SOME HIGHLIGHTS ON THE ROLE OF DISTRIBUTION COMPANIES IN CONNECTION WITH EMBEDDED GENERATION

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The Nigerian Electricity Industry recently received a huge boost when the Nigerian Electricity Regulatory Commission (NERC) signed the Regulation for Embedded Generation in March, 2012.

Without any gainsaying, the Regulation has added value and impetus to the expectation of the Industry in Nigeria.

This presentation is directed at considering the obligations and roles of a typical Distribution Company in the Energy Power Market as it affects Embedded Generation.
Under Chapter V of the Regulations for Embedded Generation, the Distribution Companies licensed by Nigerian Electricity Regulatory Commission (NERC) are required to enter into various Agreements with Embedded Generators.

The Agreements would include Network Agreement, Power Purchase Agreement, Connection Agreement, Use of Network Agreement and Ancillary Services Agreement.

Equally, a Distribution Company is required to develop and publish a template of some of these Agreements with the approval of the Nigerian Electricity Regulatory Commission (NERC).
THE EKO DISTRIBUTION COMPANY EXPERIENCE

As a follow up to the Regulations for Embedded Generation 2012, Eko Electricity Distribution Company recently sent a draft of its proposed Terms and Conditions to the Nigerian Electricity Regulatory Commission (NERC) for necessary guidance and approval. It is our considered opinion that after a proper touch by the Regulatory Commission a best practice document would emerge.

Eko Electricity Distribution Company has designed an application form which seeks to find out amongst other things the following:

- Identity of the Embedded Generators, their addresses and site locations
- Mode of Embedded Generation (Import or wheeling to 3rd parties vide Eko Network)
- The energy/fuel source for the Embedded Generation
- Type of energy conversion
- Total Export Generation Capacity
- Generator Transformer parameters
- Point of coupling and other interconnectivity issues
- Protection details
The anticipated Terms and Conditions of operation may include the following -:

a) The Embedded Generator shall ensure the reliability and quality of supply generated into the distribution network.

b) The Embedded Generator shall comply with the Distribution Company’s Protection Requirements which is fashioned in accordance with the Distribution code as approved by NERC and as may be amended from time to time.

c) The Embedded Generator would be required to install over/under voltage and over/under frequency monitoring/compensating devices.
Eko Electricity Distribution Company in tune with the designed policy on Embedded Generation is committed to early consideration of application from Embedded Generators by ensuring that specific tasks are concluded within a specified time frame work. “Go slow syndrome” and delays will be unacceptable as there will be zero tolerance for theses vices.

The Distribution Company subject to prior approval of the Commission will be entitled to impose reasonable charges for connection to the distribution system.

In order to minimise or mitigate losses, Eko has embarked on network evaluation to identify areas prone to high incidence of loss with a view to improving the integrity of the network.
Similarly, the Management of Eko is poised to ensure a success story for Embedded Generation within its area of operation and has therefore put in place a mechanism that ensures minimal interaction with personnel of the company because Application forms would be completed online.

Also, the Anti Corruption and Transparency Unit of this company has been re-invigorated to optimally curb incidences of unauthorised demand of “Processing Fees” and such other negative commercial practices.

With the resulting dynamics of Embedded Generation Schemes in Nigeria, it is apparent that there is light at the end of the tunnel because the Regulations on Embedded Generation has set a proactive tone for the demand and supply mechanism of the Nigerian Electricity Supply Industry (NESI).
THANK YOU FOR LISTENING !!!