

Wholesale Electricity Price Projections for Nigeria

A market in need of development and investment to meet challenges today and in the future

Nigeria is Africa's largest economy, home to over 200 million inhabitants and with an abundance of natural resources, in particular natural gas. However, the current electricity sector is under-developed and grossly in need of investment. Only about 55% of the population is connected to the grid, and per capita electricity consumption is only $1/35^{th}$ that of South Africa and $1/25^{th}$ of the global average. More problematic is the quality of electricity supply – of an installed capacity of ~14 GW, the grid is only capable of supplying 3-5 GW at peak, hence forcing consumers to rely on expensive (and dirty) off-grid diesel engines for the bulk of their electricity needs.

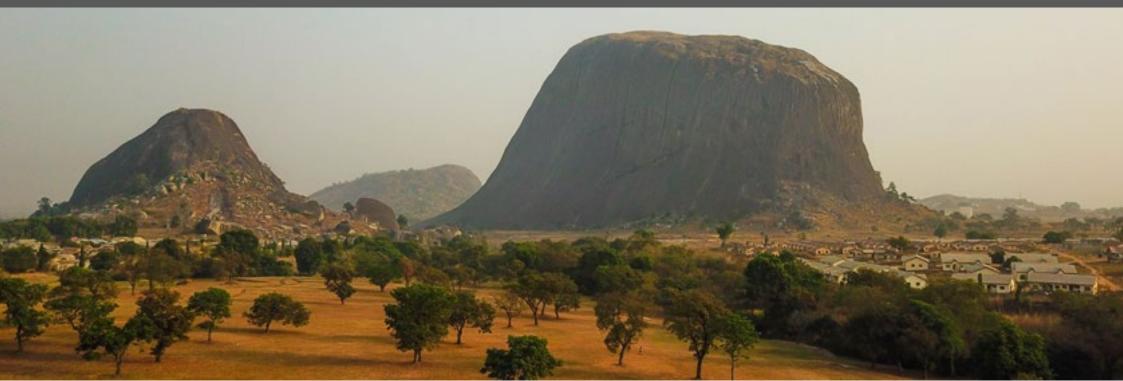
In addition to natural gas, Nigeria enjoys very good solar resource, and much of its hydropower potential remains untapped. As a result, the Government has set ambitious targets for the development of renewable electricity, including a target of 13.8 GW of grid-connected renewable capacity by 2030, and 30% of total

electricity generation to come from renewables (part of the Vision 30:30:30 initiative which targets 30 GW of total installed capacity) by 2030. Nigeria has also set an economy-wide net-zero target by 2060; however, this is potentially at odds with its ambition to expand and develop its oil and gas economy

Therefore, in our latest Nigerian report we explore:

- What are the market reforms required to develop the electricity sector and stimulate investment?
- How will the aforementioned targets impact the future power generation mix?
- What will be the value of electricity in the country at the wholesale level, and what will the value of the revenue streams available to independent generators in the future?
- What are the prospects for off-grid renewable solutions, especially in the commercial and industrial (C&I) sectors?

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Our Offering

AFRY Independent Market Report

- Presents our annual projections for wholesale electricity prices out to 2060 for our three internally consistent scenarios (High, Central and Low).
- Considers the main drivers of electricity prices in each scenario, including:
 - the evolution of generation capacity mix;
 - carbon and commodity prices; and
 - developments in technology costs and electrification.
- Delivers in-depth market intelligence, including insights into:
 - government policy and regulation;
 - renewable subsidy support schemes; and
 - future technology trends.
- Based on highly detailed modelling from our suite of worldwide commodity models.

Bespoke updates

- Projections updated bespoke, ensuring all the latest regulatory and market developments are reflected.
- Updated projections are accompanied by an Update Note, which summarises the major changes and drivers in prices.

Key data for AFRY projections is provided in a usable Excel format annually, with updates available.

Half-day workshop

• Provides the opportunity to discuss the market, our modelling and price developments.

Webinar

• Access to webinars held on a quarterly basis presenting the latest results of our modelling.

Invitation to our Power Market Conference

• Hear the latest developments in our modelling, insights into new topics and areas of research every year.

Subscriber support

• Prompt access to our experts who have a wealth of experience and constantly follow market developments.

Our reports and projections are:

- **Independent**. Our reputation is built on providing an impartial view.
- **Trusted**. The 'AFRY curves' are the definitive benchmark for the power sector.
- **Bankable**. Relied on by the financing community for over 25 years.



Our Nigerian market expert



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Capture prices *Available for all markets and technologies*

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