



HIGHLIGHTS OF THE ENUGU STATE ELECTRICITY MARKET SETTLEMENT AND PAYMENT PROCEDURES, 2025

What You Should Know



Highlights Of The Enugu State Electricity Market Settlement And Payment Procedures, 2025

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To ensure efficient operation, payments and settlements in Enugu State's electricity market, the Enugu State Regulatory Commission (the Commission) established the Rules on Electricity Market Settlement and Payment Procedures which is applicable in Enugu state



The Market Settlement System

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- Market settlements and payments are conducted monthly following a predefined calendar as contained in the Schedule to the Rules. The payments due to generators are based on prices agreed in the contracts.
- In addition, a designated department shall be established within the Commission to oversee settlements, maintain and manage the requisite software, ensuring accurate calculations and timely reports; and a contract register of all licensees in the State's electricity market.



Metering System

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- The Rules mandates all licensees to use commercial grade metering systems with meters. While one serves as the official meter, the other serves as a back-up meter. This dual metering ensures reliability and a standard method of reporting data.
- Preliminary and Final Settlements Statements[1] are issued by the designated department of the Commission to the licensee. For the former, it is not later than 10 (ten) business days and for the later, not later than 15 (fifteen) business days after the commencement of each month.
- Licensees are to notify the Commission of any dispute in the Preliminary Settlement Statements within 5 (five) days with adjustments reflected in the Final Settlement Statements.



Payment

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- The Rules went further, that within 15 business days of issuing the Final Settlement Statement, the licensee receiving payment or the Commission shall issue an invoice to be sent to the relevant paying parties indicating the service and correction charges (if applicable).
- The payments are backed by letters of credit provided by the paying party to the relevant licensee receiving payment and the Commission.
- Each licensee is to maintain a designated bank account for payments, notifying the Commission of any change within 30 (thirty) business days.
- An account must also be maintained by the Commission for operational fees or charges. In the event the payment deadline is not met, the Commission shall enforce payment from the securities deposited by the paying licensee
- It is important to note that in cases of emergencies or software failure, the designated department in the Commission must issue estimated settlements and adjust the schedules to ensure that all parties are notified. This is done by publishing the information on the Commission's website



Conclusion

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In conclusion, these provisions foster accountability and efficiency within Enugu state's electricity market.