



TOPE ADEBAYO LP

# ENERGY AND NATURAL RESOURCES REPORT

*Volume 3*

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## CHAPTER 2

# 2025 END-OF-YEAR NIGERIA POWER SECTOR **REPORT**



# TABLE OF CONTENT

■ 1.0 INTRODUCTION

■ 2.0 MARKET PERFORMANCE

■ 3.0 KEY DEVELOPMENTS FROM OUR 2025  
MID-YEAR REPORT

■ 4.0 OTHER H2 DEVELOPMENTS

■ 5.0 ENERGY TRANSITION AND RENEWABLE  
ENERGY DEVELOPMENT

■ 6.0 POWER AND CLEAN ENERGY PROJECTS

■ 7.0 2026 PROJECTIONS

■ 8.0 CONCLUSION





The year 2025 has seen concerted efforts to enhance performance and strengthen investor confidence across all segments of the Power Sector value chain. As highlighted in our [2025 Mid-Year Report on the Nigerian Power Sector](#) (“2025 Mid-Year Report”), several key regulatory instruments were introduced to improve grid stability, governance, operational discipline and market accountability. These include the [NESI Code of Corporate Governance](#), the [Order on Mandatory Implementation of Free Governor Control](#) and the [mandatory integration of grid-connected generating units with SCADA](#).

In 2025, the [Nigerian Electricity Regulatory Commission](#) (“NERC”) continued to take decisive regulatory actions, particularly through sanctions aimed at curbing estimated billing by DisCos and accelerating the closure of the metering gap. Progress has also continued in the transition to State-level regulation. By year end 2025, a total of fourteen (14) States had been issued transition Orders by NERC. However, despite these regulatory advancements, the Power Sector remains constrained by persistent structural and operational deficiencies. The Sector reportedly recorded losses of about N200 billion in the first

quarter of 2025 due to systemic inefficiencies. Furthermore, findings from the Industrial Energy Consumption Survey conducted by the Energy Commission of Nigeria in collaboration with the United Nations Industrial Development Organisation, indicate that over [40% of industries](#) across selected States have disconnected from the national grid due to unreliable supply.

This 2025 End-of-Year Report on the Nigerian Power Sector references major developments recorded in the first half of the year as highlighted in our [2025 Mid-Year Report](#), examines key industry developments in the second half of 2025, and outlines our projections for the Sector in 2026.

*From the Energy Desk.*

**ADEREMI OGUNBANJO**

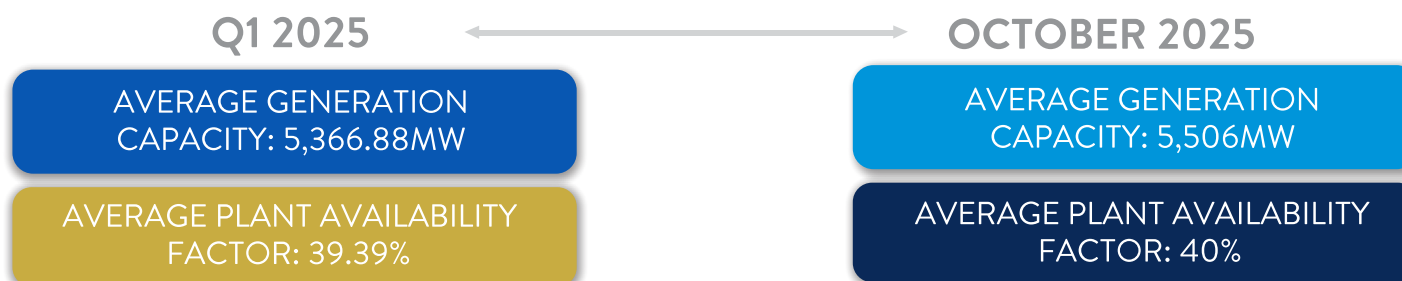
Partner, Energy and Natural Resources





## GENERATION

According to NERC's Report,<sup>1</sup> the average generation capacity of the 28 grid-connected power plants in Q1/2025 stood at 5,366.88 MW, with an average plant availability factor of 39.39%. By October 2025,<sup>2</sup> average available generation capacity had risen to 5,506 MW and the availability factor improved marginally to 40%, reflecting a modest but notable upward trend. The leading energy producers during this period were Egbin, Delta, Kainji, and Zungeru power plants.<sup>3</sup>



Despite outstanding Gas-to-Power invoices estimated at over N1 trillion, the [Nigerian Upstream Petroleum Regulatory Commission](#) reported an increase in gas supply for power generation in 2025. Gas-to-Power supply rose from 780.23 MMSCF/D in January 2025 to a daily average of 862.86 MMSCF/D by July 2025, underscoring continued upstream commitment to meeting Power Sector demand notwithstanding prevailing liquidity challenges.<sup>4</sup>

## TRANSMISSION AND GRID PERFORMANCE

NERC's 2025 Reports indicates continued instability in grid frequency management. In [Q1](#) 2025, the average lower daily frequency (49.28Hz) and upper daily frequency (50.77Hz) fell outside the prescribed operating limits of 49.75Hz–50.25Hz, although they remained within the broader stress thresholds of 48.75Hz–51.25Hz. By October 2025,<sup>5</sup> the average lower (49.46Hz) and upper (50.69Hz) grid frequencies continued to exceed prescribed operating limits, underscoring persistent challenges with frequency control and grid balancing.

<sup>1</sup> [https://nerc.gov.ng/wp-content/uploads/2025/07/2025\\_Q1\\_Report.pdf](https://nerc.gov.ng/wp-content/uploads/2025/07/2025_Q1_Report.pdf) (Last accessed December 8, 2025)

<sup>2</sup> [https://www.linkedin.com/posts/nercng\\_nerc-operationalperformance-powerplants-activity-7396497189641842689-ZZtn/?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keD1buY](https://www.linkedin.com/posts/nercng_nerc-operationalperformance-powerplants-activity-7396497189641842689-ZZtn/?utm_source=share&utm_medium=member_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keD1buY) (Last accessed December 8, 2025)

<sup>3</sup> Ibid

<sup>4</sup> <https://www.nuprc.gov.ng/nigerias-gas-production-hits-daily-average-of-7-59billion-scf-as-nuprc-releases-july-production/> (Last accessed December 8, 2025)

<sup>5</sup> [https://www.linkedin.com/posts/nercng\\_nerc-operationalperformance-powerplants-activity-7396497189641842689-ZZtn/?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keD1buY](https://www.linkedin.com/posts/nercng_nerc-operationalperformance-powerplants-activity-7396497189641842689-ZZtn/?utm_source=share&utm_medium=member_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keD1buY)

While formal regulatory reports revealed no system disturbances in [Q1](#) and [Q2/2025](#), independent media sources reported at least one major grid collapse in [February](#), another in [March](#), and a further incident in [September](#) 2025. In response to the February reports, the Transmission Company of Nigeria (“TCN”) had issued a public notice<sup>6</sup> clarifying that the incident was not a grid collapse but a tripping of the Omotosho-Ikeja West 330kV transmission line, which triggered outages across the Abuja, Lagos and Osogbo axes.

Notwithstanding these reports, the escalation of vandalism and terrorism targeting transmission infrastructure remains a threat to grid stability. The TCN reportedly recorded a total of forty-two (42) separate vandalism incidents affecting about 178 transmission towers within the first half of 2025.<sup>7</sup> The most affected regions included Abuja, Port Harcourt, Enugu, Kano, and Kaduna.<sup>8</sup>

Our [2025 Mid-Year Report](#) had discussed the Federal Government’s proposed establishment of a specialised security unit referred to as “Power Rangers”, comprising officers of the

Nigeria Security and Civil Defence Corps, as announced by the Minister of Interior, Olubunmi Tunji-Ojo, in February 2025, to enhance the protection of power infrastructure.<sup>9</sup> However, there has been limited public information on the implementation status or operationalisation of this initiative. Similarly, while collaborative efforts between TCN and the Office of the National Security Adviser to strengthen the protection of critical national infrastructure had been disclosed earlier in the year,<sup>10</sup> there is limited publicly available information on the outcomes of this collaboration or its measurable impact on reducing grid-related vandalism.



<sup>6</sup> <https://www.facebook.com/100064591696669/posts/misrepresentation-of-facts-about-grid-disturbancethe-transmission-company-of-ni/1037595978403449/> (Last accessed December 8, 2025)

<sup>7</sup> <https://www.vanguardngr.com/2025/06/tcn-reports-rise-in-infrastructure-attacks/#:~:text=By%20Yinka%20Kolawole%2C%20with%20agency,wheeled%20to%20the%20distribution%20ends.> (Last accessed December 8, 2025)

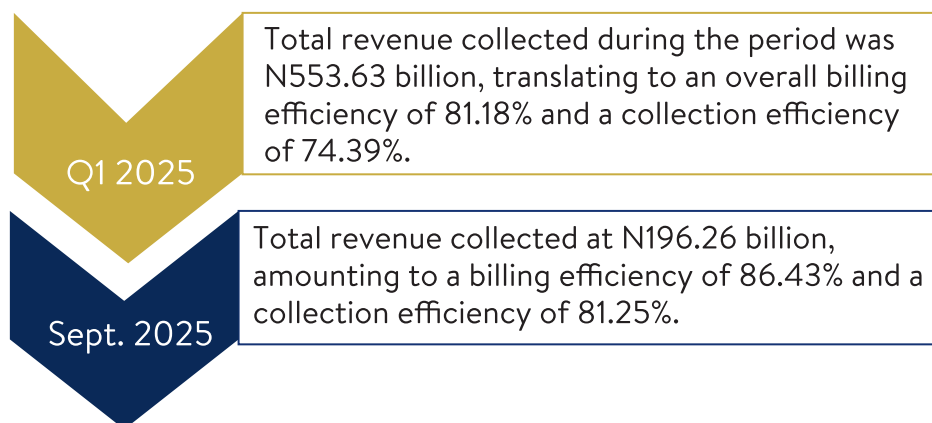
<sup>8</sup> Ibid

<sup>9</sup> <https://punchng.com/tg-to-establish-power-rangers-to-guard-electricity-assets-minister/> (Last accessed December 8, 2025)

<sup>10</sup> <https://nerc.gov.ng/media/energy-security-onsa-engages-power-sector-stakeholders-on-infrastructure-protection-strategies/#:~:text=The%20Office%20of%20the%20National%20Security%20Adviser,in%20Nigeria's%20power%20sector%20to%20address%20growing> (Last accessed December 8, 2025)

## DISTRIBUTION

According to NERC's [Q1](#) and [Q2/2025](#) Reports, the distribution segment of the market recorded cumulative revenue losses of over N258.053 billion arising from Aggregate Technical, Commercial and Collection (ATC&C) losses across all Distribution Companies ("DisCos") in the first half of the year. In [Q1/2025](#), the DisCos received a total of 8,169.00 GWh, out of which 6,631.92 GWh was billed at a value of N744.27 billion to customers.



NERC's September 2025 Factsheet on the Commercial Performance of Distribution Companies indicates some improvement.<sup>11</sup> Total energy received stood at N279.45 billion, total energy billed at N241.54 billion.

On metering, NERC's July and August 2025 Factsheet on the Metering Status of DisCos show that active customers totalled 11,960,101 as at August 2025, with only 6,579,818 metered, indicating a metering rate of 55.01%.<sup>12</sup> Yola DisCo recorded the lowest metering rate of 28.65% amongst all DisCos.<sup>13</sup> The persistent metering gap continues to undermine billing and collection performance across the Sector, despite multiple Federal Government initiatives aimed at accelerating meter deployment, including the National Mass Metering Programme under which the Central Bank of Nigeria has reportedly disbursed over N55 billion.<sup>14</sup>

In August 2025, the House of Representatives moved to summon all 11 DisCos over an accumulated N2.7 billion debt owed to the Federation Account as at September 2020, requesting explanations for the non-remittance and for clear repayment plans. Media reports indicate that some DisCos have either already appeared before, or commenced engagement with, the House, except for Ibadan Electricity Distribution Company, Benin Electricity Distribution Plc, and Port Harcourt Electricity Distribution Plc. Accordingly, on 15 December 2025, these DisCos were issued a 72-hour ultimatum to appear before the House.

<sup>11</sup> [https://www.linkedin.com/posts/nercng\\_nerc-commercialperformance-nesi-activity-7400136774225760256--FyR/?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY](https://www.linkedin.com/posts/nercng_nerc-commercialperformance-nesi-activity-7400136774225760256--FyR/?utm_source=share&utm_medium=member_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY) (Last accessed December 8, 2025)

<sup>12</sup> [https://www.linkedin.com/posts/nercng\\_nerc-meteringfactsheet-meteringprogress-activity-7393568638324211712-uNF-/utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY](https://www.linkedin.com/posts/nercng_nerc-meteringfactsheet-meteringprogress-activity-7393568638324211712-uNF-/utm_source=share&utm_medium=member_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY) (Last accessed December 8, 2025)

<sup>13</sup> Ibid

<sup>14</sup> <https://guardian.ng/news/national-mass-metering-programme-has-failed-reps-declare/> (Last accessed December 8, 2025)



## GENERATION

### a. Legacy Debt:

As highlighted in our [2025 Mid-Year Report](#), the Special Adviser to the President on Energy, Olu Verheijen, had reportedly confirmed in the first half of the year that the Federal Government was evaluating repayment options for the settlement of over N4 trillion in outstanding Power Sector debt, a liability that has significantly constrained the operational efficiency and liquidity of Generating Companies (“GenCos”).

In August 2025, the President of the Federal Republic of Nigeria approved and the Federal Executive Council endorsed, the Presidential Power Sector Debt Reduction Plan (the “Plan”). The Plan reportedly authorises the issuance of up to N4 trillion in government-backed bonds to liquidate verified arrears owed to generation companies and gas suppliers, marking the most significant fiscal intervention in the Sector on this issue in recent years.<sup>15</sup>

According to a Press Release from the Office of the Special Adviser to the President on Energy,<sup>16</sup> the Minister of Finance and Coordinating Minister of the Economy, Wale Edun; the Minister of Power, Chief Bayo Adedunjo; and the Special Adviser on Energy, Olu Verheijen, convened with senior executives of the GenCos to review proposed settlement modalities.



<sup>15</sup> <https://www.energyreforms.ng/publications/office-of-the-special-adviser-to-the-president-on-energy-press-release/> (Last accessed December 8, 2025)

<sup>16</sup> <https://www.energyreforms.ng/publications/office-of-the-special-adviser-to-the-president-on-energy-press-release/> (Last accessed December 8, 2025)

**b. Developments on Underperforming DisCos:**

In our [2025 Mid-Year Report](#), we highlighted the Federal Government's planned restructuring programme for DisCos, as disclosed by the Minister of Power, Adedayo Adelabu. Under the programme, it was intended for DisCos to grant access to operational data, while external experts engaged by the Federal Government assess their operations and recommend improvement measures. Although the intervention was expected to commence between May and August 2025, there has been limited public information on its implementation.

In another development aimed at improving Power Sector performance, media reports in September 2025 indicate that the Director General of the Bureau of Public Enterprises ("BPE"), Ayodeji Gbeleyi, announced that the BPE is considering listing two DisCos and one GenCo on the Nigerian Exchange.<sup>17</sup> The proposed listings aim to increase Private Sector participation in the Power Sector and enhance corporate governance and transparency in their management.

**c. State-Level Regulation:**

As at January 2025, ten (10) States of the Federation; Enugu, Ekiti, Ondo, Imo, Oyo, Edo, Kogi, Lagos, Ogun and Niger, had been issued Transition Orders by NERC pursuant to the Electricity Act 2023 (as amended). By year end 2025, four additional States; Plateau,<sup>18</sup> Anambra,<sup>19</sup> Bayelsa<sup>20</sup> and Nasarawa,<sup>21</sup> had also received their respective Transition Orders, reflecting the growing momentum among States to assume greater regulatory control within the Power Sector.

2025 also saw notable actions by emerging State Electricity Regulators including the following key developments:

- Enugu State: Tariff Slash for Band A Customers**

In July 2025, the Enugu State Electricity Regulatory Commission ("EERC") issued Tariff Order No. EERC/2025/003 to its licensee, Mainpower Electricity Distribution Limited ("MEDL"), reducing the Band A tariff from N209/kWh to N160/kWh (effective August 1, 2025) and freezing tariffs for Bands B-E.<sup>22</sup> This tariff review generated considerable concern among market

<sup>17</sup> <https://businessday.ng/news/article/bpe-to-list-2-discos-one-genco-on-stock-exchange/> (Last accessed December 8, 2025)

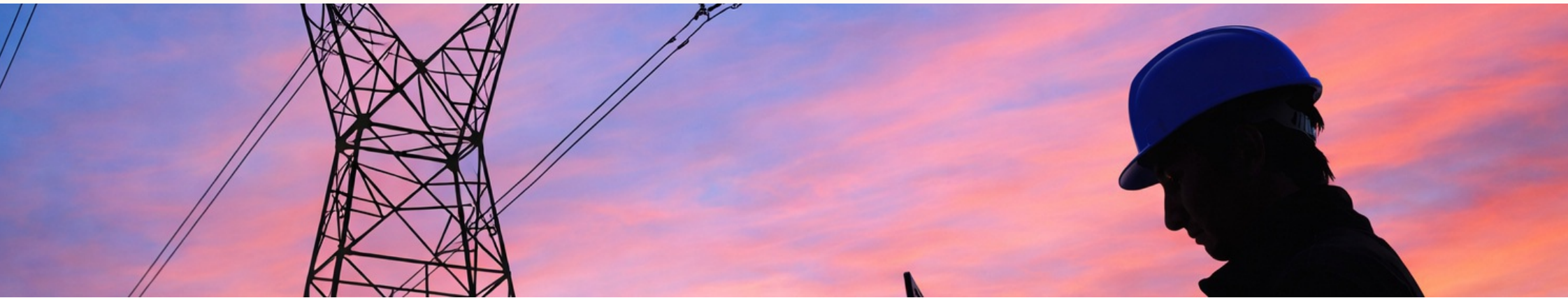
<sup>18</sup> <https://nerc.gov.ng/wp-content/uploads/2025/03/Transfer-Order-PSERC.pdf> (Last accessed December 8, 2025)

<sup>19</sup> <https://nerc.gov.ng/wp-content/uploads/2025/10/Anambra-State-Transfer-Order.pdf> (Last accessed December 8, 2025)

<sup>20</sup> <https://nerc.gov.ng/wp-content/uploads/2025/08/ORDER-ON-TRANSITION-TO-BAYELSA-STATE-ELECTRICITY-REGULATORY-AGENCY.pdf> (Last accessed December 8, 2025)

<sup>21</sup> <https://nerc.gov.ng/wp-content/uploads/2025/08/TRANSFER-ORDER-TO-NASARAWA-STATE-ELECTRICITY-REGULATORY-COMMISSION.pdf> (Last accessed December 8, 2025)

<sup>22</sup> <https://guardian.ng/news/eerc-revises-band-a-tariff-from-n209-to-n160-per-kwh/> (Last accessed December 8, 2025)



participants across the Nigerian Electricity Supply Industry (“NESI”) including an intervention by the Nigerian Independent System Operator (“NISO”).<sup>23</sup>

Following the release of the EERC Tariff Order, NERC issued a Public Notice reiterating that States do not possess the authority to regulate tariffs for electricity supplied through the national grid.<sup>24</sup> In response, EERC clarified that the tariff adjustment applied only to the distribution component of cost, an area it maintains falls within its regulatory jurisdiction, while generation and transmission components remained unchanged.<sup>25</sup>

MEDL formally petitioned EERC to suspend the Tariff Order,<sup>26</sup> stating that implementation would create an average monthly revenue shortfall of between N1.3 billion and N1.5 billion, amounting to an estimated N6.98 billion over five months.<sup>27</sup> Reports also indicate that Enugu Electricity Distribution Company (“EEDC”), MEDL’s parent company, had reduced power supply to Enugu by about 50% following the tariff cut in order to mitigate revenue losses.<sup>28</sup>

Although EERC conducted a public hearing on MEDL’s petition in October 2025, there have been limited public updates on subsequent regulatory actions or the status of the tariff dispute.<sup>29</sup>

<sup>23</sup> <https://businessday.ng/energy/power/article/niso-intervenes-in-enugu-tariff-dispute-cites-market-risks/> (Last accessed December 8, 2025)

<sup>24</sup> <https://nerc.gov.ng/media/application-of-multiple-tariff-regimes-in-the-nesi/> (Last accessed December 8, 2025)

<sup>25</sup> <https://businessday.ng/energy/article/nerc-has-no-power-to-regulate-power-distribution-enugu-disco/> (Last accessed December 8, 2025)

<sup>26</sup> <https://punchng.com/mainpower-petitions-eerc-rejects-tariff-reduction/> (Last accessed December 8, 2025)

<sup>27</sup> Ibid

<sup>28</sup> <https://www.vanguardngr.com/2025/08/tariff-slash-enugu-residents-suffer-blackouts-as-eedc-reduces-supply/> (Last accessed December 8, 2025)

<sup>29</sup> [https://www.linkedin.com/posts/eerc-ng-9b0831319\\_electricitytariff-energypolicy-powersector-activity-7384505583842004992-H03X?utm\\_source=share&utm\\_medium=member\\_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY](https://www.linkedin.com/posts/eerc-ng-9b0831319_electricitytariff-energypolicy-powersector-activity-7384505583842004992-H03X?utm_source=share&utm_medium=member_desktop&rcm=ACoAADEtokQBRzeQWuiwYTocV6N5sJ82keDlbuY) (Last accessed December 8, 2025)



- **Niger State: Issuance of License to Successor DisCo**

In August 2025, the Niger State Electricity Regulatory Commission (“**NSERC**”) issued a distribution licence to New Bussa Electricity Distribution Limited (“**NBEDL**”), the successor to Ibadan Electricity Distribution Plc (“**IBEDC**”) for operations within Niger State.<sup>30</sup> Following this development, NSERC released key regulatory instruments, including Supplementary Tariff Order for NBEDL.<sup>31</sup> According to the Tariff Order, the tariff methodology adopted reflects the applicable portions of the tariff framework previously approved for IBEDC by NERC in Niger State, thereby ensuring continuity pending the evolution of a State-specific tariff methodology.

Earlier in the year, NSERC had also strengthened its regulatory framework through the issuance of key instruments, including the Regulations on Licence Applications for Electricity Generation, Transmission, System Operations, Distribution, Integrated Utility and Retail, 2025,<sup>32</sup> and the Regulations for the Grant of

for Captive Power Generation.<sup>33</sup> These developments further demonstrate the State’s commitment to establishing a comprehensive and functional regulatory framework for its electricity market.

- **Lagos State: Licensing of Successor DisCos**

According to media reports, the Lagos State Electricity Regulatory Commission (“**LASERC**”) held a licence presentation ceremony in October 2025 to formally commemorate the issuance of licences to Excel Distribution Company, a subsidiary of Eko Electricity Distribution Company, and IE Energy Lagos Limited, a subsidiary of Ikeja Electric Plc.<sup>34</sup> This milestone underscores Lagos State’s commitment to strengthening its regulatory landscape and promoting increased private-sector participation in electricity distribution within the State.

<sup>30</sup> <https://nserc.ni.gov.ng/wp-content/uploads/2025/11/Order-2025.002B-WEB.pdf> (Last accessed December 8, 2025)

<sup>31</sup> Ibid

<sup>32</sup> Applications for Electricity Generation, Transmission, System Operations, Distribution, Integrated Utility and Retail, 2025 (Last accessed December 8, 2025)

<sup>33</sup> <https://nserc.ni.gov.ng/wp-content/uploads/2025/07/CAPTIVE-REGULATIONS.docx-2-1.pdf> (Last accessed December 8, 2025)

<sup>34</sup> <https://www.tvcnews.tv/laserc-licenses-new-discos-replaces-eko-ikeja-electric/> (Last accessed December 8, 2025)

- **Ondo State: Issuance of Regulatory Instruments**

The Ondo State Electricity Regulatory Bureau (“OSERB”) continued to exercise its regulatory mandate through the introduction of key instruments in 2025. These include the [Order on Electricity Installations, Safety and Right-of-Way Approval Requirements in Ondo State](#) issued in October 2025, as well as the [November](#) and [December](#) 2025 Supplementary Tariff Order for BEDC Electricity Ondo Limited (“BEOL”).

Paragraph 3(b) of the Supplementary Tariff Orders expressly provide that the NERC’s tariff methodology is adopted for determining BEOL’s end-user tariffs pending the completion and formal issuance of OSERB’s own tariff methodology, signalling potential for introduction of a Tariff methodology which may defer from that obtainable at the Federal level.

- **Kogi State: Issuance of Regulatory Instruments**

The Kogi State Electricity Regulatory Commission has equally issued a number of regulatory instruments including its [Mini-Grid Regulations, 2025](#), [Customer Protection Regulations, 2025](#), [Application for licenses \(Generation, Transmission, System Operations, Distribution & Trading\) Regulation 2025](#) and the [Regulation for Investments in Electricity Networks in Kogi State](#).

- **Regional Electricity Market**

Media reports indicate that Kano, Katsina and Jigawa States are in advanced discussions on a potential partnership to establish a regional electricity market.<sup>35</sup> The collaboration aims to identify areas of mutual benefit, strengthen electricity supply and support economic growth.<sup>36</sup> The States are also reportedly exploring the acquisition of equity stakes in Future Energies Africa, the core investor in the Kano Electricity Distribution Company.

<sup>35</sup> <https://www.premiumtimesng.com/business/business-news/829487-kano-katsina-jigawa-plan-n50-billion-fund-to-set-up-regional-electricity-market.html> (Last accessed December 8, 2025)

<sup>36</sup> Ibid

### a. Proposed Amendment of Electricity Act

Two years after the enactment of the Electricity Act 2023, and its initial amendment in 2024, a new amendment bill (the “Bill”) has now passed second reading at the Senate.<sup>37</sup> While reports suggest that the Bill aims to address areas of friction observed between NERC and State Electricity Regulators since 2023, stakeholders have raised concerns about the extent to which the proposed amendments actually resolve these issues.

Among other provisions, the Bill reportedly<sup>38</sup> seeks to give NERC overriding oversight on activities of State Electricity Regulators relating to the national grid including matters pertaining to tariff. It is also reported to limit the full regulatory powers of State Regulators to areas not served by the national grid.<sup>39</sup> Furthermore, the Bill is said to confer supremacy on Federal regulatory agencies regarding the prescription and enforcement of technical standards and customer protection standards.<sup>40</sup>

In addition, media reports indicate that the Nigeria Labour Congress, the Trade Union Congress of Nigeria, and the National Union of Electricity Employees have opposed provisions of the Bill that could potentially limit or prohibit industrial action by employees of Power Companies.<sup>41</sup> Overall, while the Bill remains under legislative review, it has attracted significant pushback from various NESI stakeholder groups, including the Forum of Commissioners of Power and Energy in Nigeria. It would be interesting to see how this issue unfolds, particularly in light of the ongoing petition on the EERC Tariff Order in Enugu State.



<sup>37</sup> <https://www.premiumtimesng.com/opinion/820192-the-electricity-act-amendment-bill-2025-the-need-for-a-cautious-rethink-by-odion-omonfoman.html> (Last accessed December 8, 2025)

<sup>38</sup> Ibid

<sup>39</sup> Ibid

<sup>40</sup> Ibid

<sup>41</sup> <https://punchng.com/electricity-act-amendment-labour-rejects-proposed-ban-on-industrial-action/> (Last accessed December 8, 2025)



**b. International Bilateral Customers including Benin, Niger and Togo owe Nigeria over \$17.8 million for electricity supplied as at Q3 2025**

According to reports, Nigeria's international bilateral customers, including Société Béninoise d'Énergie Électrique of Benin, Compagnie Energie Electrique du Togo of Togo, and Société Nigérienne d'Electricité of Niger, owe a combined \$17.8 million for electricity supplied as at Q3 2025.<sup>42</sup> Sector analysts have expressed concerns that persistent defaults within the cross-border market could further undermine the financial viability of the national electricity market.

**c. Proposed Landmark Barter-Style Energy Agreement Between Nigeria and Ghana**

Nigeria and Ghana are reportedly in advanced negotiations on an energy swap arrangement under which Nigeria would supply gas to Ghana for power generation, while Ghana would return a portion of the generated electricity to Nigeria.<sup>43</sup> The proposed collaboration is expected to enhance regional energy security by leveraging Nigeria's vast gas resources and Ghana's expanding generation capacity. Media reports indicate that the agreement is still under negotiation and has not yet been finalised.<sup>44</sup>



<sup>42</sup> <https://businessday.ng/energy/article/togo-niger-benin-owe-nigeria-19-97m-for-electricity-supplied-in-6-months/> (Last accessed December 9, 2025)

<sup>43</sup> <https://ranksafrica.com/ghana-nigeria-to-seal-energy-swap-deal-gas-for-electricity/> (Last accessed December 9, 2025)

<sup>44</sup> Ibid

**d. Inauguration of the National Committee on Renewable Energy, Energy Efficiency, Innovation and Certification**

In August 2025, the Energy Commission of Nigeria inaugurated the National Committee on Renewable Energy, Energy Efficiency, Innovation & Certification (“NCREEIC”).<sup>45</sup> The NCREEIC is expected to drive research and innovation in clean energy solutions, promote local content development, strengthen collaboration among Government, the Private Sector and Academia, and support the establishment of globally recognised certifications and standards for renewable energy technologies.

**e. NERC introduces Draft Net Billing Regulations**

In September 2025, NERC released the draft Net Billing Regulations to create a standardised framework for injecting excess customer-generated renewable energy into the national grid and design corresponding compensation mechanism.<sup>46</sup> The proposed Regulations are intended to stimulate private investment in renewable energy and enhance overall grid resilience.<sup>47</sup> Following its publication, NERC invited stakeholder feedback and convened stakeholder consultations in October 2025. The draft Regulations remain under review.

**f. Technical Working Group meets on establishing a Forum for Nigerian Electricity Regulators**

To strengthen collaboration and coordination between Federal and State electricity regulators, in November 2025, NERC convened a meeting of the Technical Working Group (“TWG”) on the establishment of a Forum for Nigerian Electricity Regulators (the “Forum”).<sup>48</sup> The TWG deliberated on a proposed workplan for developing a preliminary framework for the Forum. It is anticipated that this initiative will enhance alignment and provide much-needed clarity on the respective regulatory roles under the decentralised regime.

**g. Acquisition of Geregu Power and Eko Electricity Distribution Company (“EKEDC”)**

In December 2025, MA'AM Energy Limited completed a strategic acquisition of a 95% equity stake in Amperion Power Distribution Company Limited, the majority shareholder in Geregu Power. During the same period, Transgrid Enerco finalised the acquisition of a 60% stake in EKEDC from West Power & Gas Limited, in a transaction valued at N360 billion.

<sup>45</sup> <https://energy.gov.ng/news-detail.php?slug=ecn-signs-landmark-mou-and-launches-national-committee-to-revolutionize-nigeria-s-renewable-energy-sector> (Last accessed December 9, 2025)

<sup>46</sup> <https://nerc.gov.ng/wp-content/uploads/2025/09/Draft-Net-Billing-Regulations.pdf> (Last accessed December 9, 2025)

<sup>47</sup> <https://businessday.ng/energy/power/article/net-billing-regulation-key-to-attracting-private-investment-in-power-sector-nerc/> (Last accessed December 9, 2025)

<sup>48</sup> <https://nerc.gov.ng/media/technical-working-group-meets-on-establishing-forum-for-nigerian-electricity-regulators/> (Last accessed December 9, 2025)

Nigeria's steadfast commitment to its Energy Transition Plan was evident in 2025, with notable progress at both Federal and State levels, coupled with increased private sector participation. These developments, some of which were highlighted in our [2025 Mid-Year Report](#) and others outlined below, continue to push the nation closer to its clean energy and net-zero ambitions.

According to the World Economic Forum's Energy Transition Index 2025, Nigeria ranked 61st globally and recorded the strongest improvement among African countries.<sup>49</sup> The Index assesses the energy systems of 118 countries across 43 indicators grouped under security, sustainability, and equity,<sup>50</sup> positioning Nigeria's progress as both measurable and commendable.

In 2025, Nigeria also unveiled its Third Nationally Determined Contributions under the Paris Agreement. According to the United Nations Development Programme,<sup>51</sup> key updates include:

- A significant expansion of renewable energy targets, increasing the projected share of renewables in electricity generation from 22% to 52%.

- A reinforced focus on Actions for Climate Empowerment (ACE), covering public education, citizen engagement, access to information, and the principles of a just transition.
- A targeted push to improve climate-related financing for women, youth, and MSMEs, strengthening inclusive participation in the transition journey.



<sup>49</sup> <https://www.arise.tv/wef-report-nigeria-leads-african-nations-in-2025-energy-transition-index-ranks-61st-globally/> (Last accessed December 9, 2025)

<sup>50</sup> Ibid

<sup>51</sup> <https://climatepromise.undp.org/what-we-do/where-we-work/nigeria> (Last accessed December 9, 2025)



In addition to key power and clean energy projects detailed in our 2025 Mid-Year Report, the following are other notable developments recorded in the course of the year:

**a. Ekiti States signs MOU with the Rural Electrification Agency (“REA”) for Off-grid Projects<sup>52</sup>**

In July 2025, the Ekiti State Government signed an MOU with the REA to execute off-grid electricity projects across the State. This partnership supports Ekiti’s target of increasing daily grid-supplied electricity from about 25MW to 120MW by 2030.

**b. IKEDC commissions 15MVA Injection Station in Lagos<sup>53</sup>**

In August 2025, IKEDC commissioned the 15MVA Kwaru Injection Substation in Lagos State. This infrastructure upgrade is expected to significantly enhance supply reliability along the Ikotun corridor.

**c. Federal Government launches the National Public Sector Solarisation Initiative (“NPSSI”)<sup>54</sup>**

Also in August 2025, the Federal Government formally launched the NPSSI at the Ministry of Finance. The initiative

aims to accelerate the deployment of distributed solar solutions across public institutions including schools, hospitals, security facilities, and government offices. Phase 0 is fully funded with N100 billion, while subsequent phases will leverage blended financing structures that rely on private capital without sovereign guarantees.

**d. Kano Electricity Distribution Company (“KEDCO”) begins Renewable Energy Offtake from Haske Plant<sup>55</sup>**

According to media reports in August 2025, KEDCO commenced offtake of 10MW of solar power from the Haske Plant in Kano State, an important step toward diversifying its energy mix in support of Nigeria’s Energy Transition Plan.

**e. Adamawa State signs N80bn Energy and Transport Deals<sup>56</sup>**

In September 2025, Adamawa State entered an MOU with A4&T Power Solutions Limited and Sparrow Mobility Limited for 15MW of new power generation capacity and the rollout of 10,000 electric motorcycles and bicycles within two years, supported by charging and assembly infrastructure. The initiative marks a significant investment in industrial growth and clean mobility.

<sup>52</sup> <https://www.thisdaylive.com/2025/07/17/ekiti-eyes-120mw-by-2030-signs-mou-with-rea/> (Last accessed December 9, 2025)

<sup>53</sup> <https://www.ikejaelectric.com/ikeja-electric-boosts-power-supply-reliability-with-commissioning-of-kwaru-15-mva-injection-substation-lagos-nigeria-august-01-2025/> (Last accessed December 9, 2025)

<sup>54</sup> <https://fminio.gov.ng/national-public-sector-solarisation-initiative-launched-a-bold-step-towards-sustainable-energy-and-economic-growth/> (Last accessed December 9, 2025)

<sup>55</sup> <https://businessday.ng/energy/article/kano-disco-begins-10mw-solar-power-offtake-from-haske-plant/> (Last accessed December 9, 2025)

<sup>56</sup> <https://dailytrust.com/adamawa-signs-n80bn-energy-and-transport-deals-to-drive-growth/> (Last accessed December 9, 2025)

**f. Jigawa State commissions 500kWp Solar Hybrid Mini-Grid**

In September 2025, Jigawa State commissioned a 500kWp Solar Hybrid Mini-Grid in Kafin Hausa. The project, delivered in collaboration with KEDCO, Future Energies Africa, and Bagaja Renewables, is expected to improve electricity supply for homes and businesses within the community.

**g. Nigeria Breweries (“NB”) Plc signs PPA with Konexa<sup>57</sup>**

In October 2025, Nigerian Breweries Plc announced the execution of a Power Purchase Agreement with Konexa, a UK-based energy developer. The project supports NB Plc’s transition to 100% clean energy and advances broader national decarbonisation goals.

**h. Nigeria signs \$435 Million Clean Energy Deals at the Nigeria Renewable Energy Innovation Forum 2025<sup>58</sup>**

In October 2025, Nigeria secured three major clean energy agreements:

- \$150 million with TBEA for a 100MW solar plant,
- \$235 million with the Niger Delta Power Holding Company for a 250MW solar plant in the Niger Delta, and

- \$50 million with the Jigawa State Government for a clean energy project in northern Nigeria.

These deals demonstrate continued commitment to expanding Nigeria’s renewable energy capacity under the Energy Transition Plan.

**i. The Africa Enterprise Challenge Fund (“AECF”) launches the Energy Transition Challenge Fund (“ETCF”) <sup>59</sup>**

In October 2025, the Africa Enterprise Challenge Fund launched the ETCF, a €20 million co-investment facility funded by Germany’s BMZ through KfW Development Bank. The ETCF aims to support innovative clean energy projects aligned with Nigeria’s Energy Transition Plan, with priority given to initiatives that create green jobs and enhance climate resilience in underserved communities. Applications opened in November 2025.

<sup>57</sup> <https://www.investjigawa.gov.ng/2025/09/02/lighting-up-jigawa-through-partnership-the-commissioning-of-the-500-kwp-solar-hybrid-mini-grid-in-kafin-hausa/> (Last accessed December 9, 2025)

<sup>58</sup> <https://www.pvknowhow.com/news/nigeria-renewable-energy-impressive-435m-deal-by-2030/> (Last accessed December 9, 2025)

<sup>59</sup> <https://www.aecfafrica.org/energy-transition-challenge-fund-to-accelerate-access-to-clean-and-affordable-energy/> (Last accessed December 9, 2025)

j. Federal Government signs Concession Deal with Quint Energy for development of Hydropower Projects in Oyo State<sup>60</sup>

Media reports from November 2025 indicate that the Federal Government signed concession agreements for the development of a 6MW hydropower plant in Oyo State to expand supply within the State electricity market.

k. Federal Government launches Renewed Hope Campus Transport Scheme at the University of Lagos<sup>61</sup>

In December 2025, the Federal Government launched the “Renewed Hope Campus Transport Scheme” at the University of Lagos. The initiative aims to reduce transportation costs for students through the deployment of 240 electric tricycles and 12 solar-powered charging stations across 12 public universities nationwide.



<sup>60</sup> <https://www.thecable.ng/tg-firm-sign-concession-deal-to-develop-hydropower-projects-in-oyo-kogi/> (Last accessed December 9, 2025)

<sup>61</sup> <https://unilag.edu.ng/renewed-hope-on-wheels-education-minister-hands-over-e-tricycles-to-unilag-projects-70-cut-in-campus-transportation-cost/> (Last accessed December 9, 2025)

Looking ahead, 2026 is expected to be an interesting year for Nigeria's Power Sector. Among other developments, we anticipate:

- Issuance of government-backed bonds of up to N4 trillion to settle outstanding Federal Government debts owed to the Power Sector;
- Heightened activity across State-level electricity regulation, including progress towards establishing the Forum for Nigerian Electricity Regulators;
- Decisive Federal Government actions on underperforming DisCos, potentially including collaborative restructuring initiatives or NGX listings, as signalled in 2025;
- Resolution of the ongoing regulatory dispute involving NERC, NISO, EERC and MEDL on the regulation of on-grid tariffs in Enugu State;
- Advancement of the 2025 Electricity Amendment Bill currently before the National Assembly;
- Strict enforcement of mandatory SCADA integration for grid-connected generating units;
- Further progress on the ongoing review of the Grid Code;
- Enforcement of free governor control deployment by GenCos to enhance system stability;
- Conclusion of the proposed Nigeria–Ghana energy-swap arrangement, aimed at strengthening regional energy security; and
- Expanded Federal and State, as well as Private Sector investment in clean energy, accelerating implementation of Nigeria's Energy Transition Plan.



Although persistent structural challenges continued to weigh on the Power Sector in 2025, the year nonetheless recorded significant milestones and opened new pathways for reform. As ongoing decentralisation efforts take shape, the clarity and coherence of the regulatory framework will be pivotal, either positioning the Sector for sustainable progress or undermining investor confidence and private-sector participation.

That said, progress in 2026 will also depend on the Sector's ability to confront entrenched issues head-on. Without decisive action on vandalism, market discipline, and operational inefficiencies, the Sector risks repeating familiar cycles of underperformance. Sustainable improvement will require coordinated commitment, enforcement, and continuous reform across all levels of the market.



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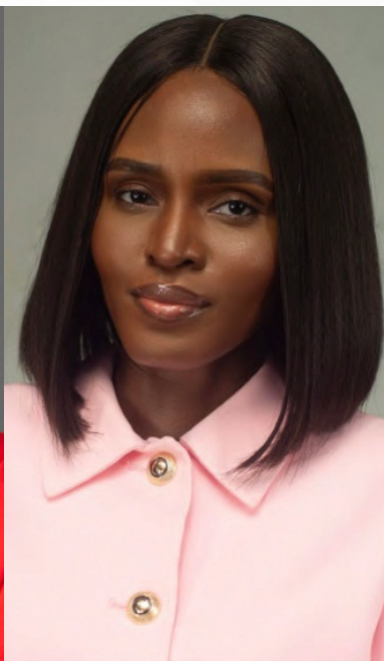
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