



9 December 2024

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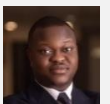
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TEMPLARS Transcripts: Energy & Natural Resources Digest

Nigeria

Power and Infrastructure

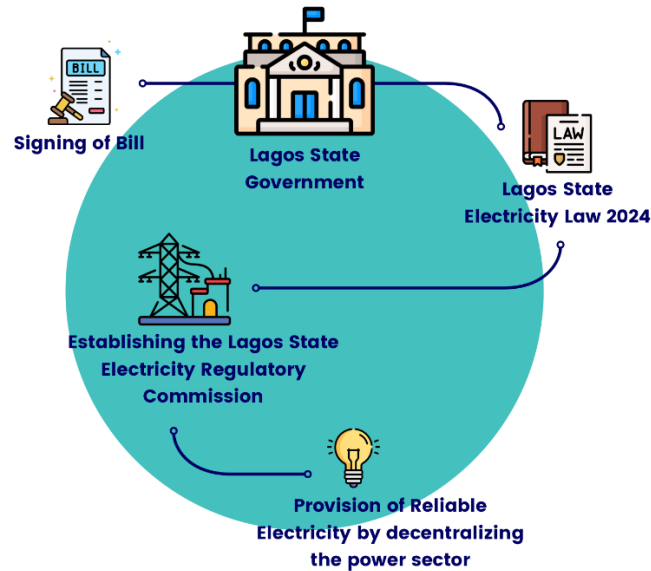
- **Governor of Lagos State Signs Lagos Electricity Bill into Law**

The Governor of Lagos State has signed the Lagos Electricity Bill 2024 into law.

The Lagos State Electricity Law 2024 ("**Electricity Law**") repeals the Lagos Electric Power Sector Reform Law 2018 and provides for the creation and administration of the Lagos electricity market. It establishes a commercial and technical regulatory framework for the market, ensures reliable and universal access to electricity for all residents of Lagos State, and creates the Lagos State Electrification Agency and the Lagos State Electrification Fund to deliver reliable electricity to unserved and underserved areas of the State.

The Electricity Law also establishes the Lagos State Electricity Regulatory Commission ("**Commission**"), which is responsible for determining, formulating, and monitoring government policies for the State's electricity supply industry. The Commission will advise the State Government on all matters related to the electric power sector and perform other functions necessary for the effective regulation and development of the sector.

Additionally, the Electricity Law restricts the provision of electricity services without a valid license. The Commission is empowered to grant licenses subject to specific terms and conditions. These licenses include generation licenses, transmission licenses, trading licenses, and distribution and supply licenses.



This follows the decentralization of the power sector, as provided in the Electricity Act 2023, which allows states to enact laws for the regulation of the electricity markets within their regions.

Renewable Energy

- **The Rural Electrification Agency signs a Landmark Memorandum of Understanding to Accelerate Access to Clean Energy Across Underserved and Rural Communities**

The Rural Electrification Agency (“**REA**”) has signed a Memorandum of Understanding (MOU) with strategic partners to enhance collaborative efforts aimed at accelerating access to clean, reliable, and sustainable energy for unserved, underserved, and peri-urban communities across Nigeria.

The partners include 4 (four) government agencies (the Nigerian Immigration Service, Nigeria Police Trust Fund, National Training Institute of Nigeria and the National Agricultural Development Fund) and 19 (nineteen) Renewable Energy Service Companies (“**RESCOs**”). Each of these partners has committed to optimising their resources to deliver innovative, sustainable, utility-scale renewable energy capacity in line with the objectives of the REA.

The REA's new growth plan is in line with the Renewed Hope Agenda of President Ahmed Bola Tinubu, which is captured in the 2023 Electricity Act. Further to this, each government organisation is mandated to bring its unique expertise, resources, and technical assistance to ensure the success of the initiative.

The partnerships support both the alleviation of energy poverty in unserved areas and the electrification of key sectors including agriculture, healthcare, education and security. The initiative also emphasises creating enabling environments for private participation, including grants, investments, and collaboration with RESCOs for scaling renewable energy projects.

The MOU ties into large-scale initiatives, such as the Distributed Access through Renewable Energy Scale-up (“**DARES**”), a \$750 million (seven hundred and fifty million United States Dollars) electrification programme under the REA, which aims to increase access to electricity services for households and micro, small and medium-sized enterprises (MSMEs) with private sector led distributed renewable energy infrastructure and generation.



Rehabilitation of Pipelines

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- **Energy Commission Nigeria Launches Computerized National Energy Information System in Collaboration with ECOWAS Commission**

The Economic Commission of West African States ("ECOWAS") in collaboration with the Energy Commission of Nigeria ("Energy Commission") on 4 November 2024 launched the Computerised National Energy Information System (CNES) in Nigeria as part of the ECOWAS Energy Information system (ECOWAS-EIS).

The Director-General of the Energy Commission emphasized that the launch of the CNES aligns with the Energy Commission's core responsibility for strategic planning and coordination of national energy policies. The CNES introduces a computerized infrastructure to digitize data collection, reduce entry errors, expedite processing, enhance data dissemination speed, prevent data loss, and improve data quality and energy planning. The CNES will serve as a repository for bankable energy data across various sectors of Nigeria's economy. The compiled data will support the development, operation, and maintenance of the National Energy Information System, accessible to researchers, development partners, individuals, and organizations to aid in planning, making informed decisions, and taking effective actions in managing energy supply, usage, and costs.

Oil and Gas

- **FG set to Rehabilitate 5,120km of Pipelines Transporting Crude Oil and other Petroleum Products**

The Federal Government of Nigeria, through the Nigerian National Petroleum Company Limited ("NNPC"), is reported to be scouting for private financiers to overhaul the dormant 5,120 kilometres of pipeline network on the basis that the nation's refineries, being repaired for about US\$2.9 billion, are on the cusp of operationalisation.

This development comes as industry players and the National Assembly raised concerns about Nigeria's pipeline assets and their implication on worsening environmental pollution from the downstream oil sector, as well as the reoccurring cases of vandalism and oil theft on the pipelines. The existing network runs through the entire country and supplies crude oil to state-owned refineries and evacuates products for distribution across the storage depots.

It is expected that the pipeline network rehabilitation project would be financed through a Build, Operate and Transfer ("BOT") model. The rehabilitation is part of a larger strategy to improve the efficiency, safety, and sustainability of Nigeria's oil and gas infrastructure – ensuring a more reliable and secure supply of petroleum products for both domestic use and international export.

The NUPRC further presented its mandates as outlined in Sections 6, 7, and 8 of the PIA, focusing on the technical, commercial, and operational functions of the NUPRC. Stakeholders were also briefed on Section 94(4) of the PIA, which mandates the relinquishment of marginal fields or discoveries left fallow for over seven years, as well as related provisions under Sections 94(6), 94(7), and 94(8)(a)(b) of the PIA.

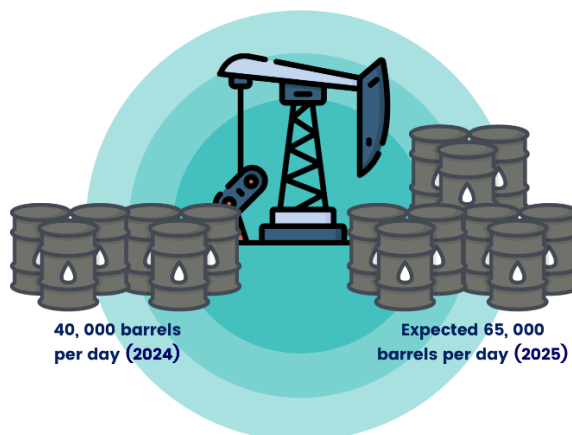
The session provided an opportunity for stakeholders to discuss the practical implications of these provisions for fostering growth and transparency.

- **Boost for Nigeria's Oil Production as NNPC's Utapate Crude Grade Enters the Global Oil Market**

In July 2024, the NNPC, in collaboration with Sterling Oil Exploration & Energy Production Company Limited ("SEEPCO"), introduced the Utapate crude oil blend to the international market. Production commenced in May 2024 at the Utapate Field in Akwa Ibom State, with the first shipment of 950,000 barrels dispatched to Spain in July 2024. It is expected that production from the field will increase from the current 40,000 barrels per day ("bpd") to c. 65,000 bpd by June 2025

By way of background, the Utapate field development plan, which was executed between 2013 and 2019, comprised the conversion of wells and facilities from swamp / marine to land-based operations, a multi-rig drilling campaign for 40 wells, and the development of significant infrastructures such as production facilities, storage tanks, a subsea pipeline and an offshore loading platform to facilitate crude oil evacuation and loading.

The ongoing development of the Utapate Field presents a critical opportunity to enhance Nigeria's crude oil production and revenue generation.



Ghana

Energy Transition

- **Mesti Supports Ghana's Green Finance Taxonomy**

The Director of Environment at Ministry of Environment, Science, Technology and Innovation (MESTI), praised the recently launched Green Finance Taxonomy by the Ministry of Finance, emphasizing its role in curbing greenwashing and enhancing green investment in Ghana.

The Green Finance Taxonomy serves as a framework for identifying green investments based on their alignment with specific environmental objectives and targets, and is aimed at improving project assessments and enabling more transparent and impactful environmental investments.

Oil and Gas



Ghana's Current Stake

is financially unattractive, as investors effectively lose 15% of their investment from the outset to regulatory requirements.

- **Petroleum Commission Considers Reducing Ghana's 15% Stake in Oil Explorations**

The Petroleum Commission of Ghana ("**Petroleum Commission**") is considering reducing the country's 15% participating interest in oil explorations to remain competitive in the African oil and gas industry. With other African nations offering lower stakes (e.g., 10%), Ghana risks losing investments to these countries.

The Chief Executive of the Petroleum Commission emphasized the need for legal reforms to address regulatory hurdles and attract investors. He pointed out that Ghana's current stake is financially unattractive, as investors effectively lose 15% of their investment from the outset to regulatory requirements. The Chief Executive also highlighted the importance of Ghana maintaining its competitiveness, especially with the upcoming Africa Oil Week conference in 2025, which will bring together key industry stakeholders to foster partnerships and sector development.