there? I argue that we can for 4 reasons – we've done it before, the commercial opportunity is enormous, the enabling environment is in place, and finance is available.



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First of all, it has already been achieved in one small part of Nigeria. NESCO was founded on the Plateau in 1929 and 90 years later, continues to provide 24/7 hydro power to rural communities and industries in 7 local governments in Plateau State where I grew up. If it can work there, why can't the power sector work across the country? What can we learn from NESCO for the benefit of all of Nigeria?

Secondly, the massive challenge also means there is a massive commercial opportunity. And there is no better way to solve a massive social problem than one that makes money along the way. Let's think about this:

- Energy demand is expected to double over the next 10 years;
- Nigerian consumers are willing and able to pay for alternate sources of power; 3x the consumers in India and 2x East Africa;
- There are enormous bad-grid investment opportunities in high density low income urban areas – in Nigeria this is not just a deeply rural play;
- Research from Dalberg commissioned by Shell in 2015 suggested that Nigerians were already spending \$6 billion annually on alternative sources of energy;
- More recent research from the REA and RMI suggest that minigrids alone are a \$10 billion opportunity;
- And if the regulation for the on-grid sector is improved, there are opportunities there also in the tens of billions;

Taken together, I doubt there are many commercial opportunities left in the world anywhere, in any sector, at this scale.

Third, there is an ever-improving enabling environment – at least for the off-grid energy sector, a sector that didn't really exist when Ifeanyi and his classmates started GVE in 2012. Seven years later, off grid energy is the trendy new sector that everybody wants to be part of.

The government has done their part – putting in place the right regulations, securing significant capital from the World Bank, the African Development Bank and others, and supporting private sector actors in important ways.



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Every major development partner in Nigeria is contributing as well in an increasingly coordinated and collaborative manner.

International players who 2-3 years ago were sipping tea and going on Safaris in East Africa with no plans for Nigeria are rushing in.

And, most importantly, there is an ever-increasing number of Nigerian entrepreneurs rising to the challenge – innovating and adapting technologies and business models from elsewhere and making them work in Nigeria.

Finally, there is capital ready to be deployed to finance the takeoff of the sector. Just in the last month, three off grid energy companies in Nigeria have raised around \$10 million each – this would have been unheard of 2 years ago.

There is over \$200 million in grant capital coming through the REA's Nigeria Electrification Program. There is another \$80 million in debt capital coming through the EU/ AFD's SUNREF program through Access and UBA. The EU is announcing another funding window tomorrow through Electrifi. There is the AfDB's Off Grid Energy Fund. DeutscheBank is coming with a debt fund. Sterling Bank is the first Nigerian commercial bank to lend to the space in a serious way.

Shell has made substantial capital available through our company, All On. We are collaborating with the AfDB for an equity fund for Nigeria and have already partnered with BOI on a local currency debt fund.

Persistent Energy Capital now has an office in Nigeria. Acumen has moved from Accra to Lagos and is actively seeking off grid energy investment opportunities. Leading local PE firm Verod just made a big investment in Daystar. Helios has invested significant capital in Starsight. NorFund and Breakthrough Energy Ventures have both just made their first investments in the Nigerian off grid energy space. It is big and is only going to get bigger.

In spite of this optimism, I also fully realize how hard the Nigerian power sector still is to operate in and how difficult it is for any business in Nigeria to succeed. The regulations are not yet fully tested in the courts, Customs is still



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not being consistent with other arms of the federal government in support for off grid energy, the typical Nigerian consumer still prefers a generator, mobile money is still limited, there are serious human capacity limitations. The list can go on. In spite of all the hype and hope around off grid energy in Nigeria, I doubt we have up to 250,000 new connections – and half of that is from Lumos, Sabon Gari, and Ariaria market.

But let's not dwell on these issues. 250,000 is still a good number considering how new the sector is. And that already means improved livelihoods for over a million Nigerians. Let's dwell on how good we have it and take advantage of the current goodwill we have from government, investors, donors, and the Nigerian public. But to get the number to the tens of millions required to change Nigeria's power narrative, we need to focus on the following four areas:

1. **Coordination and collaboration between donors, investors, government, and entrepreneurs** – within the confines of the law. We need to coordinate within our groups, and across groups. We need to listen to what the entrepreneurs need – and not set up programs based on what we think is best for them.
2. **On grid and off grid collaboration.** We need to make sure that the two sub-sectors of the power sector do not drift apart so wide that they cannot seek common ground. The power gap is too massive for either one to solve, and we are better off through collaboration. The Energy Company of the Future initiative is a step in the right direction, and we need more of that.
3. **Ruthless commitment to execution.** With all the commercial and impact capital coming in to the market, entrepreneurs now need to focus on execution and scaling. No more excuses about waiting for government or waiting for capital. We have done our part, now you do yours. Your success will breed more success. But, if even only 2-3 of the current market leaders fail, the entire industry might fail and the hope of closing Nigeria's energy gap fails with it.
4. **What should keep us up at night.** Go to bed every night worried about the millions of our fellow Nigerians who went to bed without light, the children who could not study at night, the clinics that could not operate, the businesses that had to close early, the factories that had



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to permanently shut down. Make it your personal, daily problem to solve, and celebrate every household, every SME, every community, every factory that gets reliable, affordable power – whether from the grid or off the grid.

In conclusion, as I said earlier, the power gap unifies us as a people. It goes beyond creed or tribe. It's not a partisan subject. It does not understand geographical divides, political parties or religion. It remains a national problem that impacts everyone in the nation. And WE, those of us in this room, have been chosen to solve that problem.

From the businesses focused on providing light to single households or MSMEs like Lumos, to those powering small businesses like Arnergy, to the young men of ICE who power shops and markets, to companies like Rubitec transforming villages with minigrids; to the industrious Auxano Solar who now assemble solar panels in Nigeria, and to the engineers of TerraGen who are generating power with gravity; creating jobs for thousands of other young people, and providing power to thousands more, there is a lot going on in this space that is very exciting.

But a lot more needs to be done. So, even if the goodwill goes, and if the donor funding and investment capital reduces or dries up, we understand that in spite of it all, the burden rests on us squarely to get the work done and commit to leaving no Nigerian in darkness. This is a revolution, and we are the army to get it done.

To answer your question Daniel on "why energy is important and the way forward", my answer is pretty simple, the future of energy is right here...in this room. And one day soon, our work won't be trendy. We will no longer need forums like this as the Nigerian power gap will be closed, and power will be a utility, a commodity that anyone can access as it should be. And, most importantly, NO NIGERIAN WILL BE LEFT IN DARKNESS.

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