



# FAQs On Renewable Energy Laws In Nigeria

## ? What is renewable energy?

Renewable energy is energy generated from natural sources, such as sunlight and wind, that are continuously replenished. It is regarded as a better alternative form of energy as it has far less harmful effects on the environment than traditional sources of energy.

## ? What are the predominant renewable energy sources used for electricity production in Nigeria?

Historically, hydropower has served as Nigeria's main source of renewable energy. However, over the years, this has gradually evolved to include other sources, such as solar energy. This progressive shift has led to the emergence of small-scale solar solutions for residential, commercial and also industrial users.

## ? Which organisations oversees renewable energy in Nigeria?

A few examples of the organisations involved in renewable energy in Nigeria are:

- The Energy Commission of Nigeria
- Nigerian Electricity Regulatory Commission (NERC)
- Transmission Company of Nigeria (TCN)
- Nigerian Bulk Electricity Trader (NBET)
- Federal Ministry of Environment
- National Environment Standards and Regulations Enforcement Agency (NESREA)

## ? Do any government policies promote renewable energy?

Yes. Some of these policies include:

- National Energy Policy
- Renewable Energy Master Plan
- National Renewable Energy and Energy Efficiency Policy (NREEEP) 2015
- Renewable Electricity Policy Guidelines (REPG) 2006
- National Biofuel Policy and Incentive 2007
- Mini Grid Regulation 2017

## ? Does the government provide incentives to promote renewable energy projects in Nigeria?

Yes, it does. These include:

- Tax exemption (pioneer status) for 3 years, which is extendable; for one or two additional,
- Renewable Energy Feed-In-Tariffs (REFITS), which were included in the Multi Year Tariff Order (MYTO) II issued in June 2012,
- Tax incentives (e.g. a 5-year tax holiday from commencement of manufacturing),
- A 5-year tax holiday on dividend income from investments in domestic renewable energy sources,
- Duty rebate for 2 years on importing equipment and materials used in renewable energy projects, and
- Special low-interest loans from the Power Sector Development Fund for renewable energy supply and energy-efficient projects.

## ? Have non-profit organisations or groups contributed to developing renewable energy in Nigeria?

Yes, some have. They include:

- Nigeria Energy Support Program (NESP)
- International Development Finance Institutions

## ? What are the recent developments in Nigeria's renewable energy laws?

The following are some of the recent developments in Nigeria's renewable energy law:

- Lagos State Electric Power Sector Reform Law
- Formation of the Nigerian Electricity Regulation Commission (NERC)
- Uniform System of Accounts Regulation
- Partnership with International organisations

## ? Does Nigeria implement any specific regulations to protect the environment and species in project implementation involving renewable energy resources?

Yes. The Environmental Impact Assessment Act is a regulation that protects the environment and species in project implementation involving renewable energy resources.