



**ANAMBRA STATE
ELECTRICITY REGULATORY
COMMISSION**

**INVESTMENT IN ELECTRICITY
MARKET REGULATIONS, 2026**

**ANAMBRA STATE ELECTRICITY REGULATORY COMMISSION
DRAFT INVESTMENT IN ELECTRICITY MARKET REGULATIONS, 2026**

TABLE OF CONTENTS

PART I — PRELIMINARY PROVISIONS

1. Citation and Commencement
2. Objectives of the Regulations
3. Scope of the Regulations

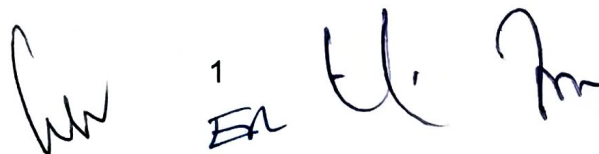
PART II — INTERPRETATION AND DEFINITIONS

4. Interpretation and Definitions

PART III — STRUCTURE OF THE STATE ELECTRICITY MARKET

5. Structure of the State Electricity Market
6. Role of Key Market Participants
 - Generation Companies
 - Pre-existing Distribution Licencee
 - Independent Distribution Operators
 - Electricity Traders
 - Community Electricity Schemes
 - Eligible Customers
7. Regulatory Oversight by the Commission

PART IV — ELECTRICITY GENERATION INVESTMENT FRAMEWORK

The block contains several handwritten signatures and initials in black ink. From left to right, there is a signature that appears to be 'LW', followed by the initials 'EN' with a small '1' above it, then a signature that looks like 'EL', and finally a signature that appears to be 'Jm'.

8. Embedded Power Generation

- Definition and Scope
- Supply Arrangements
- Grid Interconnection Requirements
- Licensing Conditions
- Tariff and Power Purchase Agreements
- Operational Obligations

9. Captive Power Generation

- Definition and Scope
- Eligible Users
- Conditions for Captive Generation Licensing
- Surplus Power Rules

10. Community-Based Waste-to-Energy Projects

- Licensing Framework
- Feedstock Sourcing Requirements
- Environmental and Waste Management Standards
- Power Sale Arrangements

11. Renewable Energy Projects

- Scope of Renewable Energy Development
- Solar Energy Projects
- Hybrid Generation Systems
- Small Hydropower Projects
- Incentives and Regulatory Support Mechanisms

PART V — TRANSMISSION NETWORK DEVELOPMENT AND INVESTMENT

12. Coordination with the National Transmission Network

- Role of the Transmission Company of Nigeria

Handwritten signature and initials:
En 2 C. M.

- Coordination with NDPHC Projects
- Planning Alignment with State Electricity Expansion

13. Third-Party Transmission Investment

- Private Investment in Transmission Infrastructure
- Development of Dedicated Transmission Lines
- Financing and Ownership Structures
- Access and Use of Transmission Infrastructure

14. Dedicated Industrial Feeders

- Construction of Dedicated Transmission or Distribution Feeders
- Supply Arrangements for Industrial Areas
- Technical and Regulatory Approval Requirements

PART VI — ELECTRICITY DISTRIBUTION NETWORK DEVELOPMENT

15. Pre-existing Distribution Licencee

- Distribution Licence Area

16. Distribution Network Improvement Programs

- Required Investments in Distribution Infrastructure
- Feeders
- Substations
- Network Reinforcement
- Loss Reduction
- Commission Monitoring and Reporting Requirements

PART VII — DISTRIBUTION FRANCHISING FRAMEWORK

17. Distribution Franchising Model

- Definition of Franchising
- Objectives of Distribution Franchising

3
 En G. Jm

18. Franchise Operations

- Scope of Franchise Operations
- Metering
- Billing
- Revenue Collection
- Distribution Feeder Management

19. Full Distribution Area Franchises

- Ring-Fenced Distribution Areas
- Responsibilities for Technical and Commercial Operations
- Customer Service Obligations

20. Performance Standards for Franchisees

- General Performance Obligations
- Loss Reduction Targets
- Metering Coverage
- Collection Efficiency
- Service Quality Requirements

PART VIII — OTHER DISTRIBUTION NETWORKS AND MINI-GRID SYSTEMS

21. Licensing of Additional Distribution Companies

- Parallel Distribution Network Development
- Conditions for New Distribution Licences
- Interconnection Rules

22. Independent Electricity Distribution Networks (IEDN)

- Licensing for Private Distribution Systems
- Eligible Service Areas
- Technical Standards

23. Mini-Grid Systems

4 

- Mini-Grid Licensing Framework
- Service Territories
- Interconnection with the Main Grid
- Tariff Rules

PART IX — ELECTRICITY TRADING AND MARKET TRANSACTIONS

24. Bulk Electricity Trading

- Licensing of Electricity Traders
- Power Purchase Agreements with Generation Companies
- Resale of Electricity

25. Community Bulk Power Purchase Schemes

- Community Electricity Cooperatives
- Bulk Power Purchase Arrangements
- Internal Distribution and Billing Management
- Consumer Governance Structures

26. Eligible Customer Regime

- Licensing of Commercial and Industrial Customers
- Direct Power Purchase from Generation Companies
- Participation in Electricity Trading Platforms

PART X — TARIFF REGULATION AND COMMERCIAL ARRANGEMENTS

27. Tariff Principles

- Cost-Reflective Tariffs
- Consumer Protection
- Transparency

28. Power Purchase Agreements (PPAs)

- Standard Contractual Framework

5 

29. Network Access Charges

- Transmission Use-of-System Charges
- Distribution Wheeling Charges

PART XI — COMPLIANCE REQUIREMENTS AND DISPUTE RESOLUTION

30. Compliance with Applicable Laws

31. Licence Conditions

- Operational Requirements
- Reporting Obligations
- Compliance Monitoring
- Market Monitoring

32. Enforcement Powers

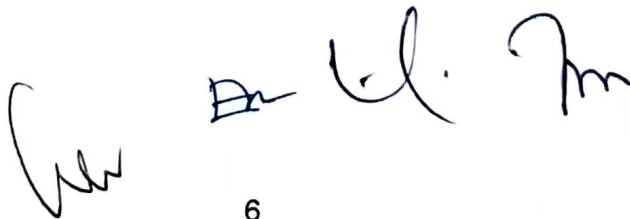
33. Dispute Resolution

PART XII — MISCELLANEOUS AND FINAL PROVISIONS

34. Alignment with the National Electricity Framework

35. Review of the Regulations

- Periodic Review by the Commission
- Market Development Considerations

The bottom of the page features three handwritten signatures in black ink. From left to right, they are: a stylized signature, a signature that appears to start with 'Dr', and a signature that appears to start with 'U'. Below the middle signature is the number '6'.

PART I
PRELIMINARY PROVISIONS

1. Citation and Commencement

1.1 These Regulations may be cited as the Anambra State Electricity Investment and Market Development Regulations, 2026.

1.2 These Regulations are made by the Anambra State Electricity Regulatory Commission (ASERC) pursuant to its powers under the Anambra State Electricity Law, 2025, and all other powers enabling the Commission in that behalf.

1.3 These Regulations shall apply throughout Anambra State and shall govern electricity sector investments and market participation within the State electricity market.

1.4 These Regulations shall come into force on the date of their publication in the Anambra State Official Gazette or on such date as may be specified by the Commission.

1.5 The Commission may issue orders, guidelines, directives, or regulatory instruments for the effective implementation of these Regulations or to further clarify the application of these Regulations to specific categories of electricity investments or market participants. Such guidelines or directives may provide additional requirements relating to:

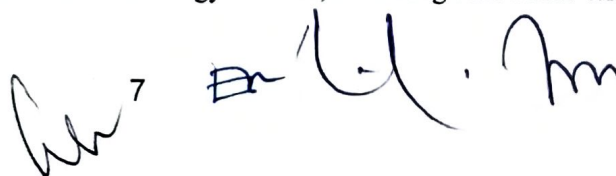
- a. licensing procedures;
- b. electricity market operations;
- c. technical and operational standards;
- d. reporting and compliance requirements.

2. Objectives of the Regulations

2.1 The objectives of these Regulations are to establish a transparent and efficient framework for electricity sector investments within Anambra State.

2.2 Without prejudice to the generality of Regulation 2.1, these Regulations shall seek to:

- a. Facilitate private sector investment in electricity generation, transmission, distribution, supply, and electricity trading within Anambra State.
- b. Improve the reliability, availability, and quality of electricity supply to households, commercial customers, industrial customers, and public institutions within the State.
- c. Establish clear and transparent investment pathways across the electricity value chain in order to promote orderly development of the electricity market.
- d. Promote competition and market development within the electricity sector in a manner that encourages efficiency, innovation, and cost effectiveness.
- e. Encourage the development of diverse energy sources, including renewable energy and waste-to-energy systems.

Handwritten signature and date "Jan 7".

- f. Promote the development of electricity infrastructure required to support economic growth, industrial development, and community electrification within Anambra State.
- g. Facilitate the participation of communities, private investors, and commercial customers in the electricity market through clearly defined regulatory frameworks.

3. Scope of the Regulations

3.1 These Regulations shall apply to all electricity sector investments and commercial activities undertaken within Anambra State.

3.2 The provisions of these Regulations shall apply to all persons, entities, or organizations that engage in electricity sector activities within the State electricity market.

3.3 Without limitation, these Regulations shall apply to investments and activities relating to:

a. Electricity Generation, including but not limited to:

- Generation plants supplying power to the grid from a location in the State.
- Embedded generation projects supplying electricity to distribution networks within the State;
- Captive generation facilities serving commercial, industrial, or institutional customers;
- Renewable energy generation projects;
- Waste-to-energy power generation facilities;
- Community-based electricity generation systems.

b. Electricity Transmission, including:

- Construction and operation of transmission infrastructure within the State;
- Third-party investments in transmission infrastructure;
- Development of dedicated transmission lines or feeders supplying electricity to industrial or commercial clusters;
- Coordination with national transmission system operators.

c. Electricity Distribution, including:

- Operation, improvement, reinforcement and expansion of electricity distribution networks within Anambra State;
- Distribution franchising arrangements;
- Parallel distribution network development.
- Independent Electricity Distribution Networks (IEDN) and mini-grids in specified service areas.

d. Electricity Trading and Power Supply, including:

- Bulk electricity trading arrangements;

8
Enl. M

- Electricity resale arrangements;
- Power Purchase Agreements (PPAs) between market participants;
- Electricity supply arrangements involving large commercial or industrial customers.

e. Community Electricity Schemes, including:

- Community-based electricity purchase and management schemes;
- Cooperative electricity distribution models;
- Local electricity management systems involving community participation.

f. Customer Supply Arrangements, including:

- Eligible customer electricity supply arrangements;
- Electricity trading platforms serving commercial and industrial customers.

3.4 These Regulations shall apply to all licensees, permit holders, franchisees, electricity traders, electricity distributors, generation companies, and eligible customers operating within the State electricity market.

Encl. 9

PART II

INTERPRETATION AND DEFINITIONS

Interpretation

4.1 In these Regulations, unless the context otherwise requires:

- a. words importing the singular include the plural and vice versa;
- b. words importing any gender include every gender;
- c. references to a "person" include any individual, company, partnership, cooperative, association, government agency, or other legal entity;
- d. references to any statute or law shall include any amendment, modification, or re-enactment of such statute or law;
- e. references to a licence, permit, or authorization issued by the Commission shall include any renewal, modification, or extension of such licence, permit, or authorization.

4.2 Headings used in these Regulations are for convenience only and shall not affect the interpretation of any provision of these Regulations.

4.3 Unless otherwise defined in these Regulations, words and expressions used in these Regulations shall have the meanings assigned to them in the Anambra State Electricity Law, 2025, or in other applicable electricity sector legislation or regulation.

Definitions

4.4. In these Regulations, the following terms shall have the meanings assigned to them below.

"Access Charges" means charges payable for the use of electricity transmission or distribution infrastructure for the purpose of transporting electricity from a generation source to an electricity consumer.

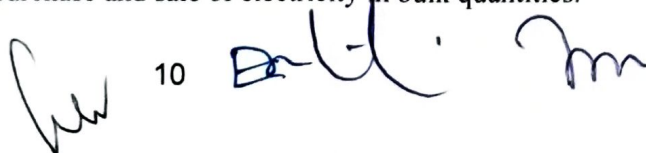
"Applicant" means any person or entity applying to the Commission for a licence, permit, authorization, or approval under these Regulations.

"ASERC" or "the Commission" means the Anambra State Electricity Regulatory Commission established pursuant to the Anambra State Electricity Law, 2025.

"Bulk Electricity Trading" means the commercial activity involving the procurement of electricity from generation companies and the resale of such electricity to distribution companies, eligible customers, community electricity schemes, or other authorized electricity market participants.

"Bulk Power Purchase Agreement" means an agreement between an electricity buyer and an electricity supplier governing the purchase and sale of electricity in bulk quantities.

10



“Captive Generation” means electricity generation facilities developed primarily for the purpose of supplying electricity directly to a specified customer or group of customers and not primarily for sale to the public electricity network.

“Captive Customer” means a commercial, industrial, or institutional electricity consumer supplied by a captive generation facility.

“Community Electricity Cooperative” means a legally recognized cooperative entity established by a community for the purpose of procuring electricity in bulk and managing electricity supply within the community.

“Community Electricity Scheme” means an electricity supply arrangement under which a community or cooperative entity procures electricity in bulk and manages internal electricity distribution and billing within a defined community area.

“Customer” means any person or entity supplied with electricity through a transmission system, distribution system, mini-grid, or other electricity supply infrastructure.

“Dedicated Feeder” means a transmission or distribution line constructed for the purpose of supplying electricity directly to a specific industrial cluster, commercial facility, or designated group of electricity consumers.

“Distribution Company” or “DisCo” means an entity licensed by the Commission to distribute electricity to electricity consumers within a designated service area.

“Distribution Licence” means a licence issued by the Commission authorizing the construction, ownership, operation, and maintenance of electricity distribution infrastructure.

“Distribution Network” means the system of electricity lines, substations, transformers, and associated infrastructure used to deliver electricity from transmission systems to final electricity consumers.

“Distribution Wheeling Charge” means a charge payable for the use of a distribution network to transport electricity from a generator or trader to an electricity consumer.

“Electricity” means electrical energy generated, transmitted, distributed, or supplied for consumption.

“Electricity Generation” means the production of electrical energy from any source including gas, renewable energy, hydroelectric, biomass, or waste-to-energy technologies.

“Electricity Trader” means a person or entity licensed by the Commission to procure electricity from generation companies and resell such electricity to authorized market participants.

“Eligible Customer” means a commercial or industrial electricity consumer authorized by the Commission to procure electricity directly from generation companies or electricity traders outside standard distribution supply arrangements.

“Embedded Generation” means electricity generation facilities connected directly to a distribution network and designed to supply electricity within the distribution system.

“Franchise Area” means a clearly defined geographic territory or network segment within a distribution licence area in which a franchisee is authorized to perform specified electricity distribution functions.

“Franchise Authorization” means a regulatory approval granted by the Commission permitting a third-party operator to undertake specified distribution activities within a defined franchise area.

“Franchisee” means an entity authorized by the Commission to perform electricity distribution functions under an approved franchising arrangement.

“Generation Company” or “GenCo” means an entity licensed by the Commission to construct, own, or operate electricity generation facilities.

“Generation Licence” means a licence issued by the Commission authorizing the construction, ownership, and operation of electricity generation facilities.

“Grid Interconnection” means the physical connection of electricity generation facilities, transmission infrastructure, distribution networks, or mini-grids to the electricity grid.

“Independent Electricity Distribution Network (IEDN)” means a privately developed electricity distribution system authorized by the Commission to supply electricity within a defined service area.

“Industrial Cluster” means a geographically concentrated area containing multiple industrial or manufacturing facilities with significant electricity demand.

“Mini-Grid” means a localized electricity network capable of generating and distributing electricity to multiple consumers within a defined service territory and capable of operating independently or in conjunction with the main electricity grid.

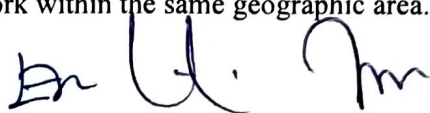
“Mini-Grid Permit” means a permit issued by the Commission authorizing the development and operation of a mini-grid system.

“National Transmission System” means the high-voltage electricity transmission network operated at the national level for the transportation of electricity across Nigeria.

“Network Access” means the right of electricity market participants to utilize transmission or distribution infrastructure for the purpose of transporting electricity.

“Network Reinforcement” means the upgrading or strengthening of electricity network infrastructure to improve system capacity and reliability.

“Parallel Distribution Network” means an electricity distribution system constructed and operated independently of an existing distribution network within the same geographic area.

12  

“Power Purchase Agreement (PPA)” means a contractual agreement between a generation company and an electricity purchaser governing the sale and purchase of electricity.

“Pre-existing Distribution Licencee” means the holder of a distribution licence issued by the Nigerian Electricity Regulatory Commission for operations in Anambra State prior to the enactment of the Anambra State Electricity Law 2025.

“Renewable Energy” means energy derived from naturally replenishing sources including solar, hydro, biomass, and other sustainable energy resources.

“Tariff” means the schedule of electricity prices and charges approved by the Commission for electricity services.

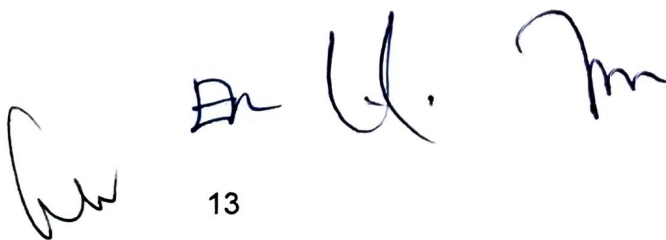
“Technical Standards” means technical requirements established by the Commission governing the design, construction, operation, and maintenance of electricity infrastructure.

“Transmission Use-of-System Charge (TUOS)” means a charge payable for the use of transmission infrastructure for the transportation of electricity.

“Transmission Infrastructure” means the system of high-voltage electricity lines and associated facilities used to transport electricity from generation facilities to distribution networks.

“Waste-to-Energy Facility” means an electricity generation facility that produces electricity through the conversion of municipal, industrial, or agricultural waste.

“Wheeling” means the transportation of electricity through transmission or distribution infrastructure from a generation source to an electricity consumer.

The block contains three handwritten signatures in black ink, positioned above the page number. The signatures are stylized and cursive. Below the signatures, the number '13' is printed in a simple, black, sans-serif font.

PART III

STRUCTURE OF THE STATE ELECTRICITY MARKET

5. Structure of the State Electricity Market

5.1 The electricity market within Anambra State shall operate as an integrated electricity value chain, comprising activities related to the production, transportation, distribution, trading, and supply of electricity.

5.2 The development of the State electricity market shall be guided by the principles of:

- a. efficiency in electricity generation and delivery;
- b. open and transparent participation by qualified investors;
- c. reliability and quality of electricity supply;
- d. fair competition among market participants; and
- e. protection of electricity consumers.

5.3 The State electricity market shall comprise the following principal segments of the electricity value chain:

(a) Fuel Supply

5.4 Fuel supply activities shall include the sourcing, transportation, and delivery of fuel required for electricity generation within the State.

5.5 Fuel supply may include, but shall not be limited to:

- natural gas supply infrastructure and arrangements;
- biomass and waste feedstock for waste-to-energy generation projects;
- renewable energy resources including solar, hydro, and other sustainable energy sources; and
- other fuels approved by the Commission for electricity generation.

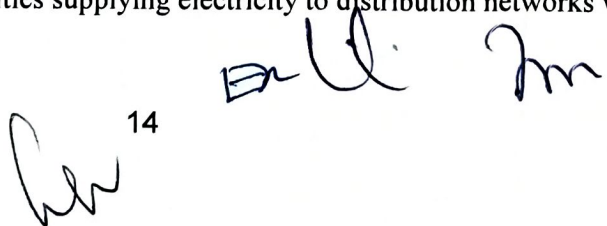
5.6 Electricity generation facilities within the State shall ensure that adequate and reliable fuel supply arrangements are secured for their operations.

(b) Electricity Generation

5.7 Electricity generation shall involve the production of electrical energy by licensed generation companies for supply into the State electricity market.

5.8 Generation activities within Anambra State may include:

- a. embedded generation facilities supplying electricity to distribution networks within the State;



- b. captive generation facilities established to supply electricity directly to commercial, industrial, or institutional customers;
- c. renewable energy generation projects including solar, hydro, biomass, and hybrid generation systems;
- d. waste-to-energy generation facilities utilizing municipal or industrial waste streams; and
- e. other forms of electricity generation approved by the Commission.

5.9 Electricity generation facilities may supply electricity through:

- PPA with distribution companies;
- electricity trading arrangements with licensed electricity traders;
- direct supply arrangements with eligible customers; or
- other arrangements approved by the Commission.

(c) Electricity Transmission

5.10 Electricity transmission shall involve the high-voltage transportation of electricity from generation facilities to distribution networks or major load centers.

5.11 Transmission infrastructure serving Anambra State may be developed, owned, or operated by:

- a. the Transmission Company of Nigeria (TCN);
- b. the Niger Delta Power Holding Company (NDPHC);
- c. licensed third-party transmission investors; or
- d. other entities authorized by the Commission.

5.12 Transmission network development within the State shall support:

- evacuation of power generated within or outside the State;
- supply of electricity to distribution networks; and
- development of dedicated electricity supply infrastructure for industrial clusters and strategic economic zones.

(d) Electricity Distribution

5.13 Electricity distribution shall involve the delivery of electricity from transmission networks to final consumers through medium-voltage and low-voltage distribution systems.

5.14 Distribution activities within Anambra State shall be undertaken by:

- a. licensed distribution companies;
- b. franchised distribution operators;
- c. independent electricity distribution network operators; or
- d. mini-grid operators authorized by the Commission.

5.15 Distribution network development shall prioritize:

- network expansion to underserved areas;
- improvement of network reliability;
- reduction of technical and commercial losses; and
- improved metering and customer service.

(e) Electricity Trading

5.16 Electricity trading shall involve the commercial purchase and resale of electricity between market participants within the State electricity market.

5.17 Licensed electricity traders may:

- a. procure electricity from generation companies within or outside Anambra State;
- b. enter into PPAs with electricity generators;
- c. resell electricity to distribution companies, eligible customers, or community electricity schemes; and
- d. participate in electricity trading platforms approved by the Commission.

5.18 Electricity trading arrangements shall be subject to licensing and regulatory oversight by the Commission.

(f) Supply to End Users

5.19 Electricity supply to end users shall involve the delivery and sale of electricity to residential, commercial, industrial, institutional, and community customers.

5.20 Electricity may be supplied to end users through:

- a. licensed distribution companies;
- b. franchised distribution operators;
- c. independent distribution networks;
- d. Mini-grids
- e. electricity traders serving eligible customers; or
- f. community electricity schemes authorized by the Commission.

5.21 Electricity supply arrangements shall comply with tariff regulations, service standards, and consumer protection requirements issued by the Commission.

6. Role of Key Market Participants

6.1 The State electricity market shall comprise various categories of market participants responsible for different activities within the electricity value chain.

6.2 All market participants shall operate in accordance with the provisions of these Regulations and any licence or permit issued by the Commission.

Generation Companies

6.3 Generation companies shall be responsible for the development, ownership, and operation of electricity generation facilities within the State electricity market.

6.4 Generation companies may supply electricity through:

- PPAs with distribution companies;
- electricity trading arrangements with licensed traders;
- direct supply agreements with eligible customers; or
- other arrangements approved by the Commission.

6.5 Generation companies shall comply with all licensing conditions, grid connection standards, and operational requirements established by the Commission.

Pre-existing Distribution Licencee

6.6 The Pre-existing Distribution Licencee currently serves as the primary electricity distribution network operator within Anambra State. It operates pursuant to an interim licence issued by the Commission, with responsibilities set out in the license terms and conditions.

Independent Distribution Operators

6.7 The Commission may license independent distribution operators to develop and operate electricity distribution networks within designated areas of the State.

6.8 Independent distribution operators may include:

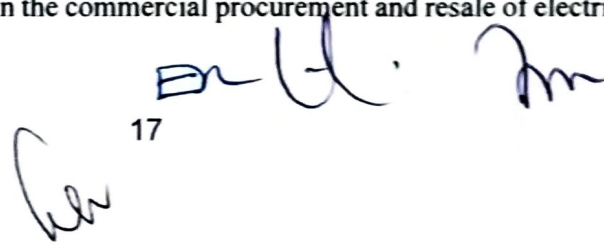
- franchisees managing specific distribution feeders or areas;
- independent electricity distribution network operators;
- mini-grid operators serving localized electricity systems.

6.9 Independent distribution operators shall comply with licensing conditions, technical standards, and consumer protection requirements established by the Commission.

Electricity Traders

6.10 Electricity traders shall engage in the commercial procurement and resale of electricity within the State electricity market.

17

Handwritten signatures and initials are present at the bottom of the page. There are three distinct signatures: one on the left, one in the center, and one on the right. The number '17' is written below the central signature.

6.11 Electricity traders may:

- a. purchase electricity from generation companies;
- b. enter into long-term or short-term PPAs;
- c. resell electricity to distribution companies, eligible customers, or community electricity schemes.

6.12 Electricity trading activities shall require a licence issued by the Commission.

Community Electricity Schemes

6.13 Community electricity schemes shall involve collective electricity supply arrangements established by communities for the purpose of improving access to reliable electricity supply.

6.14 Community electricity schemes may:

- a. procure electricity in bulk from distribution companies or electricity traders;
- b. manage internal distribution, metering, billing, and collection systems within the community;
- c. operate under cooperative or community governance structures.

6.15 Community electricity schemes shall operate in accordance with permits or licences issued by the Commission.

Eligible Customers

6.16 Eligible customers shall include commercial, industrial, or institutional electricity consumers authorized by the Commission to procure electricity directly from generation companies or electricity traders.

6.17 Eligible customers may:

- a. enter into direct electricity supply agreements with generation companies;
- b. purchase electricity through licensed electricity traders; or
- c. participate in electricity trading platforms approved by the Commission.

6.18 Eligible customers shall comply with regulatory requirements issued by the Commission relating to electricity trading and network access.

7. Regulatory Oversight by the Commission

7.1 The Anambra State Electricity Regulatory Commission serves as the independent regulator of the State electricity market and exercises regulatory oversight over all electricity sector activities within Anambra State in accordance with the Anambra State Electricity Law 2025.

7.2 The Commission shall issue licences, permits, and authorizations for electricity sector activities covered by these regulations, in accordance with the Anambra State Electricity Law 2025 and the Application for Licences Regulations 2026.

7.3 No person shall undertake any regulated electricity activity within Anambra State except pursuant to a licence or permit issued by the Commission. All electricity sector projects and operators existing within Anambra State at the commencement of these Regulations shall be required to comply with the provisions of these Regulations.

 
19

PART III

ELECTRICITY GENERATION INVESTMENT FRAMEWORK

8. Embedded Power Generation

Definition and Scope

8.1 Embedded power generation shall refer to electricity generation facilities connected directly to a distribution network within Anambra State for the purpose of supplying electricity to a distribution company or to consumers connected to that distribution network.

8.2 Embedded generation facilities shall typically operate at medium-voltage or low-voltage levels within the distribution network and shall not require direct connection to the national transmission system.

8.3 Embedded generation projects may utilize any approved generation technology including:

- a. gas-fired power plants;
- b. solar photovoltaic systems;
- c. biomass or waste-to-energy systems;
- d. hybrid generation systems combining multiple technologies; or
- e. any other generation technology approved by the Commission.

8.4 Embedded generation projects shall be developed for the purpose of improving electricity supply reliability within the State distribution network.

Supply Arrangements

8.5 Embedded generation facilities may supply electricity to the network of the distribution licensee in which they are embedded within the State.

8.6 Electricity supplied by embedded generation facilities shall be governed by a PPA between the generation company and the relevant distribution licensee.

8.7 Distribution companies may procure electricity from embedded generators in order to:

- a. improve supply reliability within their distribution networks;
- b. reduce dependence on external electricity supply sources;
- c. support local electricity market development.

Grid Interconnection Requirements

8.8 All embedded generation facilities shall comply with grid interconnection standards established by the Commission.

8.9 Embedded generation facilities shall obtain approval from the relevant distribution company prior to connecting to the distribution network.

8.10 Interconnection requirements shall include:

- a. technical compatibility with the distribution network;
- b. protection and safety requirements;
- c. metering and measurement systems;
- d. compliance with system reliability standards.

8.11 The Commission may issue technical codes or interconnection guidelines governing the integration of embedded generation facilities into distribution networks.

Licensing Conditions

8.12 No person shall construct or operate an embedded generation facility within Anambra State except pursuant to a generation licence issued by the Commission.

8.13 Applications for embedded generation licences shall include:

- a. technical specifications of the proposed generation facility;
- b. evidence of financial capability to undertake the project;
- c. environmental and regulatory approvals where required;
- d. proposed electricity supply arrangements.

8.14 The Commission may prescribe simplified licensing procedures for small-scale embedded generation projects.

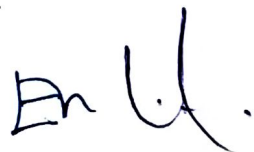
Tariff and PPAs

8.15 Electricity supplied by embedded generation facilities shall be governed by a Commission-approved PPA.

8.16 Tariffs for electricity generated by embedded generation facilities shall be determined in accordance with tariff methodologies established by the Commission.

8.17 In determining tariffs, the Commission may consider:

- a. cost of generation technology;
- b. fuel supply arrangements;
- c. project financing structure;
- d. benefits to the distribution network.

Operational Obligations

8.18 Embedded generation licensees shall comply with all technical, operational, and safety standards established by the Commission.

8.19 Embedded generators shall maintain reliable and efficient operation of their facilities in order to support the stability of the distribution network.

8.20 Embedded generators shall provide operational data and reports to the Commission and the relevant distribution company as may be required.

9. Captive Power Generation

Definition and Scope

9.1 Captive power generation shall refer to electricity generation facilities developed for the primary purpose of supplying electricity directly to specific customers or facilities.

9.2 Captive generation systems shall typically operate independently of the public distribution network, except where authorized by the Commission.

Eligible Users

9.3 Captive power generation facilities may be developed to serve electricity demand within:

- a. industrial clusters;
- b. manufacturing zones;
- c. designated business districts;
- d. large commercial facilities;
- e. institutional facilities such as hospitals, universities, or large public infrastructure.

9.4 Captive generation projects may be developed and operated by:

- a. the electricity consumer;
- b. an independent power producer supplying a designated customer;
- c. a consortium of industrial or commercial consumers.

Conditions for Captive Generation Licensing

9.5 Captive generation facilities shall require a captive generation permit or licence issued by the Commission, where the installed capacity exceeds the threshold determined by the Commission.

9.6 Applications for captive generation licences shall include:

- a. technical specifications of the proposed generation facility;
- b. identification of the captive customer or customers to be served;

- c. proposed electricity supply arrangements;
- d. environmental compliance documentation where applicable.

9.7 Captive generation systems shall comply with all applicable technical and safety standards established by the Commission.

Surplus Power Rules

9.8 Where a captive generation facility produces electricity in excess of the requirements of the captive customer, such surplus electricity may be:

- a. sold to a licensed distribution company;
- b. sold to eligible customers within the State;
- c. sold to licensed electricity traders;
- d. injected into the distribution network subject to Commission approval.

9.9 Sale of surplus electricity from captive generation facilities shall require authorization from the Commission and compliance with applicable tariff and market regulations.

9.10 The Commission may issue guidelines governing the treatment and sale of surplus electricity from captive generation facilities.

10. Community-Based Waste-to-Energy Projects

Licensing Framework

10.1 Community-based waste-to-energy projects shall involve electricity generation facilities that convert municipal, agricultural, or industrial waste into electricity.

10.2 Waste-to-energy projects shall require a generation licence issued by the Commission.

10.3 Applications for waste-to-energy licences shall include:

- a. technical details of the waste conversion technology;
- b. feedstock sourcing arrangements;
- c. environmental impact assessment where required;
- d. proposed electricity supply arrangements.

Feedstock Sourcing Requirements

10.4 Waste-to-energy facilities shall demonstrate reliable and sustainable access to waste feedstock necessary for continuous electricity generation.

10.5 Acceptable feedstock sources may include:

- municipal solid waste;

- agricultural waste;
- industrial waste streams;
- biomass feedstock.

10.6 Waste feedstock sourcing arrangements shall comply with applicable waste management regulations.

Environmental and Waste Management Standards

10.7 Waste-to-energy facilities shall comply with all applicable environmental protection and waste management standards.

10.8 Operators of waste-to-energy facilities shall implement:

- a. safe waste handling procedures;
- b. emissions control technologies;
- c. environmentally responsible waste disposal practices.

10.9 The Commission may require evidence of environmental approvals from relevant government authorities prior to licensing.

Power Sale Arrangements

10.10 Electricity generated by waste-to-energy facilities may be sold through:

- a. PPAs with distribution companies;
- b. electricity trading arrangements with licensed traders;
- c. supply arrangements to community electricity schemes;
- d. supply to eligible customers where permitted.

11. Renewable Energy Projects

Scope of Renewable Energy Development

11.1 Renewable energy projects shall include electricity generation facilities utilizing renewable energy resources within Anambra State.

11.2 Renewable energy technologies may include:

- a. solar photovoltaic generation;
- b. hybrid generation systems combining solar, storage, or other technologies;
- c. small hydroelectric generation facilities;
- d. biomass-based electricity generation.

Solar Energy Projects

11.3 Solar energy projects may include:

- a. utility-scale solar farms;
- b. embedded solar generation connected to distribution networks;
- c. solar generation integrated with battery storage systems.

11.4 Solar generation facilities shall comply with licensing requirements and technical standards established by the Commission.

Hybrid Generation Systems

11.5 Hybrid generation systems combining multiple energy sources may be developed in order to improve generation reliability and efficiency.

11.6 Hybrid systems may combine:

- solar generation and battery storage;
- solar and gas generation;
- solar and biomass generation.

Small Hydropower Projects

11.7 Small hydroelectric projects may be developed on rivers or water infrastructure within Anambra State.

11.8 Development of small hydroelectric facilities shall comply with environmental regulations and water resource management requirements.

Incentives and Regulatory Support Mechanisms

11.9 The Commission may establish regulatory mechanisms to encourage investment in renewable energy projects.

11.10 Such mechanisms may include:

- a. simplified licensing procedures for renewable energy projects;
- b. preferential tariff mechanisms where applicable;
- c. regulatory support for distributed renewable generation;
- d. promotion of renewable energy deployment in underserved areas.

11.11 The Commission may issue further regulations, guidelines, or directives to facilitate the development of renewable energy within Anambra State.

PART IV

TRANSMISSION NETWORK DEVELOPMENT AND INVESTMENT

12. Coordination with the National Transmission Network

Role of the Transmission Company of Nigeria

12.1 The TCN shall remain the operator of the national transmission system responsible for the transmission of electricity across the national grid.

12.2 The national transmission network shall serve as the primary infrastructure for the bulk transfer of electricity into and out of Anambra State.

12.3 The Commission shall cooperate with the TCN in order to ensure reliable evacuation and delivery of electricity to distribution networks serving Anambra State.

12.4 Coordination with the national transmission system shall include:

- a. planning of transmission capacity required to serve electricity demand within the State;
- b. development of transmission infrastructure required to evacuate power generated within the State;
- c. alignment of transmission system upgrades with State electricity market development.

Coordination with NDPHC Projects

12.5 The Commission shall coordinate with the NDPHC in relation to transmission infrastructure projects developed under the National Integrated Power Project or other electricity development programs.

12.6 Such coordination shall seek to ensure:

- a. alignment between NDPHC transmission infrastructure development and the electricity needs of Anambra State;
- b. optimal utilization of existing and planned transmission infrastructure serving the State.

Planning Alignment with State Electricity Expansion

12.7 The Commission shall engage with relevant national transmission authorities in order to align transmission network planning with the electricity development objectives of Anambra State.

12.8 Transmission planning coordination shall include:

- a. identification of transmission capacity constraints affecting electricity supply within the State;
- b. development of transmission reinforcement projects required to support electricity market expansion;

26
Her

U. S. M.
En

c. facilitation of transmission infrastructure required to support embedded generation, captive generation, and renewable energy projects within the State.

12.9 The Commission may participate in national transmission planning processes where necessary to ensure that the electricity needs of Anambra State are adequately represented.

13. Third-Party Transmission Investment

Private Investment in Transmission Infrastructure

13.1 The Commission may permit third-party investment in transmission infrastructure within Anambra State in order to enhance electricity supply reliability and network capacity.

13.2 Third-party transmission investments may include:

- a. construction of new transmission lines within the State;
- b. reinforcement or upgrading of existing transmission infrastructure;
- c. development of transmission infrastructure required to evacuate electricity generated within the State;
- d. development of transmission infrastructure required to supply industrial clusters or strategic economic zones.

13.3 Third-party transmission investments shall be subject to regulatory approval by the Commission and shall comply with applicable technical and safety standards.

Development of Dedicated Transmission Lines

13.4 Private investors may develop dedicated transmission lines for the purpose of supplying electricity to designated customers or areas within Anambra State.

13.5 Dedicated transmission lines may be developed to support:

- a. industrial clusters;
- b. manufacturing zones;
- c. large commercial developments;
- d. strategic economic infrastructure within the State.

13.6 Development of dedicated transmission lines shall require approval from the Commission and coordination with the TCN.

Financing and Ownership Structures

13.7 Third-party transmission infrastructure may be developed under various financing and ownership structures including:

27



- a. private investment by independent infrastructure developers;
- b. public-private partnerships;
- c. joint ventures involving electricity sector participants;
- d. infrastructure concession arrangements approved by the Commission.

13.8 The Commission may approve ownership and operational arrangements that promote efficient development and operation of transmission infrastructure.

Access and Use of Transmission Infrastructure

13.9 Transmission infrastructure developed by third-party investors may be made available for use by other electricity market participants subject to regulatory approval.

13.10 The Commission may establish rules governing:

- a. access to privately developed transmission infrastructure;
- b. transmission usage charges;
- c. operational coordination between infrastructure owners and system operators.

13.11 All transmission infrastructure operating within the State electricity market shall comply with applicable national grid codes and technical standards.

14. Dedicated Industrial Feeders

Construction of Dedicated Transmission or Distribution Feeders

14.1 Dedicated electricity feeders may be developed for the purpose of supplying electricity directly to industrial or commercial clusters within Anambra State.

14.2 Dedicated feeders may operate at either:

- a. transmission voltage levels; or
- b. distribution voltage levels,

depending on the technical requirements of the customers being served.

14.3 Dedicated feeders may be constructed by:

- a. distribution companies;
- b. generation companies;
- c. private electricity infrastructure investors;
- d. industrial or commercial customers;
- e. other entities authorized by the Commission.

Supply Arrangements for Industrial Areas

14.4 Dedicated industrial feeders may be used to supply electricity to:

- a. industrial clusters;
- b. manufacturing zones;
- c. export processing zones;
- d. major commercial or business districts.

14.5 Electricity supplied through dedicated feeders may be sourced from:

- a. embedded generation facilities;
- b. captive generation facilities;
- c. licensed electricity traders;
- d. electricity supplied through the national grid.

14.6 Electricity supply arrangements for dedicated industrial feeders shall be governed by contractual agreements between the relevant market participants.

Technical and Regulatory Approval Requirements

14.7 Construction and operation of dedicated electricity feeders shall require approval from the Commission.

14.8 Applications for approval of dedicated feeder projects shall include:

- a. technical design and engineering specifications;
- b. evidence of financial capability to undertake the project;
- c. proposed electricity supply arrangements;
- d. environmental compliance documentation where required.

14.9 Dedicated feeder infrastructure shall comply with all applicable technical standards, safety requirements, and system integration rules established by the Commission.

14.10 The Commission may issue additional guidelines governing the development and operation of dedicated feeders within the State electricity market.



PART V

ELECTRICITY DISTRIBUTION NETWORK DEVELOPMENT

15. Pre-existing Distribution Licencee

Distribution Licence Area

15.1 The Pre-existing Distribution Licencee shall operate within the service area approved for it by the Commission pursuant to its licence issued by the Commission.

15.2 The Pre-existing Distribution Licencee shall be responsible for the operation, maintenance, and expansion of electricity distribution infrastructure within its approved distribution licence area in Anambra State.

15.3 The Commission may designate specific areas within the distribution licence area for alternative distribution arrangements, including franchising, independent distribution networks, or mini-grid operations.

16. Distribution Network Improvement Programs

Required Investments in Distribution Infrastructure

16.1 The Pre-existing Distribution Licencee shall implement Distribution Network Improvement Programs approved by the Commission and designed to strengthen the capacity and reliability of the electricity distribution system within Anambra State.

16.2 Such improvement programs shall include investments in:

(a) Feeders

16.3 Development and rehabilitation of distribution feeders in order to:

- a. increase electricity supply capacity;
- b. improve voltage stability;
- c. reduce network congestion.

(b) Substations

16.4 Construction and upgrading of distribution substations in order to:

- a. expand electricity supply capacity;
- b. improve system reliability;
- c. support network expansion to new service areas.

(c) Network Reinforcement

16.5 Network reinforcement activities shall include:

30

U. J. M.
En

- a. replacement of aging or overloaded network infrastructure;
- b. upgrading of conductors and transformers;
- c. installation of network protection systems;
- d. modernization of distribution infrastructure.

(d) Loss Reduction

16.6 Distribution network improvement programs shall include other measures aimed at reducing technical and commercial electricity losses.

16.7 Such loss reduction initiatives shall include:

- a. metering all remaining unmetered customers in Anambra State;
- b. improved monitoring of distribution network performance;
- c. measures to address electricity theft and energy accounting inefficiencies.

Commission Monitoring and Reporting Requirements

16.8 The Pre-existing Distribution Licencee shall submit periodic reports to the Commission detailing the implementation of its distribution network improvement programs. This shall be done within the timelines stipulated by the Commission.

16.9 Such reports shall include information relating to:

- a. infrastructure investments undertaken;
- b. progress in achieving network performance targets;
- c. improvements in electricity supply reliability;
- d. loss reduction performance.

16.10 The Commission shall conduct audits, inspections, or performance reviews in order to verify compliance with distribution network improvement obligations.



PART VI
DISTRIBUTION FRANCHISING FRAMEWORK

17. Distribution Franchising Model

Definition of Franchising

17.1 Distribution franchising shall refer to a regulatory arrangement under which a licensed electricity distribution company authorizes a third-party operator to manage specific distribution functions within a defined geographic area or network segment.

17.2 A franchisee may be granted authority to undertake certain operational activities including:

- a. electricity metering;
- b. billing and revenue collection;
- c. operation and maintenance of distribution feeders;
- d. customer service and network management functions.

17.3 Franchising arrangements shall be subject to approval by the Commission.

Objectives of Distribution Franchising

17.4 The objectives of the distribution franchising framework shall include:

- a. improvement of electricity distribution efficiency;
- b. enhancement of customer service quality;
- c. reduction of electricity losses within the distribution network;
- d. attraction of private sector investment in electricity distribution;
- e. improved management of electricity supply within defined geographic areas.

18. Franchise Operations

Scope of Franchise Operations

18.1 A franchisee authorized under an approved distribution franchising arrangement may undertake specified operational functions within a designated franchise area, subject to the terms and conditions approved by the Commission.

18.2 Franchise operations shall be conducted in accordance with the licence of the relevant distribution company and under the regulatory supervision of the Commission.

18.3 The scope of activities that may be performed by a franchisee shall be defined in the franchise agreement approved by the Commission.


32




Metering

18.4 Franchisees may be authorized to deploy, operate, and maintain electricity metering infrastructure within their designated franchise areas.

18.5 Metering activities undertaken by franchisees may include:

- a. installation of electricity meters for customers;
- b. maintenance and replacement of metering equipment;
- c. meter reading and data management;
- d. implementation of advanced metering infrastructure where applicable.

18.6 All metering systems deployed by franchisees shall comply with metering standards established by the Commission.

Billing

18.7 Franchisees may be responsible for the preparation and issuance of electricity bills to customers within the franchise area.

18.8 Billing operations shall be conducted in accordance with tariff schedules approved by the Commission.

18.9 Franchisees shall ensure that electricity bills issued to customers are accurate, transparent, and consistent with the applicable tariff methodology.

Revenue Collection

18.10 Franchisees may be authorized to collect payments from electricity customers within the franchise area.

18.11 Collection activities may include:

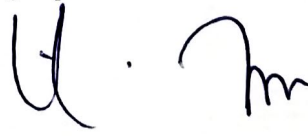
- a. processing customer payments;
- b. managing revenue collection systems;
- c. implementing measures to improve payment compliance.

18.12 Franchisees shall maintain proper records of all revenue collected and shall remit such revenues to the relevant distribution licensee in accordance with the terms of the franchise agreement.

Distribution Feeder Management

18.13 Franchisees may be authorized to operate and manage specified distribution feeders within the franchise area.

 33


En

18.14 Distribution feeder management may include:

- a. operation and maintenance of feeder infrastructure;
- b. monitoring feeder performance;
- c. implementing technical measures to improve feeder reliability;
- d. responding to network faults and service interruptions.

18.15 Franchisees shall coordinate with the distribution licensee to ensure safe and reliable operation of the distribution network.

19. Full Distribution Area Franchises

Ring-Fenced Distribution Areas

19.1 The Commission may approve full distribution area franchises covering clearly defined and ring-fenced geographic areas within the distribution licence area.

19.2 A ring-fenced distribution area shall refer to a defined electricity distribution territory within which a franchisee is granted authority to undertake specified distribution functions.

19.3 The boundaries of a ring-fenced distribution area shall be clearly defined and approved by the Commission.

19.4 Ring-fenced distribution areas may include:

- a. defined communities;
- b. urban districts;
- c. industrial clusters;
- d. commercial zones;
- e. other geographic areas approved by the Commission.

Responsibilities for Technical and Commercial Operations

19.5 Franchisees operating within full distribution area franchises may assume responsibility for both technical and commercial operations within the franchise area, subject to the terms approved by the Commission.

19.6 Technical responsibilities of the franchisee may include:

- a. operation and maintenance of distribution infrastructure;
- b. management of distribution feeders and transformers;
- c. implementation of network reliability improvements;
- d. monitoring of electricity supply quality within the franchise area.

19.7 Commercial responsibilities of the franchisee may include:

- a. customer metering;
- b. billing and revenue collection;
- c. management of electricity consumption data;
- d. implementation of loss reduction measures.

19.8 The distribution licensee shall retain overall responsibility for compliance with regulatory requirements applicable to the distribution network.

Customer Service Obligations

19.9 Franchisees shall maintain appropriate customer service systems for the benefit of electricity consumers within the franchise area.

19.10 Customer service obligations of franchisees shall include:

- a. establishment of customer service channels;
- b. prompt response to customer complaints;
- c. transparent communication regarding electricity supply interruptions;
- d. fair and accurate billing practices.

19.11 Franchisees shall comply with consumer protection regulations issued by the Commission.

20. Performance Standards for Franchisees

General Performance Obligations

20.1 Franchisees operating within distribution franchise areas shall comply with performance standards established by the Commission.

20.2 The Commission may establish performance benchmarks in order to ensure efficient operation of franchised distribution areas.

Loss Reduction Targets

20.3 Franchisees shall implement operational and technical measures designed to reduce technical and commercial electricity losses within the franchise area.

20.4 The Commission may establish specific loss reduction targets applicable to franchise operations.

20.5 Franchisees shall periodically report to the Commission on progress made in achieving loss reduction targets.

 35 

Metering Coverage

20.6 Franchisees shall ensure adequate metering coverage for all electricity customers within the franchise area.

20.7 Franchisees shall prioritize the installation of meters for previously unmetered customers in order to improve transparency in electricity billing.

20.8 Metering systems deployed within franchise areas shall comply with metering standards established by the Commission.

Collection Efficiency

20.9 Franchisees shall implement measures designed to improve revenue collection efficiency within the franchise area.

20.10 The Commission may establish minimum collection efficiency benchmarks for franchise operations.

20.11 Franchisees shall provide periodic reports to the Commission regarding revenue collection performance.

Service Quality Requirements

20.12 Franchisees shall ensure that electricity services delivered within the franchise area meet minimum service quality standards established by the Commission.

20.13 Service quality requirements may include:

- a. reliability of electricity supply;
- b. response time to network faults;
- c. customer complaint resolution timelines;
- d. transparency in customer communications.

20.14 The Commission may conduct performance reviews, audits, or inspections in order to ensure compliance with franchise performance standards.

En G. M.

PART VII

OTHER DISTRIBUTION NETWORKS AND MINI-GRID SYSTEMS

21. Licensing of Additional Distribution Companies

Parallel Distribution Network Development

21.1 The Commission may grant licences to additional electricity distribution companies to operate within Anambra State where such licensing is necessary to promote competition, improve service delivery, or expand electricity access.

21.2 Additional distribution companies may develop and operate parallel electricity distribution networks within designated areas of the State subject to regulatory approval by the Commission.

21.3 Parallel distribution network development may include the construction, ownership, and operation of electricity distribution infrastructure independent of existing distribution systems, where such infrastructure is required to serve specific customer groups or geographic areas.

21.4 The Commission shall ensure that parallel distribution network development promotes efficiency in electricity distribution while maintaining system reliability and consumer protection.

Conditions for New Distribution Licences

21.5 No person shall construct, own, or operate an electricity distribution network within Anambra State except pursuant to a distribution licence issued by the Commission.

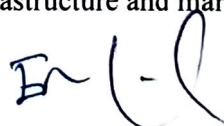
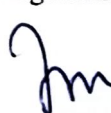
21.6 Applications for new distribution licences shall include:

- a. technical design and specifications of the proposed distribution network;
- b. identification of the geographic area to be served;
- c. evidence of financial capability to undertake and sustain the proposed operations;
- d. proposed operational and commercial arrangements;
- e. evidence of compliance with environmental and regulatory requirements where applicable.

21.7 The Commission may impose additional conditions on new distribution licences in order to ensure reliable electricity supply and efficient market operations.

21.8 The Commission shall evaluate licence applications based on criteria including:

- a. technical competence of the applicant;
- b. financial capability;
- c. contribution of the proposed project to electricity supply improvement within the State;
- d. compatibility with existing electricity infrastructure and market arrangements.

37   

Interconnection Rules

21.9 Distribution networks operated by additional distribution licensees shall comply with interconnection standards established by the Commission.

21.10 Interconnection arrangements between distribution networks may include:

- a. physical interconnection of electricity infrastructure;
- b. coordination of network operations;
- c. exchange of electricity between distribution networks where necessary.

21.11 The Commission may issue guidelines governing interconnection arrangements between distribution networks within the State electricity market.

22. Independent Electricity Distribution Networks (IEDN)

Licensing for Private Distribution Systems

22.1 The Commission may issue licences for the development and operation of Independent Electricity Distribution Networks (IEDN) within designated areas of Anambra State.

22.2 An Independent Electricity Distribution Network shall refer to a privately developed electricity distribution system designed to supply electricity within a defined service area.

22.3 Operators of Independent Electricity Distribution Networks shall obtain a distribution licence or permit issued by the Commission prior to commencing operations.

22.4 Applications for IEDN licences shall include:

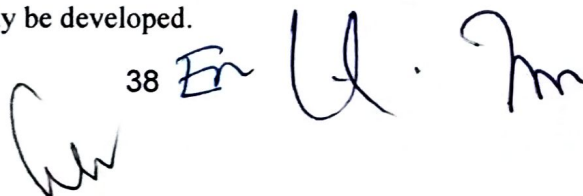
- a. technical design of the proposed distribution infrastructure;
- b. identification of the service area to be supplied;
- c. proposed electricity supply arrangements;
- d. evidence of financial and technical capability to operate the distribution system.

Eligible Service Areas

22.5 Independent Electricity Distribution Networks may be developed to supply electricity to:

- a. industrial clusters;
- b. manufacturing zones;
- c. commercial districts;
- d. residential estates or planned communities;
- e. institutional facilities;
- f. other service areas approved by the Commission.

22.6 The Commission may designate specific geographic areas within the State where Independent Electricity Distribution Networks may be developed.

Handwritten signature and initials in blue ink, appearing to be 'En U. Im' with a large 'G' or 'H' to the left.

Technical Standards

22.7 Independent Electricity Distribution Networks shall comply with technical, operational, and safety standards established by the Commission.

22.8 Such standards may include requirements relating to:

- a. network design and construction;
- b. system reliability and operational safety;
- c. metering and electricity measurement systems;
- d. compatibility with other electricity networks operating within the State.

22.9 The Commission may issue technical codes and guidelines governing the operation of Independent Electricity Distribution Networks.

23. Mini-Grid Systems

Mini-Grid Licensing Framework

23.1 The Commission may establish a licensing and permitting framework for the development and operation of mini-grid electricity systems within Anambra State.

23.2 A mini-grid system shall refer to a localized electricity network capable of generating and distributing electricity to multiple customers within a defined service area.

23.3 Mini-grid operators shall obtain a mini-grid permit or licence issued by the Commission prior to constructing or operating a mini-grid system.

23.4 The Commission may adopt simplified licensing procedures for small-scale mini-grid projects in order to promote electricity access in underserved areas.

Service Territories

23.5 Mini-grid systems shall operate within clearly defined service territories approved by the Commission.

23.6 Mini-grid service territories may include:

- a. rural communities;
- b. peri-urban settlements;
- c. isolated commercial areas;
- d. residential estates or planned developments.

23.7 The Commission shall ensure that mini-grid service territories are defined in a manner that avoids unnecessary conflict with existing electricity distribution networks.

Interconnection with the Main Grid

23.8 Where the main electricity distribution network extends into an area served by a mini-grid system, the mini-grid operator may:

- a. continue operating the mini-grid independently;
- b. interconnect with the main distribution network subject to approval by the Commission;
- c. transfer the mini-grid assets to the relevant distribution licensee under terms approved by the Commission.

23.9 The Commission may establish guidelines governing the interconnection of mini-grids with the main electricity distribution network.

Tariff Rules

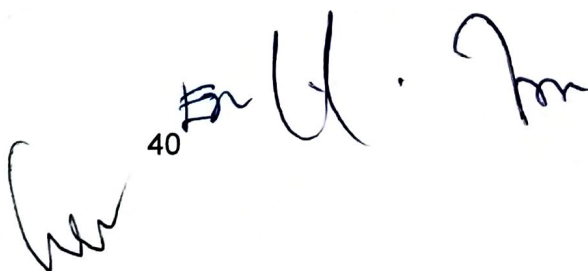
23.10 Electricity tariffs applicable to mini-grid systems shall be subject to regulatory approval by the Commission.

23.11 The Commission may approve tariffs for mini-grid electricity services based on:

- a. cost of generation and distribution;
- b. affordability considerations;
- c. sustainability of mini-grid operations.

23.12 Mini-grid operators shall ensure transparency in electricity pricing and billing practices.

23.13 The Commission may issue further regulations or guidelines governing tariff structures applicable to mini-grid systems.

40 

PART VIII

ELECTRICITY TRADING AND MARKET TRANSACTIONS

24. Bulk Electricity Trading

Licensing of Electricity Traders

24.1 The Commission may issue licences authorizing qualified entities to engage in bulk electricity trading within the State electricity market.

24.2 A licensed electricity trader shall be authorized to procure electricity from generation companies and resell such electricity to approved electricity market participants.

24.3 No person shall engage in the commercial purchase and resale of electricity within Anambra State except pursuant to a valid electricity trading licence issued by the Commission.

24.4 Applications for electricity trading licences shall include:

- a. evidence of the applicant's financial capability to undertake electricity trading activities;
- b. proposed electricity procurement arrangements;
- c. proposed electricity resale arrangements;
- d. operational and risk management procedures.

24.5 The Commission may impose additional licensing conditions necessary to ensure efficient operation of the electricity trading market.

PPAs with Generation Companies

24.6 Licensed electricity traders may procure electricity from generation companies through PPAs or other contractual arrangements approved by the Commission.

24.7 PPAs executed by electricity traders shall specify:

- a. contracted electricity supply quantities;
- b. pricing arrangements;
- c. duration of the electricity supply agreement;
- d. technical and operational obligations of the parties.

Resale of Electricity

24.8 Licensed electricity traders may resell electricity procured from generation companies to approved electricity market participants within the State electricity market.

24.9 Electricity traders may supply electricity to the following categories of customers:

(a) Distribution Companies

24.10 Electricity traders may sell electricity to licensed electricity distribution companies operating within Anambra State in order to support electricity supply to customers connected to the distribution network.

(b) Industrial Customers

24.11 Electricity traders may supply electricity directly to industrial or large commercial customers authorized to procure electricity outside the standard distribution supply arrangements.

24.12 Such supply arrangements shall comply with the provisions governing eligible customers issued by the Commission.

(c) Community Electricity Schemes

24.13 Electricity traders may supply electricity to community electricity schemes established in accordance with these Regulations.

24.14 Supply arrangements with community electricity schemes shall be governed by contractual agreements approved by the Commission where applicable.

25. Community Bulk Power Purchase Schemes

Community Electricity Cooperatives

25.1 Communities within Anambra State may establish community electricity cooperatives or similar cooperative structures for the purpose of improving electricity supply within their local areas.

25.2 Community electricity cooperatives shall operate as legally recognized entities authorized to procure electricity in bulk for supply to members of the community.

25.3 The Commission may issue permits or licences authorizing community electricity cooperatives to participate in electricity supply arrangements within the State electricity market.

Bulk Power Purchase Arrangements

25.4 Community electricity cooperatives may enter into bulk electricity purchase agreements with electricity distribution companies or licensed electricity traders.

25.5 Bulk electricity purchased by community cooperatives may be supplied to households, businesses, or other electricity consumers within the community.

25.6 Bulk electricity purchase agreements shall specify:

- a. contracted electricity quantities;
- b. pricing arrangements;
- c. electricity delivery arrangements;
- d. operational responsibilities of the parties.

Internal Distribution and Billing Management

25.7 Community electricity cooperatives may manage internal electricity distribution systems within their communities.

25.8 Internal distribution management may include:

- a. installation and maintenance of internal distribution infrastructure;
- b. electricity metering for customers within the community;
- c. billing and revenue collection from electricity consumers;
- d. maintenance of electricity supply infrastructure within the community network.

25.9 Internal distribution systems operated by community cooperatives shall comply with technical and safety standards established by the Commission.

Consumer Governance Structures

25.10 Community electricity cooperatives shall operate under transparent governance structures that ensure fair representation of electricity consumers within the community.

25.11 Governance arrangements for community electricity cooperatives shall include:

- a. elected leadership or management committees;
- b. transparent financial management systems;
- c. clear procedures for resolving disputes among members.

25.12 The Commission may issue guidelines governing governance and operational standards for community electricity cooperatives.

26. Eligible Customer Regime

Licensing of Commercial and Industrial Customers

26.1 The Commission may designate certain electricity consumers as eligible customers authorized to procure electricity directly from electricity generators or electricity traders.

26.2 Eligible customers may include:

- a. large commercial facilities;

- b. industrial manufacturing facilities;
- c. institutional electricity consumers;
- d. other electricity consumers approved by the Commission.

26.3 Customers seeking eligible customer status shall apply to the Commission for authorization.

26.4 Applications for eligible customer status shall include:

- a. evidence of electricity demand exceeding thresholds determined by the Commission;
- b. proposed electricity supply arrangements;
- c. technical arrangements for connection to the electricity network.

Direct Power Purchase from Generation Companies

26.5 Eligible customers may enter into direct electricity supply agreements with generation companies subject to regulatory approval by the Commission.

26.6 Direct electricity supply agreements between generation companies and eligible customers shall comply with applicable electricity market regulations and network access requirements.

26.7 Electricity supplied to eligible customers may be delivered through:

- a. dedicated electricity feeders;
- b. transmission or distribution network wheeling arrangements;
- c. other infrastructure approved by the Commission.

Participation in Electricity Trading Platforms

26.8 Eligible customers may participate in electricity trading platforms or market arrangements approved by the Commission.

26.9 Electricity trading platforms may facilitate:

- a. procurement of electricity from licensed electricity traders;
- b. procurement of electricity from generation companies;
- c. short-term or long-term electricity supply arrangements.

26.10 Participation in electricity trading platforms shall comply with market rules established by the Commission.

26.11 The Commission may issue further regulations or guidelines governing electricity trading platforms within the State electricity market.

 
44

PART IX

TARIFF REGULATION AND COMMERCIAL ARRANGEMENTS

27. Tariff Principles

Cost-Reflective Tariffs

27.1 Electricity tariffs within the State electricity market shall be determined in accordance with cost-reflective tariff principles approved by the Commission.

27.2 Cost-reflective tariffs shall be designed to ensure that electricity tariffs adequately reflect the efficient costs of electricity generation, transmission, distribution, trading, and supply.

27.3 In determining cost-reflective tariffs, the Commission may consider factors including:

- a. capital investment requirements for electricity infrastructure;
- b. operating and maintenance costs of electricity facilities;
- c. fuel costs for electricity generation;
- d. financing costs associated with electricity sector investments;
- e. network expansion and system improvement requirements.

27.4 The Commission shall ensure that tariff methodologies promote the financial sustainability of electricity sector investments while supporting the long-term development of the State electricity market.

Consumer Protection

27.5 In approving electricity tariffs, the Commission shall ensure that tariff structures incorporate measures for the protection of electricity consumers.

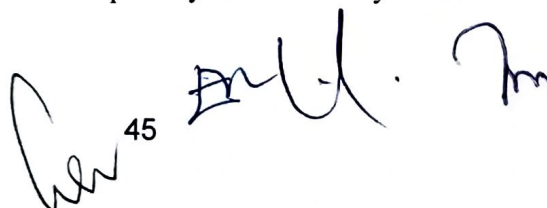
27.6 Consumer protection considerations in tariff determination may include:

- a. fairness and affordability of electricity pricing;
- b. protection of vulnerable customer groups;
- c. transparency in electricity billing practices;
- d. safeguards against unjustified tariff increases.

27.7 The Commission may establish special tariff provisions or mechanisms designed to protect residential consumers or other categories of electricity users.

Transparency

27.8 The Commission shall ensure transparency in electricity tariff determination and implementation.

45 

27.9 Tariff methodologies approved by the Commission shall be publicly disclosed in accordance with applicable regulatory procedures.

27.10 Electricity licensees shall clearly communicate applicable tariff structures to electricity consumers.

27.11 Electricity bills issued to customers shall clearly indicate applicable tariff components, electricity consumption levels, and total charges payable.

28. PPAs

Standard Contractual Framework

28.1 PPAs shall govern the commercial arrangements for the sale and purchase of electricity between generation companies and electricity buyers.

28.2 PPAs may be entered into between:

- a. generation companies and distribution licensees;
- b. generation companies and licensed electricity traders;
- c. generation companies and eligible customers;
- d. other electricity market participants authorized by the Commission.

28.3 The Commission may establish standard contractual frameworks or model agreements for PPAs in order to promote transparency and consistency in electricity market transactions.

28.4 PPAs shall be submitted to the Commission for review and approval prior to implementation. In reviewing PPAs, the Commission shall ensure that such agreements allocate commercial and operational risks between the parties in a manner that supports efficient electricity sector investment, and are consistent with applicable tariff regulations, market rules, and consumer protection requirements.

29. Network Access Charges

Transmission Use-of-System Charges

29.1 Electricity market participants utilizing the transmission network for the transportation of electricity shall be subject to Transmission Use-of-System (TUOS) charges.

29.2 Transmission Use-of-System charges shall reflect the cost of operating, maintaining, and expanding the transmission infrastructure required to transport electricity.

29.3 The Commission shall coordinate with relevant transmission authorities in determining applicable transmission network charges affecting electricity supply within Anambra State.

29.4 Transmission Use-of-System charges applicable to electricity market participants shall be determined in accordance with applicable regulatory methodologies.

Distribution Wheeling Charges

29.5 Electricity supplied to customers through distribution networks shall be subject to distribution wheeling charges approved by the Commission.

29.6 Distribution wheeling charges shall apply where electricity generated by a generation company or supplied by an electricity trader is transported through the distribution network to an electricity consumer.

29.7 Distribution wheeling charges shall reflect the cost of operating and maintaining the distribution network infrastructure used to deliver electricity to customers.

29.8 The Commission may establish methodologies for determining distribution wheeling charges in order to ensure fairness, transparency, and efficient utilization of distribution networks.

29.9 Distribution licensees shall apply wheeling charges in accordance with tariff regulations approved by the Commission.

Encl. Mr

PART X

COMPLIANCE REQUIREMENTS AND DISPUTE RESOLUTION

30. Compliance with Applicable Laws

30.1 All electricity sector participants operating within Anambra State shall comply with the provisions of the Anambra State Electricity Law, 2025, these Regulations, and any directives, orders, or guidelines issued by the Commission pursuant to these Regulations.

30.2 Where any provision of these Regulations conflicts with applicable provisions of the Anambra State Electricity Law, the provisions of the Law shall prevail.

30.3 Nothing in these Regulations shall exempt any electricity market participant from complying with other applicable laws and regulations relating to environmental protection, land use, safety standards, or public infrastructure.

31. Licence Conditions

Operational Requirements

31.1 Licensees shall operate their electricity sector activities in accordance with the terms and conditions specified in their licences.

31.2 Operational requirements may include compliance with:

- a. technical and safety standards;
- b. electricity market rules;
- c. operational performance obligations.

Reporting Obligations

31.3 Licensees shall submit periodic reports to the Commission concerning the operation of their licensed activities.

31.4 Reporting obligations may include information relating to:

- a. operational performance;
- b. financial performance;
- c. electricity production, distribution, or trading volumes;
- d. compliance with licence conditions.

31.5 The Commission may prescribe reporting formats and reporting schedules for licensees.

Compliance Monitoring



48

31.6 The Commission shall monitor compliance by licensees with the provisions of these Regulations and the conditions of their licences.

31.7 Compliance monitoring activities may include:

- a. regulatory inspections;
- b. performance audits;
- c. review of operational reports;
- d. investigation of consumer complaints.

Market Monitoring

31.8 The Commission shall monitor the performance of the State electricity market in order to ensure efficient and competitive market operations.

31.9 Market monitoring activities may include:

- a. oversight of electricity trading arrangements;
- b. monitoring of electricity supply and demand;
- c. evaluation of investment performance;
- d. prevention of anti-competitive market practices.

32. Enforcement Powers

32.1 The Commission shall have authority to enforce compliance with these Regulations.

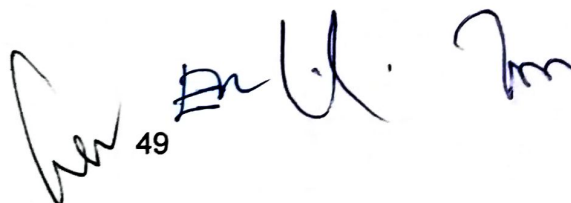
32.2 Where the Commission determines that a licensee or electricity market participant has failed to comply with any provision of these Regulations or regulatory instruments made pursuant to it, the Commission may take enforcement actions including:

- a. issuance of compliance directives requiring the licensee to take stipulated corrective action;
- b. imposition of administrative penalties;
- c. suspension of licences or permits;
- d. revocation of licences or permits;
- e. any other regulatory action permitted under applicable law.

32.3 Enforcement actions taken by the Commission shall be conducted in accordance with due process and applicable provisions of the Anambra State Electricity Law 2025.

33. Dispute Resolution

33.1 Any dispute arising from the implementation of these Regulations shall be resolved in accordance with the procedures in the Business Rules of the Commission


49

PART XI
MISCELLANEOUS AND FINAL PROVISIONS

34. Alignment with the National Electricity Framework

34.1 The implementation of these Regulations shall be undertaken in a manner consistent with applicable national electricity sector laws, policies, and regulatory frameworks.

34.2 The Commission shall cooperate with relevant national electricity sector institutions in order to ensure effective coordination of electricity market operations.

34.3 Such coordination may include cooperation with institutions responsible for:

- a. operation of the national transmission system;
- b. national electricity market administration;
- c. electricity sector planning and development.

34.4 The Commission shall ensure that electricity market activities undertaken within Anambra State remain compatible with the operation of the national electricity system.

35. Review of the Regulations

Periodic Review by the Commission

35.1 The Commission shall periodically review these Regulations in order to ensure their continued effectiveness in supporting the development of the State electricity market.

35.2 The Commission may amend, revise, or update these Regulations where necessary to reflect changes in electricity sector conditions, technological developments, or regulatory priorities.

35.3 In undertaking a review of these Regulations, the Commission may conduct stakeholder consultations with electricity market participants and other relevant stakeholders.

Market Development Considerations

35.4 In reviewing these Regulations, the Commission shall consider matters including:

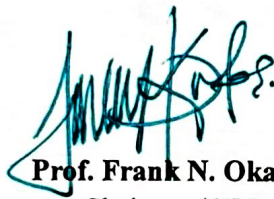
- a. the development and growth of the State electricity market;
- b. investment trends in electricity generation, transmission, and distribution;
- c. improvements in electricity supply reliability and service quality;
- d. technological advancements in electricity infrastructure and energy systems.

  
50

35.5 The Commission may issue revised regulations or supplementary regulatory instruments where necessary to support the continued development of the electricity sector within Anambra State.

THE COMMON SEAL OF THE ANAMBRA STATE ELECTRICITY REGULATORY COMMISSION was affixed

On this 3rd day of June 2026



Prof. Frank N. Okafor
Chairman/CEO