



NIGERIAN ELECTRICITY REGULATORY COMMISSION

Order No. NERC/NERC/182/2019

ORDER ON THE MANDATORY DISPATCH OF HYDRO POWER PLANTS IN THE NIGERIAN ELECTRICITY SUPPLY INDUSTRY

Whereas –

1. The Nigerian Electricity Regulatory Commission (the "Commission") is required by section 32 of the Electric Power Sector Reform Act ("EPSRA") to–
 - a. *create, promote and preserve efficient industry and market structures, and to ensure the optimal utilization of resources for the provision of electricity services.*
 - b. *ensure the safety, security, reliability, and quality of service in the production and delivery of electricity to consumers.*
 - c. *establish or, as the case may be, approve appropriate operation codes and safety, security, reliability and quality standards.*
2. Section 66 of EPSRA mandates the licensed System Operator ("SO") to carry out the activity of system operation, generation scheduling, commitment and dispatch in the Nigerian Electricity Supply Industry ("NESI").
3. The SO in execution of the statutory mandate in 2 above issued the following merit order for NESI on 21 July 2017 –

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Group 1: *Hydro units (least cost) on free governor control and ancillary service.*

Group 2: *Other units identified to be on free governor control.*

Group 3: *Other units identified to be offering regulating reserve.*

Group 4: *Other units offering spinning reserve (i.e. the power plants contracted for the ancillary service).*

Group 5: *All plants dispatched subject to transmission constraints.*

Group 6: *All plants providing voltage support above statutory limit.*

Group 7: *All other power plants.*

4. The meteorological forecasts for 2019 indicated that there would be significant events of flooding across the country and these forecasts have been confirmed with the high incidents of heavy rainfall for long durations across the country.
5. A major consequence of this meteorological event on the operations of the 3 hydropower stations (i.e. Jebba, Kainji and Shiroro) has been high rate of reservoir fill-up which poses extreme environmental risks to lives/property downstream from the plants that could result in submerging entire villages along the riverbanks.
6. The attention of the Commission has also been drawn to the increasing cost of wholesale energy to distribution licensees in NESI attributable to the generation mix of dispatched energy.
7. The Commission notes that urgent regulatory intervention is required to address the issues identified above in the overall public interest of Nigerians in order to forestall preventable tragedies that could arise from the non-prioritised dispatch of the 3 hydropower stations.
8. The Commission notes further that the SO has been apprised of the national security implications of the non-prioritised dispatch of the 3 hydropower stations by other agencies of government.

THE COMMISSION HEREBY ORDERS as follows –

- A.** The 3 hydropower plants are hereby designated as “must-run” powerplants and shall be accorded high priority by the SO in the dispatch of grid connected power plants in Nigeria.
- B.** The “must-run” status of these 3 hydropower plants shall be implemented in accordance with the daily nomination of these plants.
- C.** The SO shall ensure strict compliance with the terms of this order in the dispatch of powerplants in NESI.
- D.** The SO must submit detailed written justification to the Commission within 48 hours for any event of deviation/non-compliance with the terms of this order.
- E.** This order takes effect from the 18th day of September 2019.

Dated this 18th day of September 2019



James A. Momoh
Chairman



Dafe C. Akpeneye
Commissioner
Legal, Licensing & Compliance

