Nigeria

Population: 186 million
GDP Growth: 1.6%
GDP/Cap (PPP): $2,178
Ease of Doing Business: 169

The U.S. investment in the Azura Project, represented by OPIC and American Capital, is complemented by USAID’s advisory support to the Nigerian government. We welcome their vision, their partnership spirit, and their audacity.”

– David Ladipo, Managing Director of Azura Power Holdings

ENERGY SECTOR OVERVIEW

Nigeria is the largest economy in sub-Saharan Africa, but limitations in the power sector constrain growth. Nigeria is endowed with large oil, gas, hydro and solar resource, and it already has the potential to generate 12,522 megawatts (MW) of electric power from existing plants, but most days is only able to generate around 4,000 MW, which is insufficient. Nigeria has privatized its distribution companies, so there is a wide range of tariffs.

GENERATION CAPACITY

Installed Capacity: 12,522 MW
- Thermal: 10,142 MW
- Hydro: 2,380 MW

Power Africa New MW to Date
- Reached Financial Close: 3,384 MW

Power Africa 2030 Pipeline:
11,750 MW

CONNECTIONS

Current Access Rate: 45%
- Rural: 36% Urban: 55%

Households without Power: 20 million
- Target: Universal access by 2030

Power Africa New Off-Grid Connections: 237,000

Power Africa New Grid Connections: 266,000

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks
1. Macroeconomic forces
2. Lack of creditworthy utilities
3. Lack of strong, transparent regulator

Power Africa Interventions
1. Loss reduction work with utilities
2. Transaction advisory services
3. Partnership with National Association of Regulatory Utility Commissioners
POWER AFRICA’S ENGAGEMENT IN NIGERIA

MW GENERATION
Power Africa assisted the Government of Nigeria with agreements to move the Qua Iboe gas project closer to financial close. In parallel, Power Africa is assisting with agreements on several solar projects that will help Nigeria diversify its energy mix. Power Africa also helped Nigeria’s first private IPP, the Azura Edo Project, reach financial close in 2015, including a $50 million investment by The Overseas Private Investment Corporation (OPIC). The Azura plant became operational in 2018.

CONNECTIONS
Power Africa, through the United States Agency for International Development (USAID) and the U.S. Trade and Development Agency (USTDA) is working to improve commercial operations and reduce losses at five distribution companies: Abuja, Benin, Eko, Ibadan, and Ikeja. Power Africa is supporting off-grid options as well. With a $15 million OPIC loan, Lumos, Inc. is deploying rooftop solar panel kits to approximately 70,000 residential and small commercial customers in Nigeria, using a lease-to-own business model. In partnership with General Electric, the U.S. African Development Foundation (USADF) and others, Power Africa has awarded nine $100,000 grants to entrepreneurs for innovative, off-grid energy projects in Nigeria.

ENABLING ENVIRONMENT
Power Africa provides support to the Nigeria Electricity Regulatory Commission (NERC) through a partnership with the National Association of Regulatory Utility Commissioners (NARUC). This organization provides guidance on regulatory practices and tariff setting. Power Africa also provided planning support to the Transmission Company of Nigeria (TCN) to try to attract new investment in the transmission network.

SUCCESS STORY
Power Africa is assisting the Ministry of Petroleum Resources to structure and implement a program that will attract competent third-party off-takers to invest in the capture and utilization of gas flares using tested technologies. This work in support of the Nigeria Gas Flares Commercialization Program (NGFCP) will improve access to finance for gas flare projects to achieve quicker financial close through incentives to investors and strengthen capacity of regulatory agencies to monitor and sustain the implementation, as well as subsequent bid rounds. (http://www.ngfcp.gov.ng)

ABOUT POWER AFRICA
Power Africa is comprised of 12 U.S. Government Agencies, over 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa’s goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

CONTACT US

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