

Association of Power Generation Companies (APGC)



Thank you for your interest in the Association of Power Generation Companies (APGC). Association of Power Generation Companies is an advocacy body representing all power generation companies in Nigeria.

WHY JOIN APGC?

Membership in the Association of Power Generation Companies is a long-term investment. APGC's mission is to further and promote the interests of the GENCOS. APGC affords its members numerous benefits, such as providing information resources, contacts, and Networking opportunities, which help shape the dynamic electricity generation restructuring process that will dramatically impact the industry's ability to compete successfully.

THE IMPORTANCE AND BENEFITS OF THE ASSOCIATION TO ITS MEMBERS.

It is imperative to note that pursuant to Sections 42.2.7. Bi and Bii of the Nigerian Market Rules, which stipulate the formation of an association, organisations like APGC serve as the basis for nominating participants to the Stakeholder Advisory Panel (SAP) and representing GenCos' issues, were formed by GenCos' investors. APGC was registered in October 2015 at the Corporate Affairs Commission Abuja to, amongst other things:

- Provide a platform for a level playing field for members to share relevant knowledge and trends.
- Provide advocacy on issues of common interest relevant to the Nigerian electricity industry.
- Make representations to relevant government ministries, agencies, and regulators on policy, legislation, and regulations relevant to the Nigerian Electricity Supply industry, particularly the generation sector.
- To assist in setting industry standards, guidelines, policies, regulations, and other measures necessary for the operations of power generation companies in Nigeria ("Generation Companies").
- To protect the various interests of the Generation Companies and to have one body with which the Generation Companies can interface with the various stakeholders in the sector, including the government, its agencies, and the regulators.
- To foster comradeship, unity, and understanding among members.
- To observe the latest trends in the power sector to ascertain the impact(s) on the Nigerian Electricity Generation and Supply Industry.
- To engender and facilitate investments in the power sector by seeking resolution of generic issues impacting investment in the sector or the sector itself.

Address: 3RD FLOOR, UNITY BANK PLC FORMER HEAD OFFICE, PLOT 785 HERBERT MACAULAY WAY
CENTRAL BUSINESS DISTRICT, ABUJA. NIGERIA

Phone: 08130922398, 08174518842 **Email:** OGAIJ@APGC.ORG.NG

BOARD: Col. Sani Bello (Rtd), Tony Elumelu, Heather Onoh, Prof. Bartholomew Nnaji, Kola Adesina, Dr Adedeji Adeleke, Olufemi Otedola, Engr. Olubunmi Peters, Engr. Chinedu Okeke

- To undertake issue specific studies for informed decision-making and information dissemination to stakeholders.
- To propose appropriate policy/regulation and other measures as well as educate policy makers on the Generation Companies' interests and concerns to facilitate greater private sector participation.

APGC's primary goals are to safeguard the interests of Power generation companies operating in Nigeria, and to ensure that the Nigerian Electricity Sector remains a healthy and vibrant market for continued operation and development.

BENEFITS FOR MEMBERS

Members benefit from APGC's leadership & management's unsurpassed knowledge base and convening power, extensive networking opportunities, and access to high-level political, economic, and social decision-making in the Country. APGC membership, in addition to the foregoing, has numerous other benefits such as providing informative resources, contact and networking opportunities, and helping shape the dynamic electricity generation restructuring process that will dramatically impact the industry's ability to compete successfully.

Members are entitled to participate in all activities and to partake in the benefits accruable to all members as outlined below. In what follows, we throw more light on the Benefits APGC offers to its members:

- A common voice to government: Government is not able to listen to every Power Generation Company that comes to them for support or with concerns, let alone respond to those concerns. A focused group or unified voice such as APGC provides the platform where common issues are brought to the attention of the relevant agencies of government.
- Receive regular updates on sectoral developments of interest in a concise, usable format along with alerts on fast-breaking action items.
- Attend regular membership meetings where the latest issues are discussed by experts in a setting that fosters frank and open discussion.
- Network with power plant developers, marketers, and industry suppliers in a collegial environment, during regular APGC meetings open only to members. The association provides for a lively exchange of ideas between members with different strengths and perspectives. Through exchanging ideas with others, members gain exposure to new approaches, learn about new technologies and marketing strategies, and impart their wisdom to others. The networking opportunities that we provide through the association affords and allow for ongoing, informal learning through conversations with others through the various platforms as well as make business connections and increase the number of people you can call on for advice.
- Identify affiliated professionals who can provide vital services, with confidence that they have an in-depth working knowledge of the competitive power supply industry.

- Provides a focal point for government to collect information that it needs to make informed decisions. In essence, the association becomes a sort of liaison with government for the overall good of the industry.
- Assist with Guidance on Regulation: APGC keeps abreast of regulatory rulings and updates and provide point-by-point explanations of the compliance requirements. This information is offered free to members, even though otherwise, the necessary manuals might cost hundreds or thousands of Naira or dollars.
- Boosting Members' Reputation: The Association has, over the years, help boost members' reputation in the industry. Membership of APGC, whose names are in our website and other official provides evidence of their professionalism and commitment. Long-term membership in an organization such as APGC also signals your extensive knowledge of industry best practices and regulatory compliance.
- APGC provides valuable information like sector analyses, professional development, and factual resources to help members boost performance and reduce costs. We help our members gain access to the newest technology and equipment for more efficient and economical processes. We provide information to our members in a variety of forms, from workshops and conferences. Printed materials like newsletters, brochures, and websites also provide valuable information.
- We provide advocacy for members. Members gain the backing of an experienced, established organization that promotes their businesses. The association help its members gain access to people who can advocate for laws and regulations that are fair to and support your industry.
- We provide dedicated staff at the secretariat who are tasked with helping members and their needs daily.
- Market development and research is one of the purposes of APGC. APGC conducts market research, or sponsor research which will benefit the entire association by providing information, answers, and solutions back to the group.
- Promotion, branding, and visibility. APGC as the face and voice of the GenCos, aims to spend a great deal of effort in promoting the benefits, strengths, and values of the industry. APGC achieves its aim through the generation of promotional materials, newsletters, websites, and leaflets, which will direct customers to its membership on what its membership offers. Marketing and communication are key components for organizations and provide significant value to members.
- Access to resources: APGC's large membership base also allows it to benefit from collective ordering and purchasing, allowing the association to provide certain common items to its membership at reduced costs items such as shipping costs, packaging, or plant materials, for example. Most GenCos have benefited from spares borrowing from other GenCos due to the platform created by APGC.

Joining an association is also fun! All work and no play make Joy a doll girl! The Association, in recognition of the fact that spending time with others who have common goals can lead members to some of their best and most enduring friendships, organises. And having

strong industry friendships can also deepen your connection to and investment in your work.

TRAINING FOR GENCOS

APGC is well known for hosting training and other professional development events where members can increase their knowledge and hone their skills. The CEO/ES and her team at the secretariat of APGC have played a pivotal role in facilitating training, professional development, and knowledge transfer for the GenCos. The growing skill gap poses a significant threat to the sector's sustainability and progress. Hence, the secretariat constantly designs training for its members to bridge these gaps under the supervision of the CEO APGC for guided delivery.

Over the period, the secretariat has organised several trainings for the members of the Association to broaden the understanding of its members on essentials of the industry. These trainings are targeted at operational efficiency and compliance with extant regulatory requirements. Members' upskilling & training is an integral part of the association's plan – both for the development of our members, and their plans to improve and expand their operations. In the constantly evolving and expanding sector of the NESI, expert-led training is even more invaluable to ensure that organisations can access new opportunities and position themselves at the forefront of the industry.

SOME OF THE TRAININGS

- The secretariat organised a 2-day training on Standard Energy Reporting: An Insight to a Typical Active PPA for GenCos with a theme; Understanding NESI Invoicing and Settlement System.
- The secretariat also contracted a team from Bellum, a data intelligence company to train GenCos on Data Intelligence amongst other trainings.
- NCC Refresher training on using the NCC software for generation declarations.
- Understanding the NESI preliminary & final settlement and invoicing
- Standard Energy Reporting
- An overview of the MYTO Allocation structure and Assumptions.
- An overview of MYTO and its impact on GenCos Tariff
- An understanding of the various regulatory and dispute mechanisms in the NESI.
- Training on Managing - Commercial Risk in Electricity Generation: International Arbitration as a Panacea
- Webinar on Carbon Capture, Utilization, and Storage (CCUS)
- A-Z training of the Nigerian Electricity Supply Industry
- GenCosentric Solution to the current NESI Debacle and GenCos Pally with Gas.

Leveraging its role as the representative body of the GenCos, APGC secures training rates that offer substantial cost savings compared to what an individual GenCo could secure on its own. Delivered training includes Power Systems Operations & Management.

APGC operates dedicated WhatsApp platforms for the functional heads of GenCos, as fora for consultation, exchange, and transfer of information and knowledge. Some of these WhatsApp platforms include the CFOs, legal forum, CEO/COO/CTO forum, Commercial and Technical teams, etc.

ADVOCACY & MEDIA ACTIVITIES

APGC effectively utilizes various media platforms, including television, radio, and print, to advance the interests of its members and engage with relevant stakeholders.

By acting as a central voice for the GENCOS, APGC effectively manages media interactions and ensures that the GENCOS sub-sector's positions and concerns are effectually conveyed to the public and policymakers.

APGC's media strategies enable the sector to present a cohesive and powerful voice that amplifies its message and drives broader awareness and understanding of critical issues affecting the GENCOS in Nigeria. APGC plays a crucial role in advocating for and representing the interests of the GenCos, ensuring that the collective concerns and priorities of its members are effectively communicated and addressed – representation at National Assembly public hearings, response to policy and regulatory interventions, community outreach, etc.

REPRESENTATION AT NASS:

Particularly, APGC supports the GenCos by relieving them of the incessant requirement of attending numerous public hearings and investigations conducted by the National Assembly, Ministries, as well as MDA fact-finding meetings, by presentation of data, submissions, and analyses. Such representation also precludes individual targeting of the respective GenCos.

A critical aspect of APGC's work, involves coordinating in-house activities to ensure a cohesive approach in responding to legislative, regulatory and policy matters, i.e., drafting alternative legislative Bills or reviewing pending Bills. Some notable examples of these Bills include the following:

- i. A position paper on grid collapse;
- ii. Electricity Bill, 2021;
- iii. Senate hearing on tariff review;
- iv. Consultancy on 2024 Eligible Customer Regulation;
- v. Amendment to the Electric Power Sector Reform Act 2005 (EPSRA), among others.

APGC has served as a common representative for the GenCos, relative to engagement with other stakeholders – multi-lateral donors and international finance institutions, partnerships with sectoral players, legal and technical assistance arrangements, etc.

APGC has taken a leading role in supporting and promoting key initiatives within the NESI, such as the Partial Activation Contract, the transition to the Bilateral regime, and ensuring that GenCos are well-informed about their rights and opportunities, thereby enhancing transparency.

APGC often acts as an intermediary between the GenCos and their counter parties, such as NBET, Gas suppliers/transporters, the transmission company of Nigeria, addressing issues that may affect GenCos' operations and providing guidance and advice on the way forward. By facilitating the resolution of these matters in a timely and fair manner, APGC helps prevent potential crises and fosters positive relations.

KEY COLLABORATION WITH CRITICAL STAKEHOLDERS

APGC has been at the forefront of establishing and implementing collaborations and partnerships with a diverse range of stakeholders - multi- and bilateral institutions, government ministries, civil society, and Non-Government Organizations (NGOs). As the representative body for all GENCOS, APGC serves as a convenient one-stop shop for engagements with the generation companies. In this realm of support to the GenCos, items of note are -

- Meeting with African Development Bank (AFDB) for financing support for the GenCos.
- Several notable collaborations include: i) The World Bank- Power Sector Recovery Plan (PSRP), resulting in the approval of \$750 million for GenCos, out of which about 70% has been disbursed with constant and regular push and follow-up by APGC.
- APGC, as necessary to enhance viability, has established strategic collaborations with well-respected organizations, including the Nigerian Power Training Institute (NAPTIN), the Nigerian Gas Association, GIZ's Nigerian Energy Support Program (NESP), Gas Aggregation Company of Nigeria (GACN), Energy Commission of Nigeria (ECN), Bureau of Public Enterprises (BPE), the Ministry of Power, Transmission Company of Nigeria (TCN), Ministry of Finance, Petroleum, Water Resources, and so on.

ON-GOING AND FUTURE CRITICAL ISSUES FOR APGC MEMBERS

APGC members continue to face persistent policy, regulatory, and market challenges such as:

- Regulatory and policy pronouncements that do not provide for effective and easy implementation.
- Amendment of the Nigerian Constitution to provide concurrent powers of the Federal and States to legislate on electricity and the potential impact on, and response of GenCos.
- Enactment of the New Electricity Act 2023 that empowers the states to generate, transmit, and distribute electricity and the potential impact on, and response of GenCos.

To deliver on her mandates, the Association has/is doing the following:.

GENCOs FORUM AND CEO MONTHLY MEETINGS:

The Secretariat provides a platform every month where experts from the power, energy, and gas sectors interact and profile solutions to numerous challenges facing the sector. This platform also provides an avenue for members to share knowledge. This platform is

conducted first Tuesday of each month and is open to all members to attend. It is a hybrid meeting, thereby allowing members to fully partake.

STAKEHOLDERS ENGAGEMENT & CONSULTANCY SERVICES

The Association has taken upon itself to engage stakeholders and ensure the government provides an enabling environment for GenCos' business to thrive. This is done by keeping in touch with key policy makers and industry regulators. If you may recall, the Secretariat has taken a position on various policies, one of which was Partial Activation of Contracts.

The Secretariat is currently working on the recently passed Electricity Act to find a way to repeal areas where the Act has negatively affected the operations of GenCos, one of such area is the introduction of N-HYPPADEC, a commission under the Act that is saddled with the responsibility to cater for the welfare of the host communities with funds from 5% revenue of GenCos. This section of the Act has imposed an additional financial burden on GenCos.

The Secretariat also circulated a position paper on the impact of bilateral contracts to GenCos, Position on NBET Promissory Note, and Position on Shrinkage Gas Factor on Thermal GenCos, among others.

GENCOS CFOS FORUM

The secretariat thought it wise for CFOs of all GenCos to meet at regular intervals to analyse how Government policies and regulations will impact their revenues. This committee has been of tremendous impact, it provides guides on how best GenCos will address issues regarding their invoices with NBET. Recently, the Forum guided her members through the just concluded NBET reconciliation and engaged NBET on TLF. The Forum is currently observing the impact the currency float and unified exchange rate regime will have on the revenue of GenCos.

MEDIA PUBLICATIONS AND INVESTIGATIVE HEARING

The Secretariat has done several media publications for GenCos. Notable of such publications for this year are "Hope of improved power supply dashed as NERC, NBET's 5000mw deal with GenCos, DisCos, TCN, Gas suppliers fails" and "N1trn Debt payment, Gas Supply, others to GenCos agenda for Incoming Govt"; these publications can be found in the THISDAYLIVE paper of 20th March 2023.

The Secretariat has been invited to the National Assembly on several occasions on behalf of its members. These invitations include the December 2022 invitation by Committee on Freedom of Information (FOI) on GenCos' failure to comply with section 2(3)(4)(5)(6)(7) of the freedom of Information Act 2011, shortly after, the secretariat was also invited for HOR investigative hearing on incessant grid collapsed.

INADEQUATE PARTICIPATION OF SOME GENCOS

Address: 3RD FLOOR, UNITY BANK PLC FORMER HEAD OFFICE, PLOT 785 HERBERT MACAULAY WAY
CENTRAL BUSINESS DISTRICT, ABUJA. NIGERIA

Phone: 08130922398, 08174518842 **Email:** OGAIJ@APGC.ORG.NG

BOARD: Col. Sani Bello (Rtd), Tony Elumelu, Heather Onoh, Prof. Bartholomew Nnaji, Kola Adesina, Dr Adedeji Adeleke, Olufemi Otedola, Engr. Olubunmi Peters, Engr. Chinedu Okeke

The Secretariat has noted with great dismay that lately, COOs of the NIPP plants have stopped attending the monthly GenCos forum Meetings as against the previous practice where all COOs are in attendance to meet with their counterparts from other GenCos. This absence, we believe, will rob the NIPP COOs of the benefits offered by the monthly GenCos forum. The monthly forum provides all member GenCos with the platform to:

- Discuss market challenges and present their stand to the relevant stakeholders as a strong, unified voice.
- Receive information in a variety of forms from Panel discussions, workshops/training sessions, conferences, to field and focus group sessions.
- Receive regular updates on developments of interest in a concise, usable format along with alerts on fast-breaking action items.
- Learn about the latest issues in the sectors discussed by experts in a setting that fosters frank and open discussions.
- Network with power plant developers, marketers, and industry suppliers in a collegial environment, during regular APGC meetings open only to members.
- Identify affiliated professionals who provide vital services, with confidence that they have an in-depth working knowledge of the competitive power supply industry.

Hence, it can be seen that the NIPP COOs are greatly missing from these opportunities. The current market is a mixture of technical as well as commercial issues that dovetail into efficient plant operations.

The secretariat made great success in maintaining a high-profile association model with digitalized and faster communication processes in pursuit of our idea that good performance is built on clear strategies and a strong team that drives its implementation.

APGC has been active in representing the interests of Generation Companies since its inception in the electricity industry before the Nigerian Electricity Regulatory Commission, the Federal Ministry of Power, the Senate and National Assembly, the Central Bank of Nigeria, and other related agencies in the electricity value chain.

SOURCE OF FUNDING:

APGC is a membership-driven organization, and our primary funding support is in the form of revenue derived from membership dues. When issues or proceedings require special attention and involvement of consultants, Special Funds are established and funded by targeted contributions through the APGC committees. These Special Funds afford member companies guaranteed representation in specific regulatory issues or proceedings affecting their facilities, planned projects, or market positions.

APGC MEMBERSHIP FEES

Membership payments are due annually, by the 31st of January of each year, or upon receipt of an invoice/request for payment from the secretariat. The dues for the year are **12,000,000.00** per power station currently generating.

New Members are expected to pay for the take-off funds, which all existing members paid to kick off the Association. Further information on this can be sought from the Secretariat.

PROCEDURES FOR MEMBERSHIP INTO APGC

- Fill the APGC Membership Application Form containing the following:
- Names of Directors
- Names of Shareholders
- When the company was founded
- Generation Capacity
- How many Plant stations are there?
- Provide a copy of the company's Incorporation document that indicates the company is officially registered in Nigeria.
- Company must be a power generation company with a copy of the license.
- Upon acceptance membership fee will be sent.
- Membership begins upon receipt of payment.

Thanks for identifying with the unbeatable team!!!

Chief Executive Officer

Dr. (Mrs.) Joy Ogaji (PHD, MBA, LL.M, BL, LLB, FIMC)