

LIQUIDITY PROBLEM : BEYOND THE BLAME GAME

DECLARATION OF ELIGIBILIBLE CUSTOMERS

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outline

**THE MARKET PIM
TEM STAGE OF THE NEM
TRANSACTIONS INTERFACES
MARKET STRUCTURE
OPPORTUNITIES**

LIQUIDITY PROBLEM

BEYOND BLAME GAME

The Revenue Collected is far less
than the Market Revenue
Requirement;

PERFORMANCE OVER ISO MODEL (PIM)

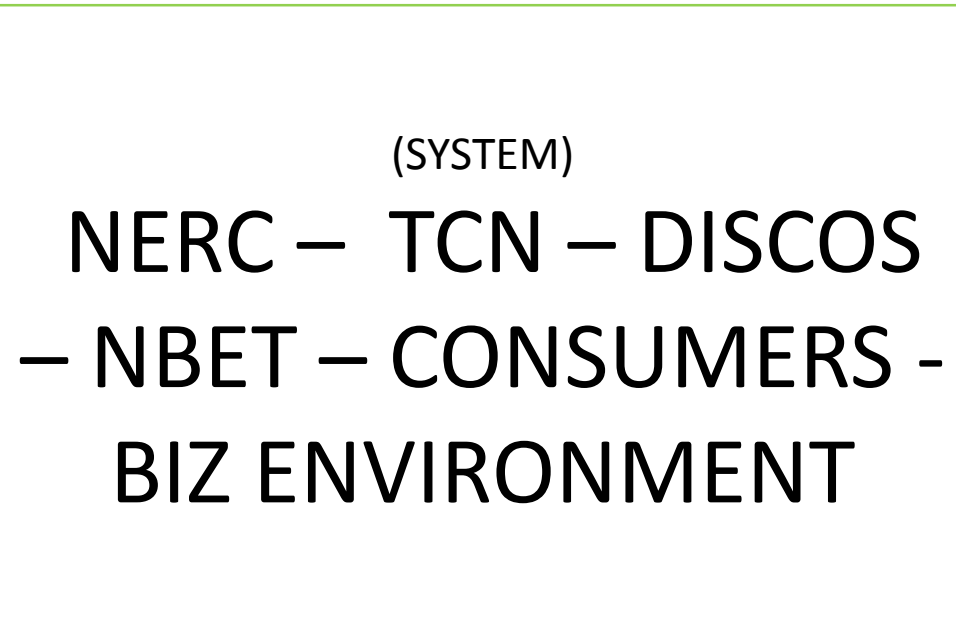
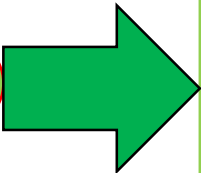
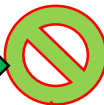
FEB. E/C - INVOICE: N37.4b
FEB. SERVICES/ANC: N9.1b

S

PERF: N12.6b (33.8%)
PERF: N2.8b (31.2%)

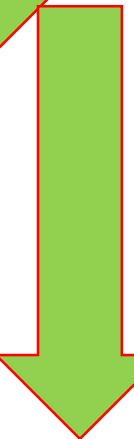
In = 1.99GWh

INPUT (MW)



O

OUTPUT (M\$)



PIM = N/MWh or N/KWh



SECURITY DEPOSIT BY DISCOS

3-TIMES THE AVERAGE OF A DISCOS' MONTHLY INVOICE;

MARKET OUTSTANDING BETWEEN FEBRUARY 2015 AND NOW?

SECURITY DEPOSIT HAS NOT IMPACTED ON THE MARKET LIQUIDITY

TRANSITIONAL ELECTRICITY MARKET (TEM)

Defined as the Stage of NEM when ALL TRANSACTIONS are driven by CONTRACT AND COMPETITION. (MR: 6.1.2)

All Contracts executed in Wholesale Electricity Mkt during TEM should be through Contract, (MR: 20.1.4) There will be no No Centrally Administered Balancing Mechanism except NERC directs, (MR:20.1.5)



POSSIBLE WAY OUT

BEYOND BLAME GAME

Leveraging on the attributes of TEM, we believe declaring Eligibility wrt some classes of Participants at this time will offer a little window to ventilate the NEM cash-flow and thereby lubricating the Liquidity problem.

MARKET TRANSACTIONS THAT SHOULD BE GOVERNED BY CONTRACTS

GENERATION AND GAS PRODUCERS

GENERATION AND TSP

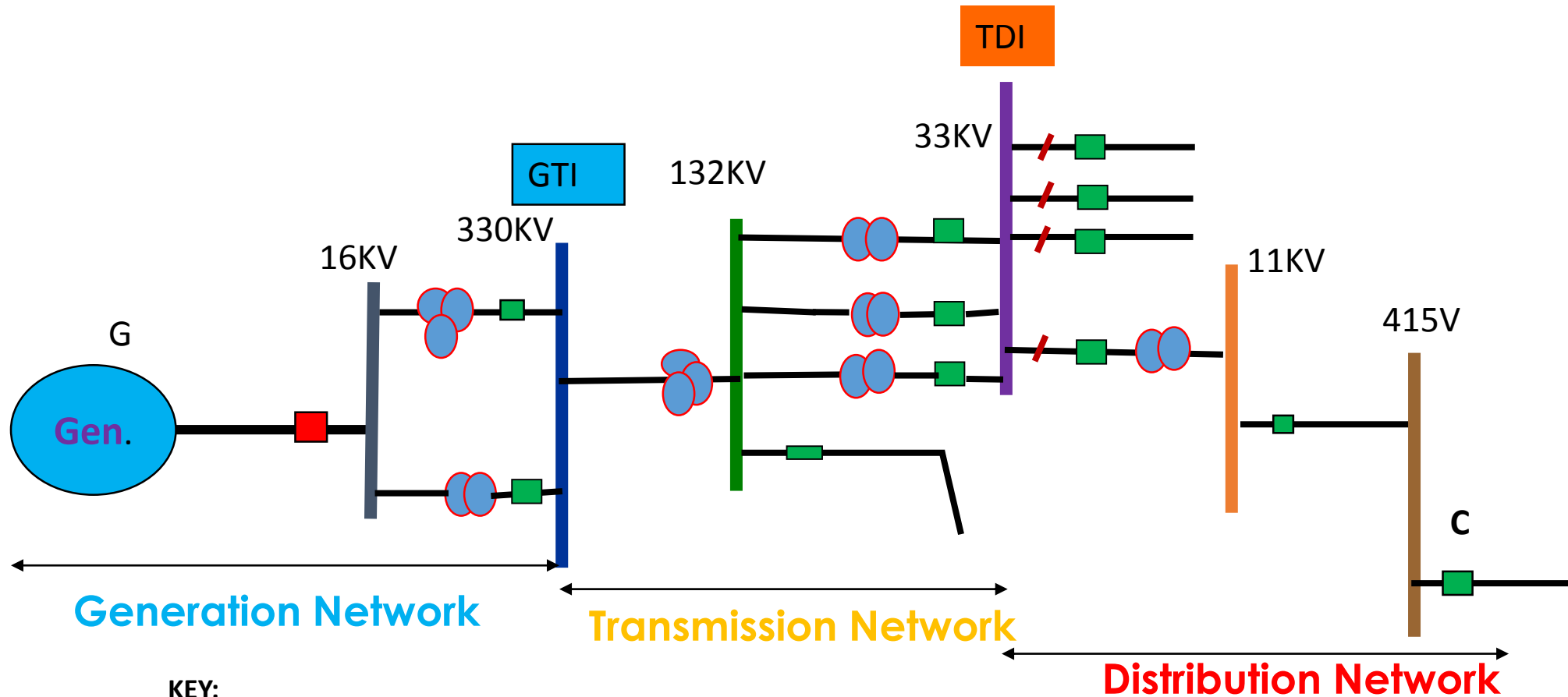
GENERATION AND NBET

NBET AND DISCOS

DISCOS AND TSP

ELIGIBLE CUSTOMER AND GENCOS

GRID NET-WORK SINGLE LINE DELINEATION DIAGRAM



- KEY:**
- GTI – Generation/Transmission Interface
 - TDI - Transmission/Distribution Interface
 - C - Customer interface
 - - Metering points ; ○ - Transformer
 - / — - Representing: Isolators-Breakers-Relays



DECLARATION OF ELIGIBILITY

- **EPSR ACT 2005, SEC.27:** The Minister may issue a directive to the Commission, specifying the classes of end-user customers that shall constitute Eligible Customers.

DECLARATION OF ELIGIBILITY CONT.

EPSR ACT 2005, Sect. 28:

TALKS ABOUT COMPETITION CHARGES (CTC) FROM CONSUMERS & ELIGIBLE CUSTOMERS TO DISCOS, SHOULD ANY DISCO SUFFER ANY SHORTFALL IN ITS APPROVED RATES OF RETURN ON ITS ASSETS DESPITE EFFICIENT MANAGEMENT.

ELIGIBILITY TRANSACTION FORMATS

THE CCTS INVOLVED

THE ENERGY INVOLVED

POOL ENERGY NOT INVOLVED

FOR ANY CTC TO CLICK IN, MINISTER MUST
CONSULT THE PRESIDENT

THANK YOU

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