

ENERGY SECTOR

NEWS UPDATE

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OIL AND GAS SECTOR



NIGERIA'S FIRST OIL AND GAS DECARBONISATION FORUM TO BE HELD IN MARCH 2025

The Chief Executive Officer of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) announced during the African Upstream Forum at the 2025 Nigeria International Energy Summit (NIES) in Abuja that the commission will host the first-ever Nigeria Upstream Oil and Gas Decarbonisation Forum in March 2025. The event is part of efforts to promote sustainable energy development and will provide a platform for key stakeholders to discuss decarbonisation strategies and carbon monetisation in the upstream sector. It is expected to bring together regulators, agencies, and industry players from around the world to exchange insights and best practices. The NUPRC will also present its governance and regulatory framework for advancing sustainable energy practices in the sector.

FG'S PLAN TO COMPLETE AKK GAS PIPELINE PROJECT IN 2025

The Federal Government has announced plans to complete the Ajaokuta-Kaduna-Kano (AKK) gas pipeline project in 2025, a key infrastructure project under Nigeria's national gas expansion drive. The 614-kilometer pipeline is expected to enhance gas supply for industrial, commercial, and residential use, creating new opportunities for investors in manufacturing, power generation, and other gas-dependent sectors. Once operational, the project will play a critical role in

advancing Nigeria's goal of becoming a leading gas-powered economy by 2030 under the Decade of Gas Initiative. Businesses and stakeholders looking to leverage the increased gas supply for industrial growth, energy projects, or commercial ventures should monitor developments closely.

NMDPRA BANS 60,000-LITRE FUEL TANKERS FROM DEPOTS EFFECTIVE MARCH 1, 2025

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has announced a ban on fuel tanker trucks carrying 60,000 litres and above from loading at depots nationwide, effective March 1, 2025. This measure aims to enhance road safety, regulate fuel quality, and ensure stable supply amid recent tanker accidents that have led to fatal fire outbreaks and property destruction. Industry stakeholders, including fuel marketers and logistics operators, should assess the impact of this regulation on fuel distribution strategies and explore compliance measures to avoid disruptions.

NIGERIA SIGNS GAS SUPPLY AGREEMENT WITH ALGERIA AND NIGER

Nigeria has signed agreements with Algeria and Niger to advance the Trans-Saharan Gas Pipeline (TSGP) project, aimed at supplying gas to European markets. The agreements were finalized on February 11, 2025, in Algiers. The TSGP, spanning 2,565 miles, will transport up to a trillion cubic feet of natural gas annually from Nigeria's Warri hydrocarbon fields to Algeria's Hassi R'Mel hub. With an estimated \$13 billion investment required, this project presents opportunities for investors, energy companies, and infrastructure developers looking to participate in Africa-Europe gas trade.

ELECTRICITY SECTOR



NERC ISSUES FEBRUARY 2025 SUPPLEMENTARY MYTO FOR DISCOS

The Nigerian Electricity Regulatory Commission (NERC) has issued the February 2025 Supplementary Order to the Multi-Year Tariff Order (MYTO) 2024 for electricity distribution companies (DisCos). Effective from February 1, 2025, the Order reflects adjustments in key macroeconomic indices, including inflation, exchange rates, gas prices, and available generation capacity, to ensure cost-reflective tariffs (CRT) across the Nigerian Electricity Supply Industry (NESI). The update aligns with NERC's regulatory framework for tariff adjustments and may impact electricity costs for consumers and businesses.

NERC ISSUES AMENDED ORDER ON UNAUTHORISED ACCESS, METER TAMPERING, AND BYPASS

The Nigerian Electricity Regulatory Commission (NERC) has issued an Amended Order on Unauthorised Access, Meter Tampering, and Bypass, effective from January 22, 2025. This Order revises the 2017 regulation, imposing stricter penalties for electricity theft. Customers found tampering with meters or bypassing connections will face increased administrative charges and reconnection fees, with penalties reaching up to 600% of their last recorded consumption for Maximum Demand (MD) users.

Additionally, DisCos must compensate customers for delayed reconnections beyond 48 hours after payment. The amendments aim to curb energy theft and enhance accountability within the electricity sector.

TCN COMMISSIONS A 100MVA POWER TRANSFORMER IN OSOGBO, OSUN STATE

The Transmission Company of Nigeria (TCN) has commissioned a new 100MVA power transformer at the 132/33kV Osogbo Transmission Substation in Osun State, marking a major advancement in the country's electrical transmission infrastructure.

This power transformer will boost the substation capacity and enhance bulk power supply and improve the electricity supply within the Osogbo and surrounding areas. This 100MVA power transformer is part of the nationwide initiatives in collaboration with the World Bank.

NEW PEAK IN POWER GENERATION BY TCN

The Transmission Company of Nigeria (TCN) has announced a new peak generation of 5,543.20 megawatts (MW). The new Maximum Daily Energy is 125,159.46 megawatt-hours (MWH) is the highest in the nation's electricity sector. TCN has successfully transmitted the new peak generation and maximum daily energy to the distribution companies' load centers nationwide for onward distribution to customers.

PENALTIES FOR METER BY-PAS OFFENDERS IN NIGERIA

The Nigerian Electricity Regulatory Commission (NERC) has introduced new penalties for individuals and businesses found guilty of bypassing electricity meters.

NERC has introduced stiffer financial penalties for electricity consumers found guilty of meter

tampering and by-pass. The revised fines are as follows:

- Non-MD (Maximum Demand) Single-phase meters
- First offence: N100,000
- Subsequent offence: N150,000
- Non-MD Three-phase meters
- First offence: N200,000
- Subsequent offence: N300,000

FG COMMISSIONS 990KWP INTERCONNECTED MINI-GRID IN NIGER STATE TO EXPAND ENERGY ACCESS

The Federal Government has commissioned a 990kWp Interconnected Mini-Grid in Lambata Community, Gurara Local Government Area of Niger State, as part of its efforts to boost rural electrification and expand access to clean energy solutions. The project was implemented under the Interconnected Mini-Grid Acceleration Scheme (IMAS) of the Rural Electrification Agency (REA). The Lambata mini-grid is one of 19 sites under the IMAS initiative and is expected to provide clean, reliable electricity to over 3,500 connections, including households and businesses in the community. The project was developed through a public-private partnership between the Abuja Electricity Distribution Company (AEDC) and Nayo Tropical Technology Ltd.

MINING SECTOR



SOLID MINERAL COPORATION

The Federal Government of Nigeria, has set incorporation an organization which will be driven by the Ministry of Finance Incorporation (MOFI) and structured patterned after the Nigeria Liquefied Natural Gas (NLNG) model. The set up is a 50% equity stake for the private sector, 25% for Nigerians, and 25% for the Federal Government.

The focus is on improving access to mining sites through the development of intermodal transport along the mining corridor – including roads, rail, and waterways; strengthening the regulatory framework, remediating abandoned mining pits for productive use, ensuring investor security, and expanding exploration to generate comprehensive geo-data that will attract major players to the sector.

PARTNERSHIP BETWEEN NIGERIA AND SAUDI ARABIA

The Nigerian government and the private sector are working together to introduce new technologies for mineral exploration, some products which were available at the Saudi Arabia exhibition to raise awareness.

Nigeria has proposed to have a renewed plan with Saudi Arabia to leverage through the records of the Saudi firms to explore minerals and to collaborate on areas of economic advantage.

GOVERNMENT OF PLATEAU STATE SUSPENDS MINING ACTIVITIES WITHIN THE STATE

The Governor of Plateau State, His Excellency Caleb Mutfwang, as signed an Executive order which suspend Mining activities until further notice. This suspension was necessitated by the need to protect the environment, address security challenges and safe guard the well-being of the citizens of the state.

In the bid to ensure a well-structured and sustainable to mining in the state, the state government has initiated moves to collaborate with the Federal Government, local authorities, host communities and mineral rights holders to establish a monitoring framework and to enforce Community Development Agreements that guarantee socio-economic benefits for host communities.

To oversee the implementation of the mining reforms, a Technical Committee on Mining Reform was inaugurated, the committee is tasked with the following:

1. Verifying mining licenses to ensure compliance with regulations.
2. Gathering data on mining sites for better resource management.
3. Regulating illegal mining operations to curb environmental and security concerns.
4. Recommending designated mining areas to prevent encroachment on residential lands.

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