



RURAL ELECTRIFICATION AGENCY

ENERGY ≡ EMPOWERMENT ≡ EFFICIENCY

NIGERIA ELECTRIFICATION PROJECT

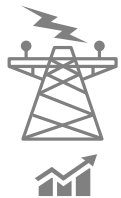
OVERVIEW OF MINI GRID COMPONENT

April 2019

NEP OVERVIEW

Objective: Increase access to electricity services for households, public educational institutions, and micro, small and medium enterprises throughout Nigeria

US\$350 million facility with 4 components



Component 1: Solar Hybrid Mini Grids for Rural Economic Development

- Minimum subsidy tender
- Performance-based grant on rolling-basis



Component 2: Standalone Solar Systems for Homes, Enterprises

- Output Based Grants for SHS installed and verified
- Market scale up challenge fund for rapid market expansion



Component 3: The Energizing Education Programme (EEP)

Support the construction and operation of solar hybrid mini grids for federal universities and adjoining teaching hospitals under Phase II of the Programme.



Component 4: Technical Assistance

Support project implementation, broad-based capacity building, and help develop a framework for scaling up rural electrification.

COMPONENT INDICATORS & TARGETS BY 2023



Electrify **300,000** households through mini grids
(of which **10%** headed by women)



Electrify **30,000** local businesses through mini grids
(of which **10%** headed by women)



20% female employees related to mini grid or developers

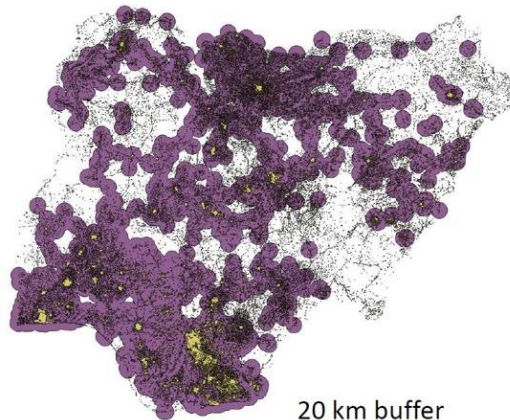


Support generation of **85MW** of renewable energy (solar)

SOLAR MINI GRIDS: US\$150M UNDER TWO FUNDING WINDOWS

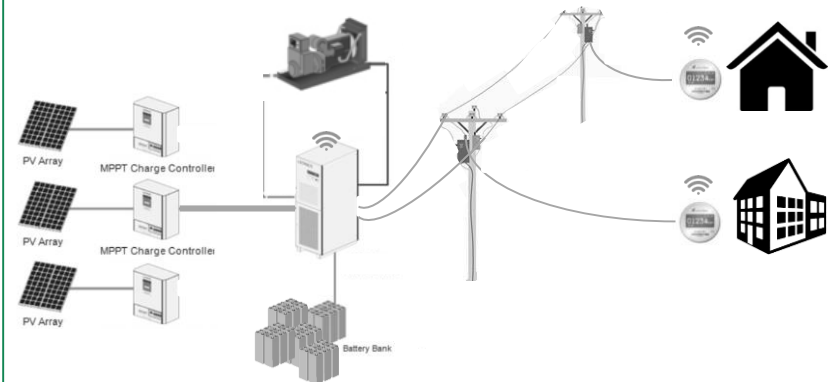
Mini Grid Tender (Competitive Bidding) \$70 Million

- 250 pre-selected mini grid sites across 4 states, clustered into lots to encourage economies of scale in procurement and operations
- Bidders compete on lowest subsidy to build, own, and operate a portfolio of mini grids
- Detailed economic and geospatial data will be made available to developers
- First phase will consist of **57 sites** across 4 states. The remaining sites will be concluded in the second phase



Performance-Base Grant (Subsidy per Connection) \$80 Million

- \$350 for each new connection to a mini grid
- Developers choose the mini grid sites
- Applications assessed on a rolling basis
- 100% payment made after connection
- Grant disbursement on first-come first-served basis
- Eligible projects: solar and solar-diesel hybrid mini grids in unserved areas



A MINI GRID PROGRAM TO KICK-START THE MARKET

Mini Grid Tender

A centrally-coordinated approach

Performance-Based Grant

Encouraging Mini Grid Development on a Spontaneous Basis

Kick-
start the
market

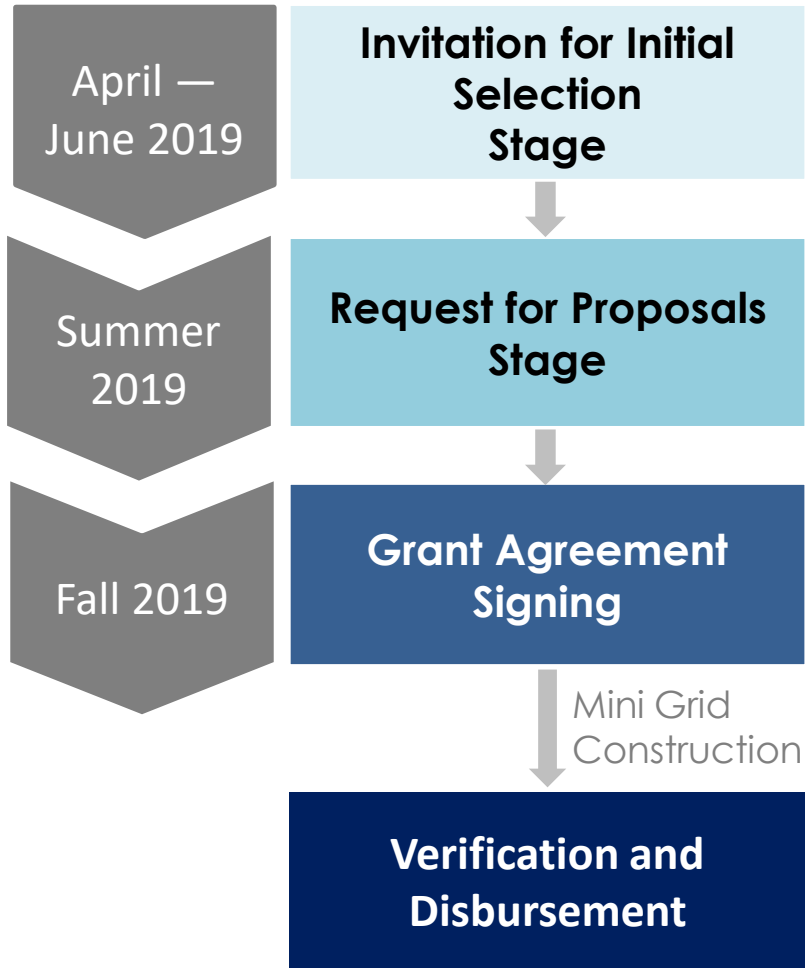
Market Potential

- 10,000 mini grids
- 14% of population connected to mini grids (26 million people)
- Mini grid capacity of up to 3,000MW
- Investment potential of nearly **US\$20 billion**

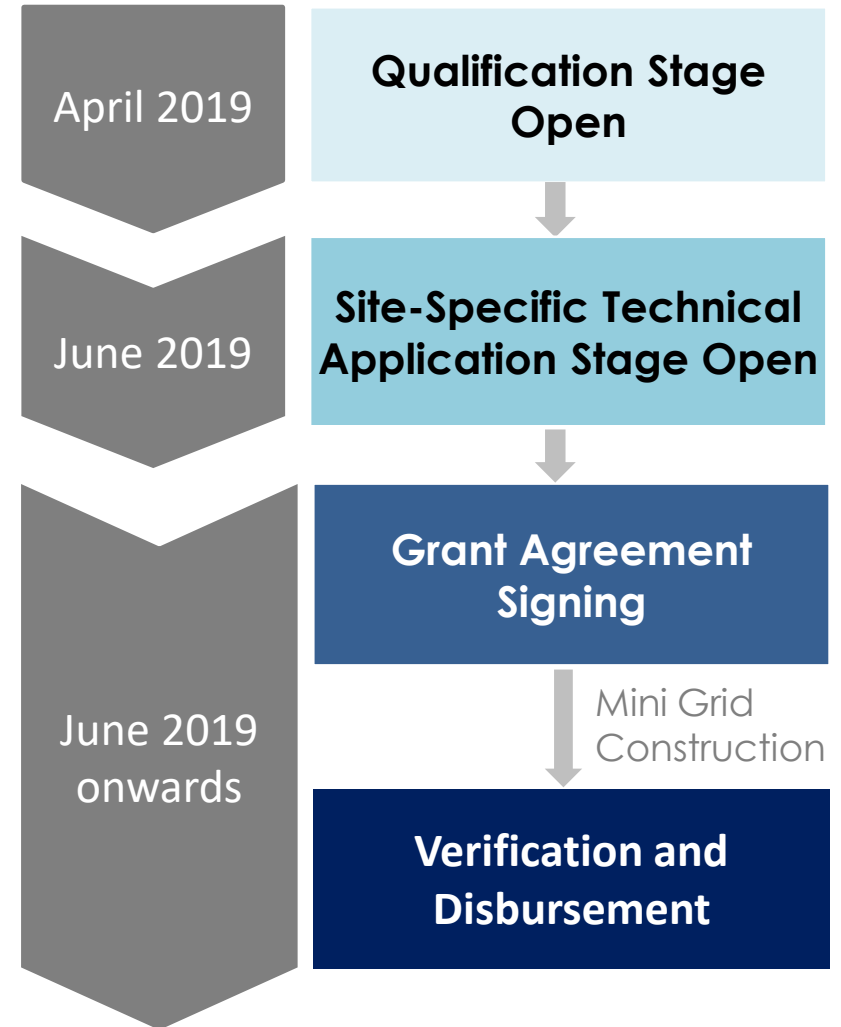
Source: RMI analysis

TIMELINE

Mini Grid Tender



Performance-Based Grant (Application on a rolling-basis)





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For further information please contact:

Damilola Ogunbiyi

Managing Director/ CEO
RURAL ELECTRIFICATION AGENCY
damilola.ogunbiyi@rea.gov.ng

Adejoke Odumosu

Head, Project Management Unit (PMU)
Nigerian Electrification Project (NEP)
RURAL ELECTRIFICATION AGENCY
adejoke.odumosu@rea.gov.ng

www.rea.gov.ng