Issues and Challenges in the Implementation of Electric Power Sector Recovery Programme (EPSRP) and Eligible Customer Registration Policy (ECRP) in Nigeria

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Abstract
The study interrogates the government programmes and activities in the post-reform power sector in Nigeria. It focuses on the Power Sector Recovery Programme (PSRP) on one hand and the Eligible Customer Registration Policy (ECRP) on the other. It has the following objectives, to examine the PSRP and the ECRP; to investigate the implications of the policies, especially the PSRP that necessitated the ECRP; and to consider the challenges of both programmes in achieving improved power generation and supply in Nigeria. It is exploratory research, based on secondary data and content analysis method. It adopts Disjointed Model of Incremental Theory of public policy making to explain how government considered the PSRP and ECRP as significant in addressing the power sector challenges in Nigeria. It discovers that government's interventionist programmes, such as the PSRP and ECRP aimed mainly at bridging the gap in the power generation installed capacity (13,400Megawatts) and the power distribution utilised capacity (4,000Megawatts). It recommends review of the policies and strengthening of the privatisation to justify government's financial intervention.
***Keywords**: Power Sector Recovery Programme, Eligible Customer Registration Policy, Electricity Value Chain, Installed Capacity.*

1. Introduction

The policies that midwife government's privatisation in Nigeria introduced multifaceted programs that came in different segments (Habibu, 2006). It comprises pre-privatisation and post-privatisation work plans. Each segment focuses on the guidelines on implementation mechanism that seeks to regulate the policies and the process of implementing the chains of activities involved. The ultimate aim is to checkmate the outcomes of the entire process and ascertain how or whether it is in tandem with the intended objectives. The evaluation of the processes determines what type or nature of post-privatisation action that government takes as remedy.

In consonance with the post-privatisation revitalisation vision in the power sector, government introduced the Power Sector Recovery Programme (PSRP) and the Eligible

Customer Registration Policy (ECRP) (Usman, et al, 2017). These were the interventionist programmes initiated by Federal Government, in order to regenerate the abysmally decayed power infrastructure and the dysfunctional power industry generally (Adetola, 2018). It targets boosting the capacities of both the power-generating sector (GenCos) and the power distribution sector (DisCos), to improve on their performance, guarantee system stability and quality service. The essence is to restore public confidence in the privatisation programme.

Few years after the privatisation, the World Bank Program Information Document (2018) identified multiple challenges that necessitated the Power Sector Recovery Program (PSRP). They include disconnection for nonpayment of bills, rehabilitation of transmission and distribution; purchasing power parity terms; tariff adjustment; financial viability; enforcement of contract; transmission and distribution network; access to grid electricity; and enforcement of payment discipline. It also includes assessing the environmental and social impact; natural gas as fuel; impact of energy use; grievance redress mechanism; lack of accountability; improved service delivery; stakeholder engagement; lack of investment; etc.

Government, therefore, prioritised finding solutions to the problems, and stanchly beamed torchlight on how to simplify and reduce the cash deficits that have accumulated due to previous unilateral reductions of tariff by the last administration during the running of the 2015 elections (Fashola, 2016). Others include how to make the DisCos viable, accountable and responsible to customers, ensure stability of the grid and expansion of the grid and transparency and communication within the sector (Fashola, 2017; http://mypower.ng). It also proposed to explore best strategy available to government to mitigate the debt profile of its ministries, departments and agencies (MDAs), to improve sector governance; fine-tune government roles in the business, and the quality of personnel on the board of the DisCos.

Since the PSRP and ECRP came into effect, the implementation seem to compound the post-privatisation consolidation programme in the power sector and thus presents many issues and challenges that neither the government nor the policymakers envisaged. In other words, the magnitude of the emergent problems overwhelmed both the stakeholders and the target audience. None of the players in the power sector uncovered the dynamics of the PSRP and ECRP at the conception of the programme. The NERC, the GenCos, the DisCos and the end users of electricity facilities appear dissatisfied with the policy outcome. This is the justification for analysing the issues and challenges at the implementation levels.

2. The Underlying Ambiguities inherent in the Programme

The diverse nature of the issues involved in the legal provisions for the Power Sector Recovery Program (PSRP) and the Eligible Customer Registration Policy (ECRP) refreshed the earlier doubts by the public, especially electricity consumers, about the clarity of purpose in the type of reforms embarked upon by government in the power sector. First, it highlights the fact that privatisation emphasised divesting government's interests in public enterprises without recognising the background of Nigeria in infrastructure decay and underdevelopment amid government corruption. Second, privatisation was at variance with public expectation despite the rhetoric to 'harmonise policy actions, operational, governance and financial interventions earmarked for implementation by Federal Government' (Fashola, 2017).

The strategic role of power sector in national development requires that government make remarkable difference in the policy implementation, to secure effective and competitive power sector in Nigeria. It also requires that government drive the process in full cognisance of the preceding negligence in managing the system, and focus efforts on the objectives of the power sector revitalisation, to achieve a customer friendly and profit driven power sector. Nevertheless, ambiguity in the process manifests when government pretended commitment to the implementation of the PSRP to solve the seeming intractable challenges in the nation’s power sector. The pairing of the PSRP with an ECRP watered down the general impact.

For example, the unveiling of Eligible Customer Registration Policy (ECRP) by Federal Government on May 15, 2017 marks the electricity users as the major targets of the programme. It raises suspicion about probable extortion and exploitation of the masses to fill up an extant critical financial gap. The ECRP permits electricity customers to buy power directly from the generation companies (GenCos) as against the usual practice of buying from the distribution companies (DisCos). Accordingly, Federal Government directs the Nigerian Electricity Regulatory Commission (NERC) to permit four categories of customers to buy electricity directly from GenCos (Templars, 2017), in the following order of usage ranking:

- End-users registered with NERC whose consumption is no less than 2MW/hr and are connected to a metered 11KV or 33KV delivery point on the distribution network subject to a distribution use of system agreement for the delivery of electrical energy.

- End-users connected to a metered 132KV or 330KV delivery point on the transmission network under a transmission use of system agreement for connection and delivery of energy.

- End-users whose consumption is more than 2MW/hr on a monthly basis and are connected directly to a metered 33KV delivery point on the transmission network under a transmission use of system agreement. Eligible customers in this category must have entered into a bilateral agreement with the distribution licensee licensed to operate in the location, for the construction, installation and operation of a distribution system for connection to the 33KV delivery point.

- End-users whose minimum consumption is more than 2MW/hr on a monthly basis and are directly connected to the metering facility of a Generation Company. Again, customers in this category are required to have entered into a bilateral agreement with the distribution licensee licensed to operate in the location for the construction and operation of a distribution line.

The foregoing actions attract differing opinions, criticisms, and debates that find confluence in a destabilised power sector. It has made the policy defeatist based on how it has fared since government introduced it in the power industry. Additionally, it poses unsavoury implication for a rejuvenated power sector that government had in mind when it embarked on the privatisation programme and the ancillary PSRP and ECRP post-privatisation efforts.

3. The Contextual Debates on PSRP

Every policy has its own peculiar issues, interests and accompanying debates that divide policymakers, stakeholders in the affected sector and the public along different strata. What is fundamental about interest is that it makes virtually all government policies a subject of public opinion. However, Nigeria presents a contrast, where government rarely carried the public along when it intends to compromise or subvert their interest. Instead, it unilaterally and most times surreptitiously introduces programmes and policies that expose the public to unjust subjugation, exploitation and suffering. A similar scenario characterises the introduction of Power Sector Recovery Programme (PSRP) in Nigeria.

Oloja (2018) argues that the PSRP is a 'management policy support instrument', which is a powerful weapon of competitiveness and ease of doing business, and promotes a public/private partnership (off grid). Therefore, injecting such a critical element in the government's Economic Recovery and Growth blueprint can transform Nigeria into entrepreneurial nation. It tasks government to tackle the constant challenges in gas supply, electricity transmission and distribution that result in infrequent power supply and previously affected consumers' willingness to pay and contribute to an inherent shortfall in the tariff and the accrued sector cash deficit. It shores up support for the PSRP advocacy in Nigeria.

For example, the Smart Energy International Report (2017) agrees on the need to develop and implement a policy intervention that focuses on a foreign exchange rate for the power sector, and access to foreign exchange for the GenCos and DisCos. It estimates that 70% of the cost of electricity in Nigeria has link with foreign exchange and the depreciation of the naira against the dollar indicates that the prevailing tariffs are insufficient to meet the cost of production and delivery of power to consumers. It also suggests providing clarity on the terms and conditions of government support across the sector, in order to continue to attract private investments in the sector. Accordingly, the clarity must include the timetable for the transition to competitive generation and cost-reflective tariffs for DisCos.

The advocacies rationalise or justify the make-believe that the PSRP will plug the multiple challenges relating to infrastructure, liquidity and governance in the power sector. Oloja (2018) notes that the implementation period, expected to elapse in 2021 must have achieved the stated objectives with help from the Eligible Customer Registration Policy that envisages boosting efficiency and resolving the liquidity issue faced by the Nigerian Electricity Supply Industry (NESI). It ostensibly provides an alternative means of attaining a competitive market aside from the Transition Electricity Market (TEM), which promotes competition in Nigerian Electricity Supply Industry (NESI) through bilateral trading.

Conversely, the projection made by government is that the ECRP will bring about several positive developments to the NESI, such as increasing generation capacity to provide supply to eligible costumers, addressing the liquidity challenges facing the GenCos and promoting transparency and accountability in the collection and remittances of tariffs from eligible customers. Once this target is met, it will incentivise the DisCos to promote embedded power generation and attract investment into the NESI; thus, promoting easy access to financing by the GenCos as they will be able to manage their payment and collection risks by requesting for bankable credit support from eligible customers that generate their payment obligations with the GenCos.

4. A Comparative Overview of ECRP

The Eligible Customer regime is not peculiar to Nigeria alone, as several countries such as Spain and Brazil have adopted the Eligible Customer model in their electricity sectors to foster competition. Spain adopted the Eligible Customer regime to allow all electricity consumers choose their electricity supplier (Fraser, 1999). However, customers with a contracted capacity below 10KW reserve the right to be supplied under the regulated regime, where electricity suppliers are compelled to sell electricity to low voltage electricity consumers at a price set by the government under the last resort tariff (Peresa, 2000).

While the introduction of Eligible Customer regime in Spain promoted competition in electricity supply, it resulted in significant higher electricity tariffs due to increase in network costs and taxes (CMS, 2015). Between 2008 and 2012, the prices of electricity consumption increased by an average of about 9.9% per year for domestic consumers and 3% for industrial customers (Artes & Olivera, 2018). In response to the high tariffs, the Spanish government took steps to rebalance the wholesale and retail electricity market by adopting a cost reflective approach to electricity tariffs (Gonzalez-Ruiz & Uria-Menendez, 2018).

Similarly, Brazil introduced the Free Consumers regime to allow customers connected to the electricity grid with consumption exceeding 3MW to choose their electricity supplier. This was to put to an end, the exclusive right of the Distribution Concessionaire to supply electricity within their respective concession area. The introduction of the free consumer regime in the Brazilian electricity sector brought about enhanced competition, as consumers were able to procure electricity purchase contracts at competitive prices (Nobrega, 2016). In the case of Nigeria, Templars (2017) examines the market impact of the eligible declaration, whereby the ECRP directive had degrees of impact on different players in the electricity value chain. Similarly, Olaitan (2017) describes ECRP as a good policy for a good system.

In view of the foregoing influence and contagious effects inherent in the success stories of power regeneration programmes in other climes, developing societies hastily jump into adopting policies without comparative study. The cases of PSRP and ECRP show that imitation significantly emboldens the imitating government to consider the policies and programmes being imitated as appropriate antidote for dissimilar problems. The introduction of PSRP and ECRP in the Nigerian power sector, neglects the peculiar internal dynamics that differentiate the experiences in Nigeria and it proves the measure incongruent to adapt.

The lapses in the implementation and disenchantment expressed by both key players and consumers of electricity services implies that government failed to consider the inherent contradictions when it resolved to adopts some redress systems for enforcement in the post-privatised power sector in Nigeria. The issues they generate were overwhelming. Among the persisting problems, sometimes worse case scenarios, were the deeply and apparent incurable operational challenges faced by either the GenCos, the DisCos, NERC, the consumers and every link that played revolving service roles in the power sector value chain.

The ugly trends inherent in the implementation of PSRP and ECRP characterise the recurring problems of the sector and failure of government intervention in the power sector. None has remarkably redressed the unceasing poor performance of the sector, including the frequent cries for inadequate funds to invest in the critical infrastructure that can regenerate the power sector. Without procurement of equipments to address the lingering power drops, irregular power supply to electricity end users, the metering deficits that will stop estimated billing and reduce staff fraudulent practices in the sector, the programme lack any clear indicators or bases for consideration as having exerted any significant impact on the system.

5. Theoretical Framework

Incremental Approach (disjointed model) in public policy making and implementation explains the nature of policy that government frequently adopts in the privatised power sector to ensure it is properly repositioned. Hill (1993) defines policy as the product of political influence, determining and setting limits to what the state does. In the opinion of Anderson (1975), public policy occurs when a government takes a decision or chooses a course of action in order to solve a social problem and adopts a specific strategy for its planning and implementation.

Osman (2002) argues that public policy is not merely a technical function of government; rather it is a complex interactive process influenced by the diverse nature of socio-political and other environmental forces. Thus, public policies in the developing countries possess certain peculiarities of their own (Ikelegbe, 2008). It revolves around critical orientation of the leadership, the pattern of governance, citizens' demands on the system and preferences of policy makers based on government interest other than public interest. They highlight the unstable socio-political environments in most developing countries. The consequence is that public administration in these societies, as well as management of public enterprises with the policy thrust usually faces various issues and challenges (Omotoso, 2006), which often overrun the capacity of government to manage.

Rajagopalan & Rasheed (2005) traced the origin of incrementalism in policy formulation to several interrelated sources. First was 'The Science of Muddling Through', a controversial and much-quoted article published in 1959 by Lindblom. 'Muddling Through' was subsequently formalized by Braybrooke and Lindblom in another publication in 1963, as the theory of 'disjointed incrementalism' and further developed by Lindblom in 1965 in his book, 'The Intelligence of Democracy: Decision Making through Mutual Adjustment'.

The concept of incrementalism that relates to theory of public policy making emanates from a process of interaction and mutual adaptation among a multiplicity of actors advocating different values, representing different interests, and possessing different information. Disjointed incrementalism applied in this context and it is most appropriate when the major constraint on organisational rationality stems from pluralist conflict (Forester, 1984). The trial and error nature of most policies are part of the reasons they come in disjointed incremental form. The process of disjointed incrementalism leads to intelligent, coordinated decisions through the process of 'partisan mutual adjustment' (Lindblom, 1965).

The remarkable feature is that another decision maker takes the inevitable omissions by one decision maker into account and, thus, the reconstructive nature of problem solving contributes to the overall quality of decision-making. In Nigeria, government has made many policies that share in these features. The examples of the Power Sector Recovery Program (PSRP) and the Eligible Customer Registration Policy (ECRP) suffice. The policies are products of complex system interaction, which try to bridge omissions in the previous policy.

In other words, the need for the Power Sector Recovery Program (PSRP) and the Eligible Customer Registration Policy (ECRP) was to fill a gap and major challenges identified during the implementation of privatisation programme in the power sector. This implies that there is no comprehensiveness in policy but issues are addressed as they emerge or as the policy-makers detect their relevance in the operations of organisation.

6. The Challenges to the Implementation of the PSRP

The challenges to the PSRP include open access issues, conflict of interest issues, pricing instability, problem with delineating the franchise area of the DisCos, sourcing new and stranded generation capacities, competition transition changes, collection and payment issues. It was speculated that the regime might be fraught with these issues, which the NERC needed to address when it develops regulatory framework for the implementation of eligible costumer's regime in Nigeria. The significance of the inherent problems deserves emphases.

6.1.Open Access Issues:

The introduction of Eligible Customer regime culminates in open access to all transmission and distribution networks that is a catalyst for the efficient supply of electrical power to the Eligible Customers. Although the policy directive merely requires an Eligible Customer to have entered into a bilateral agreement with a system operator for the use of either the transmission or the distribution network, it did not make provisions for any specific mechanism that will allow for extensive bilateral trading across the network.

For example, it did not make provisions to address a situation where a customer who meets the eligibility criteria in terms of the required quantity of power is unable to have access to transmission or distribution networks. The oversight signifies overt denial of such class of customer access to electricity that only the NERC can rectify in the regulatory framework for Eligible Customers in Nigeria to be treated fairly without discrimination.

6.2.Conflict Issues:

Conflict of interest is imminent in the implementation of the policy. A vivid example is a situation where a distribution licensee, with whom the Eligible Customer has entered into a use of system agreement for the supply of electrical power, has to declare force majeure because of technical issues such as bad weather damaging its network. In Nigeria, report about technical issues can be either real or imaginary and a customer cannot easily ascertain.

It is possible that the distribution company will have preference in reconnecting its own customers first before an Eligible Customer who has chosen a different supplier for the supply of electricity but merely has a use of system agreement with the distribution company. The preferential treatment has remained rife in the operation of the sector. It shows dearth of robust policy framework for Eligible Customer in Nigeria, to ensure that the GenCos and DisCos guarantee equal treatment of all electricity consumers.

6.3.Pricing Issues:

The policy directive envisaged that the pricing arrangements between the GenCos and the Eligible Customer should be at a price not exceeding the average wholesale price charged by Nigerian Bulk Electricity Trader Ltd to the DisCos. While the benchmarking of the cost of electricity could be counterproductive to the willing buyer and willing seller concept, which best promotes competition and efficiency, it would also incentivise the GenCos from actively procuring additional capacity for sale to Eligible Customers. The price pendulum dangles against the consumer interests that lost or apparently denied bargaining access and powers.

6.4.**Delineating the Franchise Areas of the Discos**:

The DisCos raise the issue that certain categories of customers that ordinarily qualify as "Eligible Customer" under the policy directive fall within their franchise areas and consequently, should not be eligible to purchase electricity directly from the GenCos. Federal Government rejects the claim, arguing that it has not grant any exclusive operational areas to DisCos in their area of operation when it privatised the distribution assets in 2013. The development requires legal interpretation by the courts, as the DisCos are averse to losing customers particularly from among the customer base that it deem most lucrative for growth.

6.5.New and Stranded Generation Capacities:

The Regulations for the Procurement of Generation Capacity (RPGC, 2014 - the Regulations) expressly prohibits unsolicited bids or proposals for the provision of generation capacity outside the application of the Regulations and entry into any contract involving the purchase of electrical output of any generation facility to which the Regulations apply unless otherwise approved by NERC for good cause.

This legal requirement suggests that procurement of additional electric generation capacity must pass through a competitive bidding process and unsolicited bids shall not be considered unless the procurement is for a small-scale power plant generating 10MW or less or the procurement involves the purchase of occasional electricity supply from a self-scheduling generator. It highlights the need for NERC to review the provisions of the Regulations to accommodate the emerging growth in network size and expansion in subscription base of the sector. This opinion considers the fact that the Eligible Customer regime can be deemed to have expanded the scope of buyers of on-grid power.

6.6.Collection and Payment Issues:

The introduction of Eligible Customer regime will likely make the GenCos susceptible to collection and payment risks, as they will now be directly responsible for the collection of electricity tariffs from the Eligible Customers. GenCos can partly address this collection and payment risks by specifically requesting payment guarantee from the Eligible Customer to guarantee their payment obligations under their contract with the GenCos for the supply of electricity. The implications for the various licensees in the sector and for other customers of electricity who may not qualify as eligible customers include:

- **For the GenCos**: The EC directive is likely to increase the revenue of the GenCos as it opens up another stream of income arising from their direct sale of electricity to the eligible customers.

- **For DisCos**: The declaration can whittle down a significant chuck of the revenues of the DisCos leaving them with a customer base primarily comprised of the lower demand customers**.**

6.7.**Competition Transition Charge**:

Generally, competition transition charges apply when a retail or wholesale energy customer switches from one supplier to another and a fee is levied to compensate the supplier for costs that the supplier may have incurred to make sufficient energy available to that customer. For the Distribution Companies (DisCos), the competition transition charge can be justified on the basis that the DisCos already made adequate infrastructure provisions to ensure the provision of electricity to the departing eligible customer. The law makes express provision to protect the Distribution Companies, whereby it states that:

> *…where the declaration of eligible customers is found to have resulted in decreased or inadequate revenue for a Distribution Company, the Minister is empowered by the EPSRA to issue further directives relating to the collection of "competition transition charges" from consumers and the eligible customers.*

The EPSRA also requires that where the Minister, after consultation with the President, determines that the declaration of eligible customers will result in decreasing electricity prices to such an extent that a trading licensee or a Distribution Company will have inadequate revenue, the Minister may issue further directives to the NERC on the collection of competition transition charges from consumers and the eligible customers to:

(i) enable it to pay for committed expenditures; or

(ii) earn permitted rates of return on its assets, from which it suffers a shortfall in revenue despite the Distribution Company's efficient management.

The Minister is further empowered to direct the NERC on the manner of distribution of the competition transition charges as well as the duration for which the charges shall remain in place. The amount of the competition transition charges and the arrangements for its collection and distribution shall be established by NERC in accordance with the Minister's directive. Perhaps, the competition transition charges regime, when established, shall compensate the Distribution Companies for their perceived losses.

The policy allows for possible extortion of electricity consumers. Section 28 of EPSR Act gives explicit backing to exploitation of the customers. It empowers the Minister to further issue a directive for the collection of competition transition charges from the customer and the Eligible Customer over the following vague reasons:

> *Where the declaration of Eligible Customer would result in a decrease in electricity prices such that a trading licensee or a distribution licensee would have inadequate revenue to enable payment for its committed expenditure or is unable to earn permitted rates of returns on its assets despite efficient management*.

Despite this legal requirement, NERC is yet to provide clear modalities for the assessment of any likely revenue generation shortfall that DisCos may experience by virtue of the declaration of Eligible Customers. Extortion or exploitation of electricity customers through this ploy means a bad omen that midwife constant unilateral adjustment in tariffs.

However, it appears that for the directive on competition transition charges to be issued, the Distribution Companies (DisCos) must demonstrate that the declaration of eligible customers has resulted in inadequate revenues for their operations or a reduction in their permitted rates of return, despite their efficient management. The law will pose some challenges in implementation because of the familiar manner that most failing businesses in Nigeria can advertently shift blames to unrelated factors to elicit rewards for their failure.

6.8.Higher Electricity Tariffs:

Paradoxically, the Eligible Customer Directive will lead to further agitations for increased electricity tariff for the Distribution Companies (DisCos). This is because, under the existing industry multi-year tariff order, the residential consumer classes who pay lower tariffs are cross-subsidised by the industrial consumers who pay higher tariffs, thereby, stabilising the lower residential customer tariff.

A large exodus of the high tariff paying consumers will expose the inadequacies in the tariff structure for the low income residential consumers, and thus leave the Distribution Companies (DisCos) with no option than to push for a higher residential tariff to meet their committed revenue requirements, support their operations and enable them remain profitable.

7. The Prospects of Government's Intervention in the Power Sector

The public argue that government's interventionist programmes, such as the Power Sector Recovery Programme and Eligible Customer Registration Policy, deviates from solving the protracted power sector challenges after the privatisation. Their implementation only revives the historic shortfall between the country's 13,400 megawatts installed capacity, and the distributed 4,000 megawatts. In addition, the issue of paucity of fund characterises the GenCos and DisCos business interface (Ochaiyi, 2018). The DisCos remain incapable of meeting their financial obligations to GenCos and the lacuna ensures that it is not possible to deploy fully, the country's 13,400 megawatts installed capacity to the end users for delivery of constant and uninterrupted quality service.

For instance, the DisCos are heavily indebted to GenCos from the purchase of gas from the latter, which constantly affects transmission. This is in addition to the fact that the lack of transmission infrastructure also hinders the Transmission Company of Nigeria (TCN) from wheeling even all the generated megawatts. Regrettably, DisCos justify their apathy in patronizing the GenCos for the reason that their customers do not pay for electricity usage, which makes purchase of power from GenCos for distribution among customers that do not pay bills, economically unwise. The development results in power rejection by DisCos, and in this context, government has no option but to initiate serious intervention programme.

The prevailing opinion suggests that government coming around to salvage situations within the privatised power sector is because the subsectors in question fail to perform. GenCos are not generating enough megawatts of electricity, just as DisCos are not able to meet their financial obligations. The Eligible Customer Directive appears focused on ensuring delivery of power to the large base of industrial and other maximum demand customers by seeking to eliminate some of the issues associated with sourcing power from the DisCos. It is expected that the Directive will further deepen competition in the NESI.

However, certain issues are bound to arise during the implementation phase. These issues range from (i) potential decline in the revenue of the Distribution Companies to the implementation of the competition transition charges and (ii) the credit-worthiness of the eligible customers to the bankability of the associated power purchase agreements. As with other key players in the sector, there is need for further policy, regulatory clarifications and directions by NERC in due course, as the success or failure of the new regime is largely dependent on how government perceives and addresses the identified problems in the sector.

A vivid example is the fact that the inter-sector players in the power industry lack synergy. Operational and financial issues divide them. Programmes and policies or regulations cannot receive effective implementation under this condition of operational imbalance among the sub-sectors; hence, the imminent colossal defeats or strangulation of the primary goals of PSRP and ECRP in the post-privatised power sector in Nigeria during the implementation.

8. Conclusion

It is expected that the introduction of Eligible Customer will foster competition within the NESI and consolidate the achievements made in unbundling the power sector through privatisation but the implementation seems to warehouse multiple challenges. The expose on policy ambiguity and insincerity in the implementation is a big problem facing efforts to reorganise the under-performing privatised public enterprises, which the power sector is a critical component. The policy makers have limitation where an existing law has made express provisions that lack political will to implement. It explains why the NERC is strategic in designing a comprehensive policy that guarantees efficient and transparent administration of Eligible Customer regime in the NESI. It will address the issue of GenCos not generating enough Megawatts of electricity, and DisCos not able to meet their revenue obligations.

9. Recommendations

The conception and implementation of the Power Sector Recovery Programme and Eligible Customer Registration Policy will make impact if government considers the compelling necessity to achieve improvement both in Megawatts generation and in power supply to Nigerians, and thereby implement the following recommendations:

- ❖ The Minister should organise meeting of stakeholders in the power sector including the three sub-sectors together to present the challenges facing ECRP implementation and jointly determine a workable electricity customer driven system, which serves the interests of all the parties. Policies and programmes should not be government only affair, participation of stakeholders will save it from crumbling at implementation.

- ❖ Government should strengthen institutional framework. NERC should be made independent of the executive especially the President and Minister. NERC is weak and unable to enforce compliance to agreements reached in the value-chain because it is still tied to the apron strings of the executive.

- Nigerian government should compare notes with other countries on how a privatised power sector is operated. The Spanish and Brazilian models gave good results but the Egypt Model Solution can be explored for adoption in Nigeria, in the absence of any alternative homegrown model.

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