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Summary

Lagos State Electricity Bill 2024 Series 2.0



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LICENSING AND PERMITS



The Part V of the Law (Electricity Licenses) focuses on licensing in Lagos Electricity Market. As such, any individual or entity involved in activities such as electricity generation, transmission, distribution, trading, supply and system operation must obtain a relevant license from the Lagos State Electricity Regulatory Commission (LASERC).



Grant of License Application

2

The application for a grant of license is to be made to the Commission in such form and manner specified and upon the payment of any prescribed fee. Non-compliance with these licensing requirements can result in significant fines and penalties.

Also, the Commission after conducting an inquiry may revoke a license if it is in the interest of the public to do so, or there is a contravention of the term of the license.



License Validity and Renewal

The license shall be valid for the period prescribed by the Commission in that license, provided that the period of a license or any renewal granted by the Commission shall not be more than ten (10) years.

The Law mandates that any person carrying on regulated activities or operating an undertaking in Lagos State before the commencement of this Law must apply to the Commission for a license within three (3) months of the coming into effect of this Law (**this is estimated to be March, 2025**).



License Exemption for Small Operators

4

There is a license exemption for activities operating below a 1MW capacity. This will promote growth of small electricity undertakings and eliminate the hassle and cost of procuring licenses. Notwithstanding the exemption, persons operating below this category are still obligated to comply with any standards set by the LASERC for the sector generally.



Licensing Application Review Timeline

5

The period between the Commission's receipt of an application for a license and the date the Commission notifies the applicant of its decision to grant or refuse the grant of the licence, must not exceed three (3) months from the date the application is received by the Commission.

This will enhance efficiency, predictability for investors and incentivise expeditious review of license applications.