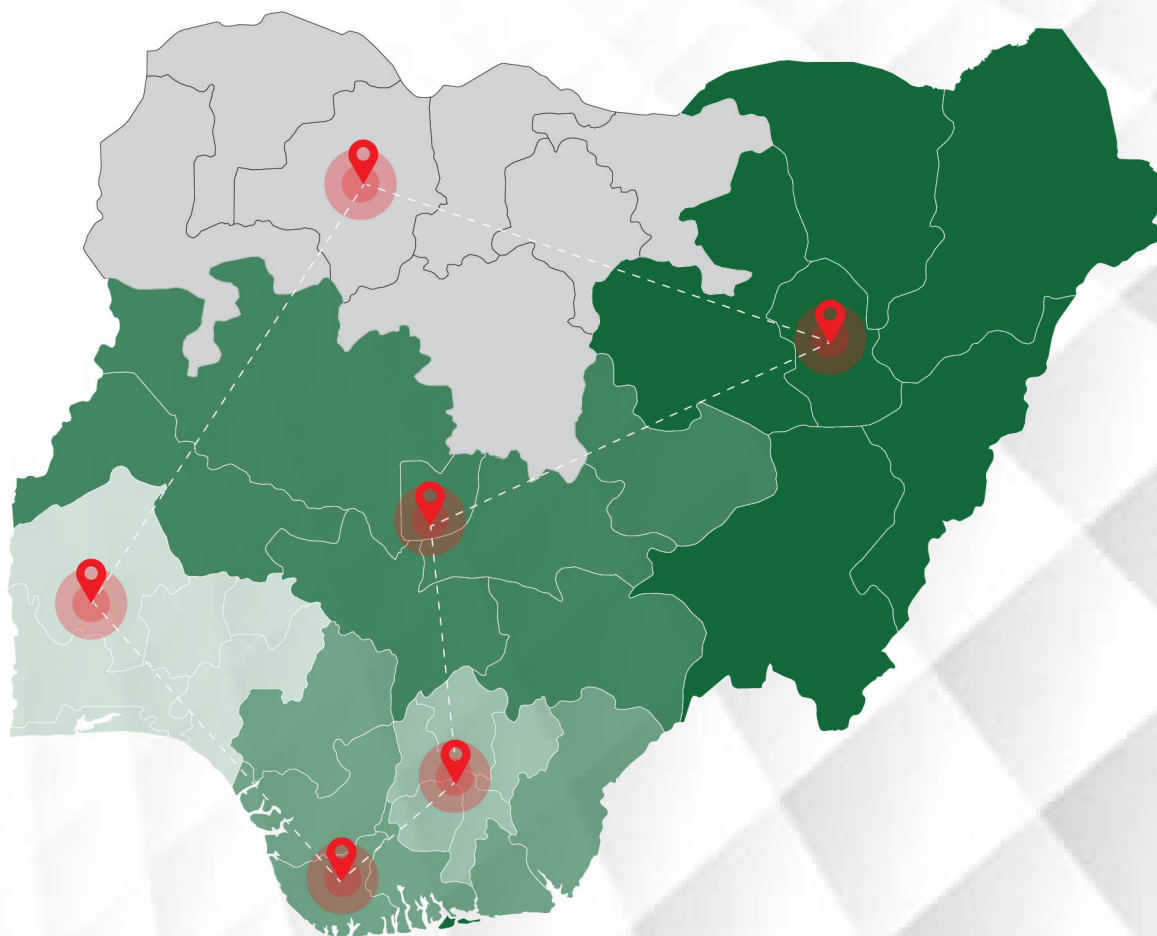




RURAL ELECTRIFICATION AGENCY  
ENERGY = EMPOWERMENT = EFFICIENCY

# The REA Initiates State-by-State Strategic Roundtables

*Deepens Conversation on the Federal Government's National Electrification Strategy and Implementation Plan (NESIP) to Advance Investment in Energy Access Nationwide*



## Background

The 2023 Electricity Act, passed into Law by the Federal Government of Nigeria, represents a landmark shift in the nation's energy sector, ushering in a more decentralized ecosystem. By repealing the outdated Electric Power Sector Reform Act (EPSRA) of 2005, which had hitherto served as the sector's blueprint, the 2023 Electricity Act gives State Governments the regulatory authority, through the Nigeria Electricity Regulatory Commission (NERC) to assume a central role in electricity generation, transmission, and distribution. A timely and solution-driven legislation, the passage of the 2023 marks a significant evolution in the journey in the advancement and optimization of decentralized renewable energy, nationwide.

According to the Act's explanatory memorandum, it *“repeals the Electricity Power Sector Reform Act, No. 6, 2005 and enacts the Electricity Act, 2023 to consolidate the laws relating to the Nigerian electricity supply industry, provide a electricity legal and institutional framework for the power sector in Nigeria in the areas of generation, transmission, system operation, distribution, supply, trading, enforcement of consumer rights and obligations, provide for a holistic integrated resource plan and policy that recognizes all sources for the generation, transmission and distribution of electricity, including the integration of renewable energy to Nigeria's energy mix, and attract investments”*.

As an implementing Agency of the Federal Government of Nigeria (FGN) under the Federal Ministry of Power, established under *part IX, Sections 88- 89 of the Electric Power Sector Reform Act (EPSRA), 2005*, the Rural Electrification Agency (REA) is tasked with the electrification of unserved and underserved communities to catalyze economic growth and improve quality of life for Nigerians. Upon the passage of the 2023 Electricity

Act, the Agency remains central to the strategic development of rural and unserved communities across Nigeria, through the implementation of energy access interventions.

Under Section 127 of the 2023 Electricity Act, the REA primary role as detailed in the repealed ESPRA 2005 is reemphasized, tasking the Agency with the principal objective of facilitating the electrification of rural, unserved, and under-served markets in an economical manner that would allow for reasonable returns on investment through appropriate tariffs that meets the social, industrial and agricultural needs of rural communities. The Agency shall also support the development of renewable energy sources and provide public education for rural electrification and renewable energy production and consumption.

## **The Central Role of the REA**

The Federal Government's Rural Electrification Fund (REF), being implemented by the REA and established under Section 140 of the 2023 Electricity Act, will oversee administration of the REF to provide capital subsidies to qualified rural electrification projects at federal, local and zonal levels, investment in rural electrification. Positioning the REA, beyond project implementation, and for the purpose of effective coordination and monitoring of rural electrification projects nationwide, the Act tasks the Agency to collaborate with State Rural Electrification Boards or related agencies to carry out any component of the Rural Electrification Strategy and Implementation Plan in the respective States of the Federation.

Against the backdrop of the Act and in line with the Agency's long-term history of facilitating productive inter-sectoral and inter-agency collaborations, the Agency's ongoing State-by-State Roundtables is an initiative that provides a dynamic platform to foster collaboration between state governments, Renewable Energy Service Companies (RESCOs), and other stakeholders, as each state government takes on

the challenging task of nurturing a sustainable electricity market in each of the 36 States of the Federation.

Over the last 6 years, the REA has played a pivotal role in the development of the renewable energy space in Nigeria. This role has aided the growth of the sector's technical expertise, improved investor confidence, facilitated strategic partnerships and access to finance by the private sector, and, most importantly aided the electrification of over 9 million unserved and underserved Nigerians. Through the Agency's project implementation mechanisms such as the Nigeria Electrification Project (NEP) and the Rural Electrification Fund (REF), the Agency has successfully exploited the use of novel renewable energy solutions and strategies to power communities, agricultural clusters, MSMEs, hospitals, tertiary institutions and markets.

## **The REA's State-by-State Roundtable**

The 2023 Electricity Act is not just a policy document but a blueprint that must be activated and optimized through a knowledge-driven and data-driven approach. In line with the Agency's mandate and armed with the requisite institutional knowledge, insights, data and stakeholder networks, the REA activated the State-by-State Roundtables, underscoring the critical role of sub-national in achieving Nigeria's electrification goals.

By fostering knowledge exchange, leveraging public-private partnerships, and addressing state-specific challenges, the initiative will catalyze transformative energy solutions that empower communities, drive economic growth, improve investments and strengthen Nigeria's energy ecosystem. One of the primary objectives of the REA's State-by-State Roundtable is the fostering of partnerships between RESCOs and the State Governments to unlock energy access for rural communities.

The strategic partnership between the public and private sectors will continue to be central of the growth of the energy ecosystem and the REA's role on sector coordination opens up opportunities for concrete

commitments by both the State Governments and the private sector players, culminating in the accelerated implementation of the National Electrification Strategy and Implementation Plan (NESIP).

The REA's State-by-State Roundtable is targeted at:



**Fostering Public-Private Partnerships (PPPs) in the Electricity Sector:** The REA's coordinating role continues to aid the productive convergence of frontline stakeholders and the engagement between the RESCOs, state governments, DISCOs and development partners. This convergence is critical to the catalyze investment in the off-grid, renewable energy sector, boosting energy access in rural and underserved communities, and ensuring the sustainable growth of the State electricity markets.



**Charting a new Course for Electrification Pathway Across States:** As State Governments have, upon the passage of the 2023 Electricity Act, taken on regulatory authority, kick-starting the development of electrification strategies in their respective States a, the REA is leveraging its mandate, institutional expertise and multi-sectoral network to work in lockstep with the sub-nationals, building a progressive regulatory environment. The business readiness of State Governments positions them for the exploitation of data-driven programmes such as the Distributed Access through Renewable Energy Scale-up and the Rural Electrification Fund (REF).



**Enhanced, Data-Driven Rural Electrification and Development:** Quality energy access data is pivotal to the success of planning and implementation of sustainable decentralized renewable energy projects. This is why the Federal Government, through the Federal Ministry of Power is prioritizing the nation-wide optimization of the National Electrification Strategy and Implementation Plan (NESIP). Through the strategic alignment of Federal and State-level electrification goals, the government, through the REA, is able to implement tailored, fit-for-purpose energy solutions that address the unique energy needs of each state.



**Improved Commitment from the State Governments:** Leveraging the Agency's sustained engagement with the Nigeria Governors' Forum as well as the Executive Governors of each State of the Federation, the REA Roundtables with the State Governments enables the signing of MoUs between the Agency and the States. This document details the role of the State governments in ensuring a smooth regulatory environment; investor-friendly policies to improve business appetite of RESCOs across States while encouraging PPPs and IPPs; strong buy-in from local government administrators and community leaders, and sustainable management of State regulatory agencies of the respective State Governments



**Knowledge, Expertise and Strategies for a Sustainable Energy Access Market:** A knowledge-driven endeavor, the REA's State-by-State Roundtables provides an opportunity for knowledge exchange and the incubation of solution-focused ideas. The Roundtables equips States with quality perspectives, knowledge and tools to implement policies, attract investment, and create enabling environments for sustainable energy development. As the State electricity markets are expected to catalyze local content, these engagements will help chart a course for the optimization of research, development and innovation in the clean energy space.



**Opportunity Identification:** Leveraging the unique business landscapes of the respective States, vis-à-vis the global opportunities accessible to catalyze local impact in last-mile communities across the nation, the REA State-by-State Roundtables provides the opportunity for holistic sector assessment in the area of technology options, sector-based energy access infrastructure, sustainable finance options, identification of viable local resources and other critical investment opportunities.



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