

IbomPower 

NEWSLETTER



I WANTED IBOM POWER TO GENERATE AND DISTRIBUTE ELECTRICITY, BUT... – OBONG VICTOR ATTAH

A former Governor of Akwa Ibom State and founder of Ibom Power Company Limited, Obong Victor Attah, has said that his original intention for establishing the 191-megawatt Ibom Power Plant in 2001 was to generate and distribute electricity solely for Akwa Ibom State.

The former governor disclosed this in a recent interview with Laolu Akande on Channels Television. He said, “I decided I wanted to give Akwa Ibom State power, but the then President said, ‘No, the federal government is providing power for the country.’ I disagreed, and in the end, I succeeded in building Ibom Power,” the former governor said.

“The President commissioned that project, then returned to Abuja and assented to a law stating that if you generate electricity, you cannot distribute it. It says I cannot distribute electricity in Akwa Ibom State. I have to put the power generated in Akwa Ibom State on the national grid, which keeps failing.”

“Thankfully, now that there is a new electricity law, our Governor, Pastor Umo Eno, is working hard to ensure that we establish an Akwa Ibom State-owned electricity distribution company that will be able to distribute electricity to the people of Akwa Ibom,” he said.

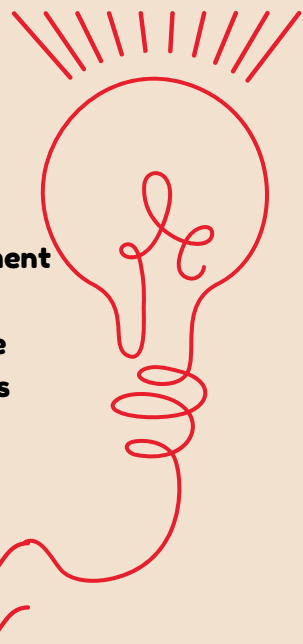


File Photo: Former Governor of Akwa Ibom State, Obong Victor Attah

In January 2023, the Nigerian Electricity Regulatory Commission (NERC) approved an independent power distribution network license for Ibom Utility Company, under the supervision of the state’s Ministry of Power, allowing Akwa Ibom to distribute electricity in selected locations within the state.

Did You Know?

NERC approved an amendment of Ibom Power’s on-grid electricity licence to enable Ibom Power plant embed its output into the distribution network of Ibom Utility Company Limited.





Ms. Olu Verheijen
Special Adviser on Energy
to the President

**ELECTRICITY TARIFF
TO INCREASE BY 66%**

The Special Adviser on Energy to President Bola Tinubu, Ms. Olu Verheijen, has said that electricity prices need to increase by about two-thirds for many customers to achieve a cost-reflective tariff. Ms. Verheijen spoke in an interview with Bloomberg, where she stated, “One of the key challenges we’re looking to resolve over the next few months is transitioning to a cost-efficient but cost-reflective tariff so the sector generates the revenue required to attract private capital while also protecting the poor and vulnerable.”

According to a report by Nairametrics, a Nigerian online news and media company that provides financial and business information, the anticipated increase in electricity tariffs comes after tariffs were already tripled for some customers last year to further enhance the power sector's viability.

Table – 2: Approved Cost-Reflective and Allowed Tariffs (₦/kWh) for PHED for November 2024

Tariff Class	Cost Reflective Tariff	Allowed Tariff
Life-line	4.0	4.00
A – Non-MD	231.79	209.50
A – MD1	225.90	209.50
A – MD2	220.01	209.50
B – Non-MD	223.94	68.96
B – MD1	220.01	67.18
B – MD2	216.08	67.12
C – Non-MD	209.32	56.38
C – MD1	200.37	54.64
C – MD2	200.37	54.64
D – Non-MD	164.34	39.67
D – MD1	207.67	55.43
D – MD2	207.56	55.43
E – Non-MD	145.07	39.44
E – MD1	207.35	55.43
E – MD2	207.35	55.43

Table: PHEDC'S electricity tariff per kilowatt hour as approved by NERC in ORDER/NERC/2024/146. The same tariff applied as at December 2024

Editorial

HAPPY NEW MONTH!

A very Happy New Year and a Happy New Month to you, our dear readers!

Welcome to another edition of our information-packed newsletter—the first of the year.

For obvious reasons, it is always a delight to listen to His Excellency, the former Governor of Akwa Ibom State, Obong Victor Attah, speak passionately about Ibom Power—after all, there would be no Ibom Power without him.

In this edition, a presidential aide on energy argues that in the emerging Nigerian electricity market, a cost-reflective tariff is inevitable to reduce the financial strain on the government and create a more investment-friendly environment.

If the FG’s initiative to resuscitate ALSCON is followed through, the economic benefits will be immense for the Ikot Abasi community and Nigeria as a whole.

Happy reading!

About Ibom Power

Ibom Power is a 191 megawatts Independent Power Plant (IPP) owned by the Akwa Ibom State Government and situated in the Ikot Abasi local government area of Akwa Ibom State. It is a pioneer in the Nigerian power industry. Please visit www.ibompower.com to learn more.

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THE MOST IMPORTANT OF ALL OUR HUMAN TRAITS IS THAT WE CAN CHOOSE HOW TO VIEW AND CONSIDER CIRCUMSTANCES - WE CAN GET UPSET OR GET EXCITED!

DALE CARNEGIE

WHY NIGERIA'S NATIONAL GRID KEEPS COLLAPSING – Power Expert

Nigeria's national grid has experienced multiple collapses over the years, causing nationwide blackouts.

In 2024 alone, the grid reportedly collapsed about twelve (12) times. At a public hearing organized by the Nigerian Electricity Regulatory Commission (NERC) to address recurring grid failures, the Managing Director/Chief Executive Officer of the Association of Power Generation Companies (APGC), Dr. Joy Ogaji, disclosed that from 2013 to October 2024, the national grid had collapsed 162 times. Barely two weeks into the new year, on January 11, 2025, the grid recorded its first collapse of the year.

But why does this keep happening? A professor of engineering and power expert, Engr. Stephen Ogaji explained that the issue is about balancing electricity generation and distribution. Prof. Ogaji spoke at a hybrid workshop organized by the APGC, an alliance of thirty-two (32) registered power generation companies in Nigeria.

BALANCING ELECTRICITY GENERATION AND DISTRIBUTION

He explained that Nigeria's national grid is designed to operate at a stable frequency of 50 Hertz (Hz) to maintain balance. This means that the electricity produced by power plants must match the amount distributed by electricity distribution companies and used by consumers at any given time. If this balance is not

maintained, the grid becomes unstable and may collapse.

'EXCESSIVE' POWER GENERATION

According to Prof. Ogaji, if power plants generate more electricity than distribution companies can take and supply to electricity consumers, the grid frequency can rise above 50Hz. When this happens, the National Control Center (NCC), which manages the national grid, instructs power plants to ramp down their operations to prevent instability.

Electricity produced by power plants must match the amount distributed by electricity distribution companies and used by consumers... If this balance is not maintained, the grid may collapse.

This instruction compels power plants to operate below their available capacity and reduce their output to the grid.

'EXCESSIVE' POWER CONSUMPTION

On the other hand, if electricity demand exceeds what power plants are generating, the frequency drops below 50Hz. If the drop is too significant, some power stations may automatically disconnect from the national grid and switch to island mode as a safety precaution to protect their turbines. An example is the 191-megawatt Ibom Power Plant, which reportedly operated in island mode and supplied power solely to Akwa Ibom State during most of the national grid collapses last year. When too many power stations disconnect from the national grid sporadically, the entire system collapses.

WHY THIS PROBLEM PERSISTS

Prof. Ogaji further explained that one major reason Nigeria's grid continues to collapse is that it still relies on a manual control system. Operators at the National Control Center (NCC) often have to make phone calls to power plant operators to adjust their output, which can cause delays and errors. He suggested switching to a more advanced Supervisory Control and Data Acquisition (SCADA) system, stating that SCADA would allow automatic, real-time adjustments of power generation and consumption on the national grid. This, he said, would minimize human errors and underreporting by power plant operators.

Another solution proffered by Prof. Ogaji is the establishment of a spinning reserve—a backup power supply that can quickly step in when the grid becomes unstable. This reserve would consist of power plants on standby, ready to inject electricity into the grid to restore balance. However, he mentioned that this is a paid service, and the Nigerian Electricity Supply Industry (NESI) has yet to fully implement it as an incentive for power-generating stations willing to offer such services.

THE WAY FORWARD

As a long-term solution to frequent grid collapses, Prof. Ogaji emphasized the need for Nigeria to modernize its grid management system by implementing SCADA technology and investing in a reliable and well-incentivized spinning reserve. Without these changes, the country will continue to experience frequent and unpredictable power outages, adversely affecting businesses and everyday life.



Photo: The Honourable Minister of Steel Development, Prince Shaiubu Abubakar Audu (middle), the Permanent Secretary, Dr. Chris Osa Isokpunwu (right) with the Managing Director, Aluminum Smelting Company of Nigeria, Zaviyalov Dmitriy (left) during the Honourable Minister's Two-Day Facility Tour of the Aluminum Smelting Company of Nigeria in Ikot Abasi, Akwa Ibom State last week.

IKOT ABASI TO RECEIVE ECONOMIC BOOST AS FG MOVES TO REVIVE ALSCON

The economic life of the Ikot Abasi community in Akwa Ibom State is set for a boost as the Federal Government takes initial steps to revive the Aluminum Smelter Company of Nigeria (ALSCON) in line with President Bola Tinubu's Renewed Hope Agenda.

This was disclosed by the Minister of Steel Development, Prince Shuaibu Abubakar Audu, during a two-day facility tour of ALSCON from Monday, January 27, to Tuesday, January 28, 2025.

He stated that President Bola Tinubu is committed to revitalizing the economy and creating jobs, hence the urgent need to revive ALSCON.

The Minister said: "I think it is very clear that the Federal Government has invested a significant amount of resources in setting up this plant. The plant began operations in 1997, ran for about two years, then went into a stop-gap period before resuming production from 2008 to 2013. It is important to note that, in terms of job creation, it has the potential to generate both direct and indirect employment for up to 20,000 people."

Audu added that consultations and stakeholder engagements are ongoing to address key challenges, including gas

supply to the plant, the ownership tussle between BFIG and RUSAL, and the dredging of the Imo River.

In his remarks, the Managing Director of ALSCON, Zaviyalov Dmitriy, stated that the company's management is ready to recommence operations once all impediments are resolved.

ALSCON is one of RUSAL's African assets, comprising an aluminum smelter, a gas-fired power station, and a port on the Imo River, Nigeria.

The plant began operations in 1997, ran for about two years, then went into a stop-gap period before resuming production from 2008 to 2013.



ALSCON TIMELINE

