



ANAMBRA STATE ELECTRICITY REGULATORY COMMISSION

PUBLIC CONSULTATION PAPER ON THE DRAFT INVESTMENT IN ELECTRICITY MARKET REGULATIONS, 2026 IN THE ANAMBRA STATE ELECTRICITY MARKET

1. INTRODUCTION AND LEGAL BASIS

1.1 The Anambra State Electricity Regulatory Commission (“the Commission” or “ASERC”) is established under Section 4(1) of the Anambra State Electricity Law, 2025 (“the Law”), and is responsible for regulating the generation, transmission, distribution, trading and supply of electricity within the Anambra State Electricity Market (ASEM).

1.2 Pursuant to Section 4(3) of the Law, the Commission is mandated to regulate the electricity sector in a manner that promotes efficiency, transparency, investment, competition, and consumer protection.

1.3 In furtherance of this mandate, the Law empowers the Commission to develop and regulate the State electricity market by issuing licences, permits, codes, standards and regulations governing electricity sector activities.

1.4 Specifically, the Law empowers the Commission to make regulations governing electricity sector investments and market participation within the State electricity market.

1.5 In exercise of these powers, the Commission has prepared the Draft Electricity Investment and Market Development Regulations, 2026.

1.6 The Draft Regulations establish a comprehensive regulatory framework designed to promote investment across the electricity value chain and to facilitate the orderly development of the electricity market within Anambra State.

1.7 The Commission hereby places the Draft Regulations in the public domain in order to invite comments, suggestions and objections from stakeholders prior to their finalization.

2. OBJECTIVES OF THE DRAFT REGULATIONS

The Draft Electricity Investment and Market Development Regulations seek to:

- i. Establish a clear and transparent framework for electricity sector investment within Anambra State.
- ii. Promote the development of electricity infrastructure required to improve the reliability and availability of electricity supply.
- iii. Facilitate private sector participation across the electricity value chain including generation, transmission, distribution, trading and supply.
- iv. Provide regulatory clarity regarding market participation by electricity generators, distribution companies, electricity traders, mini-grid operators, community electricity schemes and eligible customers.
- v. Encourage the development of diverse electricity generation sources including renewable energy, embedded generation, captive generation and waste-to-energy projects.
- vi. Promote competition and efficiency in the electricity market through the introduction of new market structures and commercial arrangements.
- vii. Enable the development of electricity infrastructure required to support industrial growth, commercial development and community electrification within Anambra State.
- viii. Provide a regulatory framework that supports long-term development of the Anambra State Electricity Market.

3. SCOPE AND APPLICABILITY

The Draft Electricity Investment and Market Development Regulations shall apply to electricity sector investments and commercial activities undertaken within the Anambra State Electricity Market.

Without limitation, the Regulations apply to activities relating to:

- i. Electricity generation including embedded generation, captive generation, renewable energy projects and waste-to-energy systems.
- ii. Electricity transmission infrastructure development including coordination with the national transmission system and third-party transmission investment.
- iii. Electricity distribution network development including distribution franchising, independent electricity distribution networks and parallel distribution systems.

- iv. Electricity trading and commercial supply arrangements including bulk electricity trading, electricity resale and power purchase agreements.
- v. Community electricity supply arrangements including community electricity cooperatives and community bulk power purchase schemes.
- vi. Electricity supply to eligible customers including direct electricity procurement from generation companies or licensed electricity traders.

The Regulations apply to all electricity sector participants operating within the State electricity market including:

- Generation companies
- Distribution companies
- Electricity traders
- Franchise operators
- Independent electricity distribution network operators
- Mini-grid operators
- Community electricity schemes
- Eligible electricity customers
- Electricity infrastructure investors

4. KEY FEATURES OF THE DRAFT REGULATIONS

The Draft Regulations introduce a comprehensive framework for electricity investment and market participation within Anambra State. Key features include:

i. Components of the State Electricity Market

The Regulations provide clarity on the components of the State electricity market covering generation, transmission, distribution, electricity trading and supply to end users.

ii. Electricity Generation Investment Framework

The Regulations introduce a framework for investment in electricity generation including:

- Embedded generation connected to distribution networks
- Captive generation for industrial and commercial users
- Renewable energy generation projects

- Waste-to-energy electricity generation systems

iii. Transmission Infrastructure Development

The Regulations provide mechanisms for transmission network expansion including:

- Coordination with the national transmission network
- Third-party investment in transmission infrastructure
- Development of dedicated transmission lines
- Transmission infrastructure for industrial clusters

iv. Distribution Network Development

The Regulations establish requirements for strengthening electricity distribution infrastructure including:

- Distribution network improvement programs
- feeder and substation upgrades
- network reinforcement
- loss reduction initiatives

v. Distribution Franchising Framework

The Regulations provide a regulatory framework for distribution franchising which allows third-party operators to manage electricity distribution services within defined franchise areas.

vi. Independent Distribution Networks and Mini-Grids

The Regulations introduce provisions for:

- Independent Electricity Distribution Networks (IEDN)
- Parallel distribution systems
- Mini-grid development for underserved communities

vii. Electricity Trading and Market Transactions

The Regulations establish a framework for electricity trading including:

- Licensing of electricity traders
- Bulk electricity trading arrangements
- Power Purchase Agreements (PPAs)

- Electricity trading platforms

viii. Community Electricity Supply Models

The Regulations introduce mechanisms for community participation in electricity supply including:

- Community electricity cooperatives
- Bulk electricity purchase arrangements
- Community-managed electricity distribution systems

ix. Eligible Customer Framework

Large electricity consumers may be authorized to procure electricity directly from generators or electricity traders outside standard distribution supply arrangements.

x. Tariff Regulation and Commercial Arrangements

The Regulations establish principles for:

- Cost-reflective electricity tariffs
- Network access charges
- Transmission and distribution wheeling charges
- regulatory oversight of electricity market transactions.

5. SUMMARY OF MAJOR PROVISIONS

Without prejudice to the detailed provisions contained in the Draft Regulations, some of the major provisions are summarized below:

5.1 Electricity Market Structure

The Regulations define the structure of the State electricity market and the roles of key participants including generation companies, distribution companies, electricity traders, community electricity schemes and eligible customers.

5.2 Electricity Generation Investment

The Regulations establish regulatory frameworks for embedded generation, captive power systems, renewable energy projects and waste-to-energy generation facilities.

5.3 Transmission Infrastructure Development

The Regulations introduce provisions for coordination with national transmission authorities and permit private investment in transmission infrastructure serving the State electricity market.

5.4 Distribution Network Development

Distribution companies are required to implement distribution network improvement programs involving investments in feeders, substations, network reinforcement and loss reduction initiatives.

5.5 Distribution Franchising

The Regulations permit distribution companies to enter into franchising arrangements with qualified third-party operators for the management of specific distribution areas or feeders.

5.6 Independent Distribution Networks

The Commission may license Independent Electricity Distribution Networks to serve industrial clusters, commercial zones, residential estates or other defined service areas.

5.7 Mini-Grid Systems

The Regulations provide a regulatory framework for the development of mini-grid systems designed to improve electricity access in underserved or isolated communities.

5.8 Electricity Trading

The Regulations introduce licensing requirements for electricity traders and provide rules governing bulk electricity trading and resale of electricity to authorized market participants.

5.9 Community Electricity Schemes

Communities may establish cooperative electricity supply arrangements to procure electricity in bulk and manage electricity supply within their local areas.

5.10 Tariff Regulation

The Regulations establish principles for cost-reflective tariffs, consumer protection, transparency in billing and regulation of network access charges.

6. INVITATION FOR PUBLIC CONSULTATION

6.1 The Commission invites comments, suggestions and objections from stakeholders including electricity licensees, investors, industry associations, consumer groups,

development partners and the general public on any aspect of the Draft Electricity Investment and Market Development Regulations.

6.2 Stakeholders are encouraged to provide written submissions indicating:

- the relevant section or regulation
- the issue identified
- the proposed recommendation
- the justification for the recommendation.

6.3 The last date for submission of comments is:

23rd March 2026

6.4 Responses may be submitted by email to:

info@aserc.anambrastate.gov.ng or aserc.anambrastate@gmail.com

or delivered by post, courier or hand delivery to:

Anambra State Electricity Regulatory Commission (ASERC)

ASERC Complex
Old Government House
Enugu-Onitsha Expressway
Awka, Anambra State

6.5 The Draft Electricity Investment and Market Development Regulations, 2026 can be accessed on the Commission's website:

<https://aserc.anambrastate.gov.ng>

6.6 Details regarding the date, time and venue of the public consultation hearing will be published separately on the Commission's website.

6.7 After the completion of the consultation process, the Commission will review stakeholder submissions and publish the final Regulations.

7. DISCLAIMER

This Public Consultation Paper is intended solely to facilitate stakeholder participation in the regulatory process.

The Commission reserves the right to modify, amend or revise the Draft Regulations after consideration of stakeholder submissions and its own regulatory assessment.

Nothing in this consultation paper shall be interpreted as limiting the regulatory powers of the Commission under the Anambra State Electricity Law, 2025.



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