

**FEDERAL MINISTRY OF POWER, WORKS AND HOUSING (POWER)
PRESS AND PUBLIC RELATIONS**

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PRESS RELEASE

POWER SECTOR CONFLICTS: FASHOLA ASSURES SPEEDY

RESOLUTION THROUGH DEMOCRATIC PROCESS.

...Lauds NERC on tariff reversal, says Buhari committed to improved Supply through Solar.

Speaking in Abuja, at the signing ceremony of the Solar Power Purchase Agreements (PPAs) in respect of fourteen projects in 9 states of the Federation, and the FCT valued at 1.75 billion dollars, the Minister of Power, Works and Housing, Babatunde Raji Fashola has described PPAs as the heart and soul of the financial package that is required to drive the project to fruition has been well structured.

“Our commitment to work in line with international standards that Mr. President’s visits in seeking partnership in Africa and overseas are not misplaced priority”, as today’s event has significantly shown that the journey towards incremental, stable and un-interrupted power supply has earnestly begun with this important step that considered the consumers’ interest first.

Solar, he said is fast emerging, although we have abundance of sunlight, the process of turning it into energy source is not free as we don’t manufacture the

components. He commended the promoters for their pioneering efforts, most specially their readiness to reduce the tariff from 17 cents per kilowatts hour to 11.5 cents.

-*He however warned them not to compromise standard by managing materials for construction, to deliver durable projects, adding that there must be no room for poor quality. The Minister saluted the courage of the promoters for their clear understanding of “the state of our electricity industry which has to change to where people can now ventilate their anger through the courts, people now must pay there bill else they get disconnected”.

Energy efficiency and conservation issues are now taken seriously; the Minister stated that there are now platforms for complaints, insisting that Government is committed to playing by the rules in events of conflicts.

He commended Nigerian Electricity Regulatory Commission. (NERC) for playing to the rules by appealing the court judgment on tariff reversal, saying that the regulator must remain focused and resolute to weather the storm in this transition era.

Electricity as a product must undergo a number of processes before it becomes a finished product and at every level in the business, contributors must be paid.

We must enlighten our people that tariffs are used to pay all these people in the value chain; it is a business venture and not a social interventionist venture.

With the realization of these solar powered projects additional 1,125MW would be expected on the grid. The implication of this is that electricity supply would no longer be vulnerable to the vagaries of one source, as presently being experienced. "We must create a robust and dynamic energy mix, today we are seeing positive changes, and we plan to make it impossible for group of persons to hold the entire country to ransom".

The target of 30% renewable energy source in the nation's mix is on course and achievable, adding that these projects have shown that the northern part of country is naturally endowed with solar as 80% of these initiatives are situated in the north, the Minister said.

Earlier, in his opening remark, the Acting Managing Director/ CEO, Nigerian Bulk Electricity Trading Plc. (NBET), Waziri Bintube said that recent development occasioned by vandalism on pipelines has made it compelling for the country to look seriously in the direction of a robust energy mix, giving assurance that these projects, worth 1.5 billion dollars, have met the rigorous NBET processes.

Speaking on behalf of the developers, Mr. Marcus Heal of Pan Africa Solar said that today's event is a product of 4 years transactions and proactive actions which will significantly ensure that power, through solar would soon be on the grid. He said that the developers accepted lower tariff than the earlier one agreed as a reflection of their confidence in the Nigeria Electricity industry and job creation potentials of their projects.

He challenged NBET to stabilize the market by ensuring strict adherence to payment commitments, stressing that stable market will further blossom the economic prosperity of Nigeria. He said sun, as a God given resource would soon overtake fossil fuel in power generation.

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