COMMUNIQUE ISSUED AT THE END OF THE SECOND NATIONAL COUNCIL ON POWER (NACOP), HELD AT THE ALHAJI UMARU MUSA YAR'ADUA INDOOR SPORTS HALL, MURTALA MUHAMMED SQUARE, KADUNA ,KADUNA STATE.FROM 11TH-15TH JULY, 2016.

The 2nd edition of the National Council on Power (NACOP) was held in Kaduna, Kaduna State; from 11th to 15th July, 2016. The Council was presided over by the Honourable Minister of Power, Works and Housing Babatunde Raji Fashola, (SAN), supported by the Honourable Minister of State for Power, Works and Housing, Honourable Mustapha Baba Shehuri.

2. A total number of 305 participants involved in the electricity industry from both the local and international, public and private Sectors were in attendance. Participants included members of the National Assembly (Power Committees), Commissioners and Permanent Secretaries in charge of Energy/Power in the States, CEOs of power companies, representatives of donor agencies, development partners, representatives of professional bodies and the academia, Nigerians in Diaspora, electricity consumers, non-governmental organisations, other stakeholders and observers.

3. A total of 29 memoranda on five (5) themes were received from stakeholders. Presentations on power related issues were made. Council reviewed the specific recommendations from the Technical Session, and also the decisions and directives at its inaugural meeting in 2014. In addition, Council validated and adopted the Sustainable Energy for ALL (SE4ALL) Action Agenda, National Renewable Energy

Action Plan, (NREAP) the National Energy Efficiency Action Plan (NEEAP), and unveiled the Power Sector Investment Opportunities and Guidelines, document containing 2016-2030 energy mix target for Nigeria.

4. The memoranda and papers represented were exhaustively discussed in five (5) thematic technical committees focused on: Gas To Power; Energy Mix; Transmission; Market Liquidity; and Policy Initiatives and Manpower Development.

5. Council considered the issues, observations, and recommendations made by each Technical Committee of the Technical Session in a report laid before it, and took key decisions as well as gave directives for implementation of the decisions with time lines as outlined below:

A. The immediate implementation of the decisions and directives of the inaugural meeting of the Council that were still pending within sixty (60) days after the meeting;
B. NERC and NBET should ensure project promoters of Gas fired thermal station have made adequate provisions for gas supply before granting license and signing Power Purchase Agreement (PPA) respectively;
C. Gas Regulatory Agencies and Department of Petroleum Resources (DPR) should streamline the process for giving capable and interested investors access to gas resources.
D. Government (DPR, NERC, NBET) should support, facilitate and incentivize the development of alternatives to pipeline distribution of natural gas, Liquefied Petroleum Gas (LPG), liquefied natural gas (LNG), Natural Gas Liquid (NGL) should be developed.
E. Nigeria's country energy mix should be diversified to reduce the dependence on Gas. Council endorsed the target of

30GW with 30% renewable including 5MW solar on the national grid by 2030 and 8,969MW by 2019, as captured in the Power Sector Investment Opportunities and Guidelines document:

i. Energy data bank for reliable data for effective planning should be established;
ii. Pending energy policies should be harmonized, approved and made available to the public;
iii. The ongoing Power Master Plan Study by the Japanese International Cooperation Agency (JICA) and the Transmission Master Plan by the World Bank should be completed timely;
iv. The different energy targets from different policies document should be harmonized;
v. The approved National rural electrification implementation strategy and plan should be implemented.
vi. The approved of the Rural Electrification Implementation Strategy and Plan would address the challenge of politically based rural electrification projects resulting in a large portfolio of uncompleted projects without adequate funding to complete.
vii. Speedily complete of all ongoing Federal Government power projects nationwide.
viii. Assessment of all assets pre-privatization the distribution companies, especially investments by State and Local Governments;

F. Skills for operation and maintenance in the power sector especially for the renewable technologies should be enhanced.

G. On the submission of the Transmission Work Group::

Xii. Council noted the need to expand the 330 KV and 132KV lines and substation transmission system and the need for more investment to accommodate the expected growth in generation; and

Xiii. Council recommended multiple approaches for financing the transmission grid:

i. BOT which will encourage investment in the sector and enhance liquidity;
ii. B&T; currently operated by TCN
iii. Build, Lease and Transfer which will allow financial institutions to get involved in the Power business as there will be opportunity for recouping of invested funds.

H. On the right of way (ROW):

XIV. Council noted that National Electricity Regulatory Commission (NERC) already has in place several frameworks and policies that allow state and local governments as well as other investors to recover capital invested in transmission facilities. NERC also has several frameworks and policies that support investment recovery in distribution facilities within the franchise of a successor distribution company.

XV. Council directed the Ministry and NERC to be more aggressive in explaining and promoting the frameworks and policies to state and local governments as well as interested investors;

XVI. Council referred to the 2014 decisions on ROW and encouraged implementation of the decisions taken;

XVI. Council directed that existing Miscellaneous Offences Acts which already contains adequate sanctions against vandalization of electricity infrastructure should be more vigorously applied and enforced;

XVII. Council directed NERC to enhance monitoring of DisCOs activities to ensure discipline and adequate return on investment;

XVIII. The BPE representative on the Boards of the distribution companies should be replaced by knowledgeable, capable and

aggressive nominees of FGN so that the activities of the DisCos can be more effectively monitored

I. On the need to enhance Market Liquidity in the Power Sector Council approved that:

XIX. The present MYTO 2015 methodology and tariff should be maintained;

XX. DisCos should be more vigorously monitored (by NERC, BPE and their Boards) in order to ensure that they improve on their level of services delivery in line with their contractual obligations, their licenses and their purchase performance agreements;

XXI. NERC should ensure improvement in the implementation of existing policies and regulation;

XXII. Council re-iterated the existing policy on metering and directed that NERC should come up with regulations to eliminate estimated billings.

XXIII Council noted that NERC already has a regulation under which an unmetered consumer is only required to pay his or her last undisputed bill (presumably at a lower tariff) until he or she is metered and that the distribution companies cannot disconnect the customer for non-payment; it therefore directed that NERC should more aggressive in publicizing the policy;

XXIV. Laws, enforcement and judicial processes should clearly treat electricity theft and Vandalism as a criminal offence;

XXV. Bulk metering for rural communities, estates and other closed communities should be encouraged for increased revenue generation and sense of ownership by the community;

XXVI. All MDAs facilities should be adequately metered as a matter of priority;

XXVII. DisCos should improve on their technical and commercial efficiency;

XXVIII. NERC should enforce the provision for the establishment of LCs by the DisCos;

XXIX. Better Corporate governance should be encouraged in the sector;

XXX. NERC and BPE should compel the DisCos and GenCos to maintain competent technical competence as required by their various agreements and licenses;

XXXI. Monitoring of the financial and operational performance of the companies in the sector should be more vigorous carried out by NERC, BPE, Boards, NEMSA, Ministry and other relevant government Agencies/Institutions;

XXXII. Government should through the Ministry, ensure regular Forensic Audit of all the accounts of the DisCos with the Commercial Banks.

XXXIII Council noted that BPE on instruction of the Vice President and NERC were already undertaking such audit.;

XXXIV. Any state government that wants to embark on projects that will be connected to the distribution network should refer to NERC regulations on such investment for guidance;

XXXV. NERC should hold regular meetings with key stakeholders with a view to enlightening them on the procedures to be followed on the request for compensation for electrocution victims;

XXXVI. NCP should conclude the sharing of government share of the privatization assets of the Distribution Companies to State and Local Governments;

XXXVII. There should be a mechanism to monitor the implementation of the recommendations made at the end of each NACOP meeting.

J. On enhancing Policy initiatives and Capacity Building, Council directed that Federal and State Ministries, Departments and Agencies(MDAs) involved in implementing NACOP decisions should report on the implementation of such decisions and directives through the Task Implementation Team;

K. Council further approved that:

XXXVIII. Validated Nigerian Power Sector Content Development Policy should be institutionalized;

XXXIX. Harmonization of all policies being implemented by power stakeholders should be put in place to enhance efficiency;

XXXX. Existing Policies should be reviewed for efficiency and effectiveness;

XXXXI. Capacity of Personnel to implement this policy should be strengthened;

XXXXV. Implementation of the policies should be monitored and evaluated periodically.

L. On the absence of a National Power Training Policy and legislation to strengthen the effectiveness of NAPTIN, Council:

XXXXVI. noted the existence of the Draft National Power Training Policy and approved that it should be subjected to stakeholders review;

XXXXVII. noted the gap but declined to endorse the request to seek legislation to establish NAPTIN, noting that as an organization duly

set up under the Companies and Allied Matters Act NAPTIN is fully empowered to discharge its mandate;

XXXXVIII. directed the urgent building of the capacity of the FMPW&H to monitor and evaluate key activities in the Power Sector

M. On the report that the Kaduna State is in the process of developing a State Electricity Reform Law, Council noted the decision of NACOP 2014 on the establishment of state Ministry of Energy across all states and encourage them to do so and also approved that:

XXXXIX. Sub national governments should have access to the newly approved NREEP2015;

XXXXXX. NERC should mandate DISCOs to publish their short term development (3-5 yrs) plans to enable the state governments put in place appropriate plans to assist investors;

XXXXXI. State Law should not contradict the provisions of the Electric Power Sector Reforms Acts of 2005;

N. On the DRAFT Rural Electrification Strategy and Implementation Plan, Council endorsed the call that Federal and State Governments should fund and complete energy audits of all Public facilities.

O. On the request by West African Power Pool (WAPP) that all DISCOs become members of WAPP, Council encouraged GenCos, DISCOs and other Power Ultility providers to become members of WAPP in order to take advantage of the benefits of the WAPP initiative, Council encouraged WAPP membership.

P. On payment of Outstanding Bills to DISCOs and their Performances, Council approved as a Public policy that MDAs at the Federal and State levels should lead by example by paying their bills;

6. The documentation of all Council Resolutions as well as all the Memoranda submitted by all Stakeholders including States, the Federal Ministry of Power and papers delivered during the

Plenary Session are available at the Ministry website: http://www.power.gov.ng/index.php/conferences/national-council-on-council.

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