

Powering Sustainable recovery in NESI

Speech delivered by the Hon. Minister of state for Power, Dr. Goddy Jeddy Agba, at the Nigeria Energy Forum (NEF) Opening Webinar on 10th September 2020.

Theme: Energy Solutions for Sustainable Recovery.

All Protocols Observed,

Introduction

First, I would like to welcome you all and thank the organisers for the opportunity to be a part of Nigeria Energy Forum (NEF) opening webinar on 'Energy Solutions for Sustainable Recovery'.

1. In particular I am aware that plans for the 5th edition of the NEF Annual conference had reached an advanced stage, prior to it being postponed in April 2020, due to the global health challenge.
2. Therefore, I commend the NEF Team for their tenacity and vision in building the NEF platform into a credible vehicle for the exchange of knowledge, skillsets, ideas and proffering solutions towards the development of the Nigeria Electricity Supply Industry (NESI).

"Let there be light..."

3. "Give us light". This has become the mantra of the Nigerian populace over the years and reflects the ever widening gap between the expectations and realities of the average Nigerian as regards the delivery of Electricity supply for daily living and economic growth.
4. The NESI, which has provided the structure for the emergence of a modern Electricity Industry has itself gone through a wide range of reforms in order to meet the grand challenge of sustainable energy supply.
5. For example, who would have thought we would adopt service reflective tariffs in the NESI? But here we are today rolling out the new regime that would hopefully contribute to addressing legacy complaints of the various stake holders (consumers, utilities, and regulators) in the NESI.

Roadmap for Improving the NESI

6. Managing the various components that make up NESI requires detailed planning, execution and coordination. It is clear that the current administration led by President Muhammadu Buhari has given a top priority to the growth and development of the Electricity industry. This is evidenced by the various far reaching initiatives currently being executed by the Government.
7. The various interventions are grouped into phases with the near term objective being to increase the transmission capacity from the current level of just over 5,000MW to 7,000MW. The project to be executed at a cost of \$2.3 Billion forms the phase 1 of the PPI (Presidential Power Initiative) and is funded by a loan from a consortium of German Banks for 85% of the contract sum; while 15% counterpart funding is provided by the Federal Government.

8. The PPI (Presidential Power initiative) is structured into three phases, aimed at increasing power delivered to Nigerians to 7GW in the first phase (Phase 1), 11GW in the second phase (Phase 2), and 25GW in the third phase (Phase 3).
9. A Special Purpose Vehicle (SPV) called FGN Powerco is in the process of being set-up following Mr. President's approval. The SPV will warehouse the project's contingent liability for accountability. We have also constituted the Nigerian Project Management Office (PMO) with the sole responsibility of providing project management of the project on behalf of the Nigerian Government.
10. Additionally, in a complementary way, we are also implementing the Transmission Enhancement Programme. The Federal Ministry of Power working with key development partners; World Bank, AfDB, JICA have raised \$1.6 Billion for Transmission Rehabilitation and Expansion Programme (TREP), which is ongoing now with major projects as follows:
 - Alaoji-Onitsha, Delta Power Station-Benin and Kaduna-Kano \$410 Million
 - \$29 Million is intended to build a 330kV Double Circuit 62KM line between Birnin Kebbi and Kamba.
 - Lagos/Ogun Transmission Infrastructure Project (JICA)-\$200 Million.
 - Abuja Transmission Ring Scheme (AFD)-\$170 Million.
Northern Corridor Transmission Project (AFD & EU)-\$274 Million.
11. Time would not avail me the opportunity to share some of our initiatives aimed at providing improved Energy access to over 80million Nigerians and completion of some of the Legacy projects in the power sector such as Zungeru, Mambilla and Kashambilla Hydro-Power Generation Projects.

Conclusions

12. In conclusion, we must constantly remind ourselves of the fact that the NESI is a work in progress, and as we transition from the known to the unknown, unforeseen challenges may arise. What we need most at this present time is a lot of hard work towards building mutual trust between the various stake holders in the Industry, sustaining investments and delivering innovative energy solutions at pace.

Therefore, I invite all professionals and stakeholders to engage actively across the NEF2020 virtual mini-conference series, and contribute their insights and capabilities towards achieving Energy Solutions for a Sustainable Recovery in Nigeria.

Thank you for listening.

Signed.

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