

## PREFACE

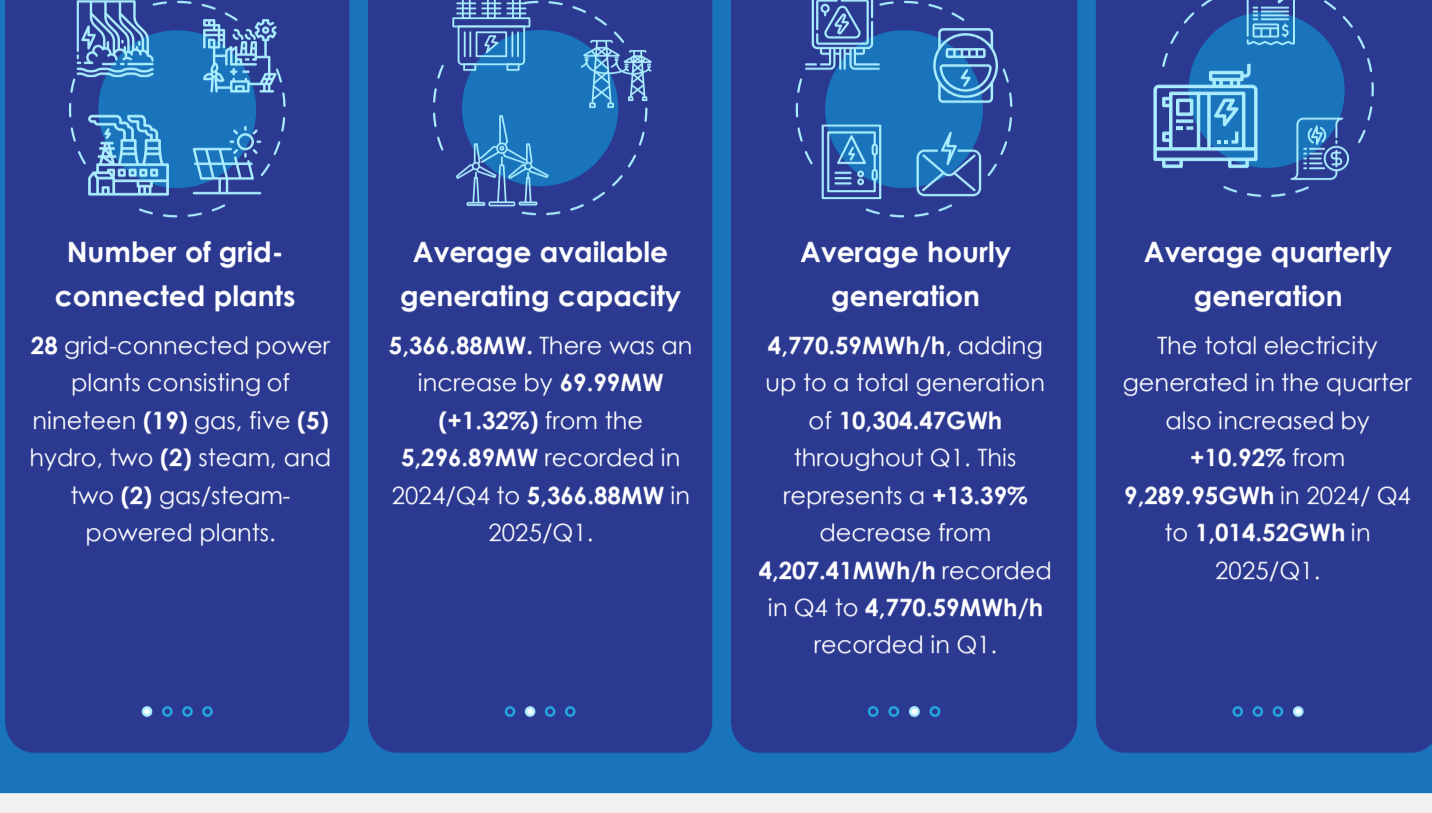
On 1 July 2025, the Nigerian Electricity Regulatory Commission (NERC or the Commission) released its quarterly report for the first quarter of 2025 (Q1 2025) (the Report) for the Nigerian Electricity Supply Industry (NESI), pursuant to its mandate under section 56(3) of the Electricity Act 2023 (the EA) to present quarterly reports of all its activities to the President and the National Assembly.

In this series, we summarise the Report to make it possible for our readers who may not have the opportunity to read the Report in full, to still be updated with developments in the NESI.

For previous reports, read our summaries for [Q3 2024](#) and [Q4 2024](#) here.



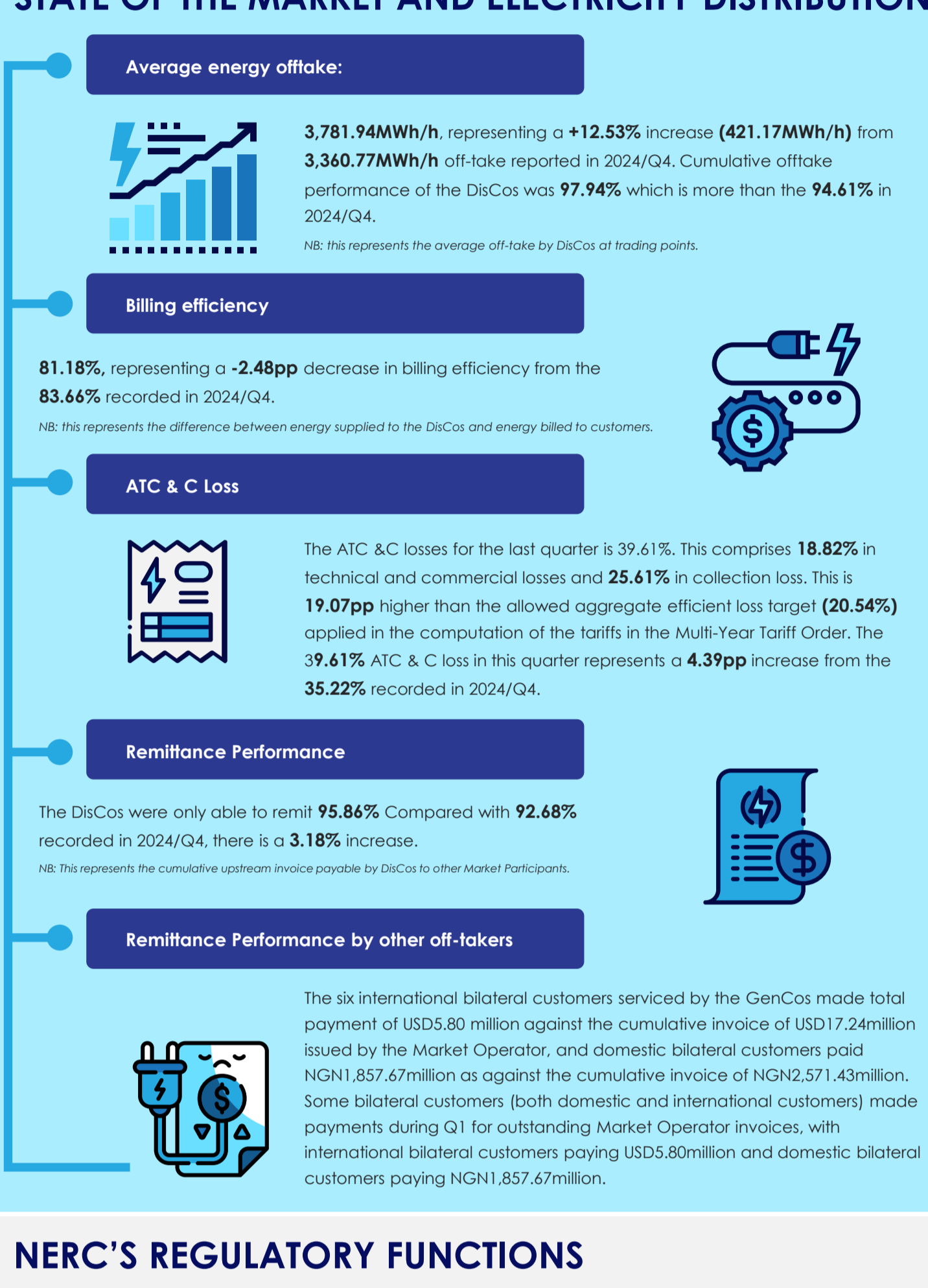
## STATE OF ELECTRICITY GENERATION



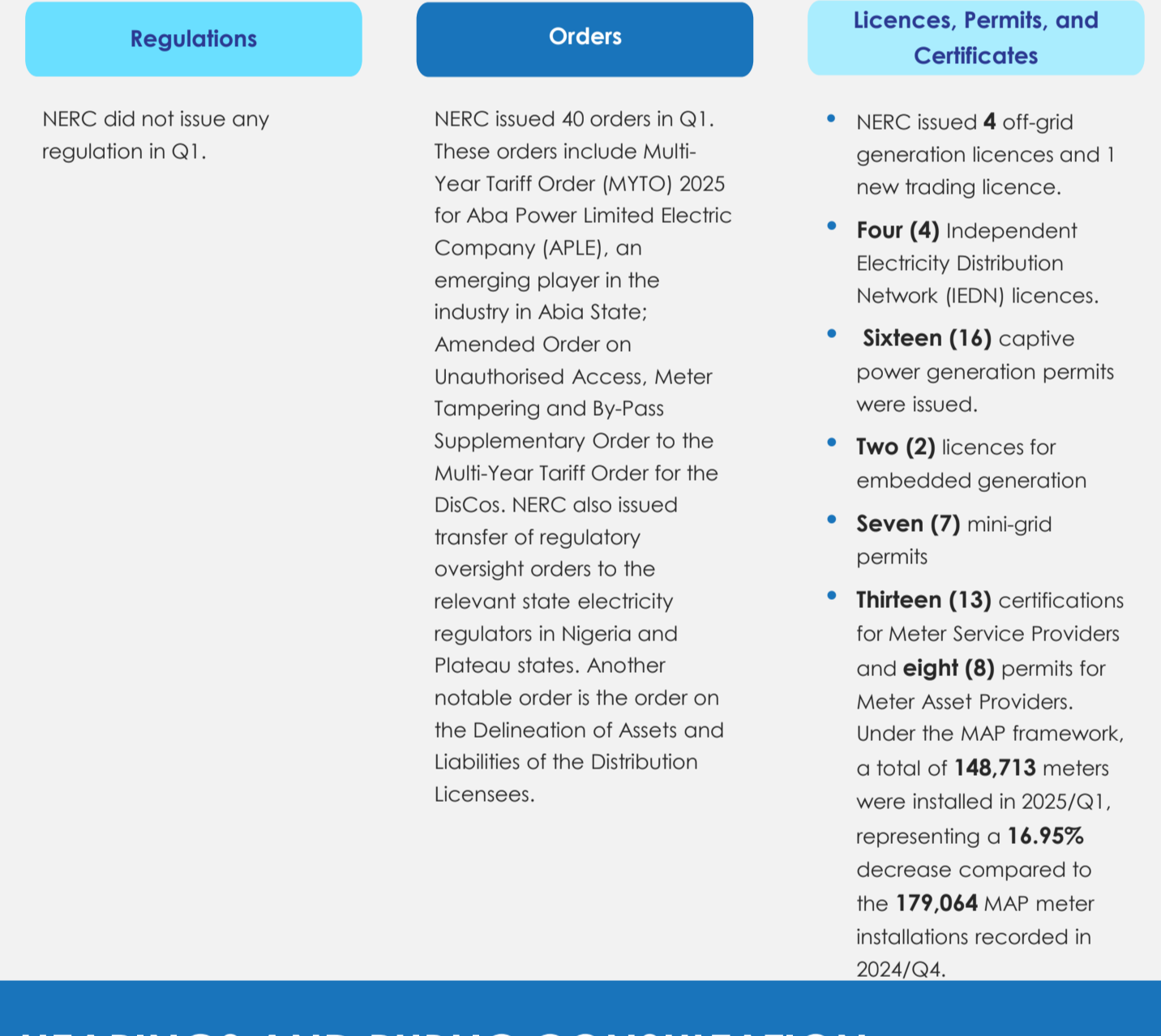
## STATE OF ELECTRICITY TRANSMISSION

Frequency	Voltage	Grid collapse
The average lower daily (49.28Hz) and average upper daily (50.77Hz) system frequencies were outside the normal operating limits (49.75Hz - 50.25Hz) but remained within the lower and higher bound stress limits (48.75Hz - 51.25Hz).	The average lower daily (296.56kV) and average upper daily (346.82kV) system voltages were however outside the limits prescribed in the grid code (313.50kV - 346.50kV).	<ul style="list-style-type: none"> <li>There was no incidence of system disturbance on the National Grid in 2025/Q1.</li> </ul>

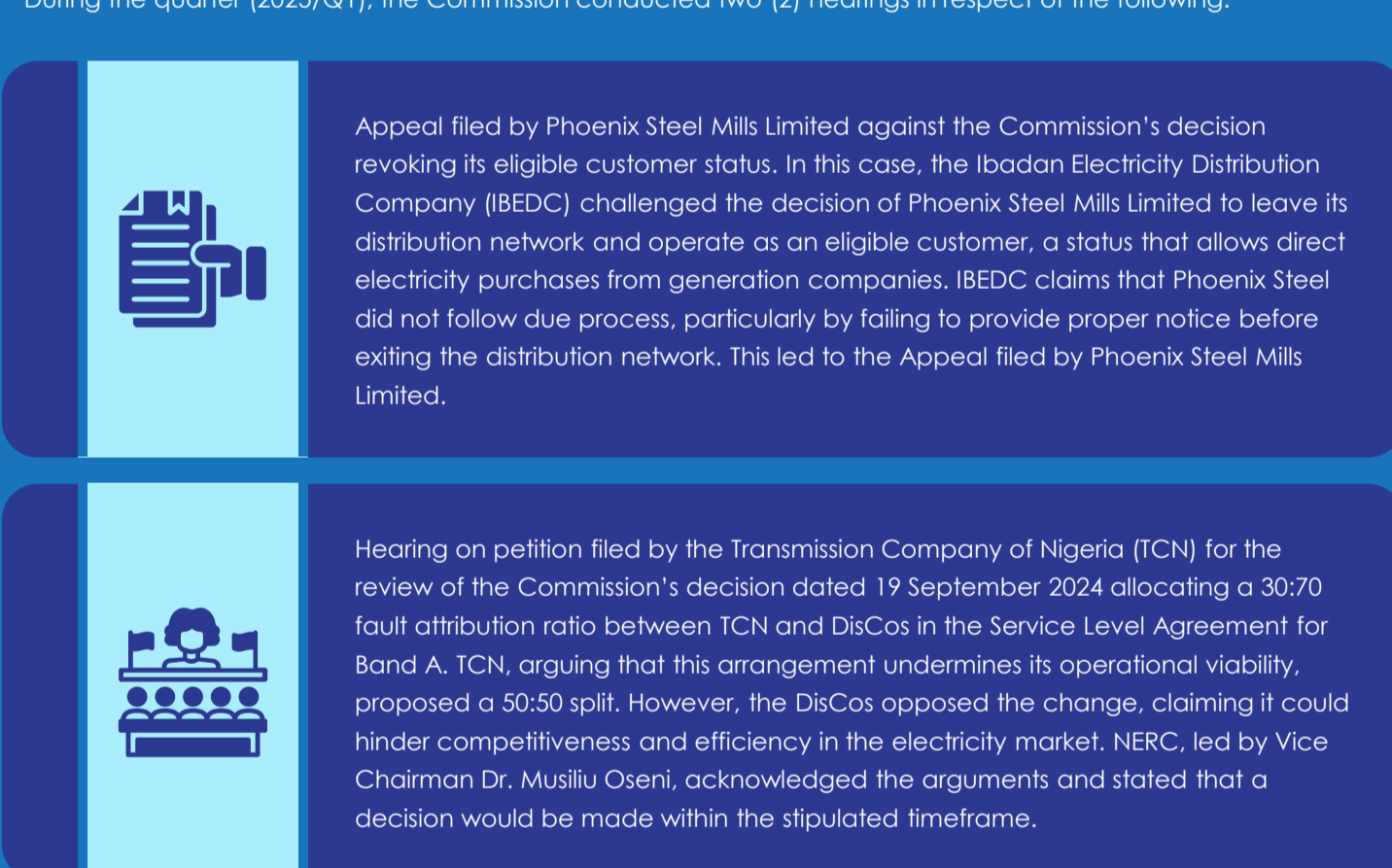
## STATE OF THE MARKET AND ELECTRICITY DISTRIBUTION



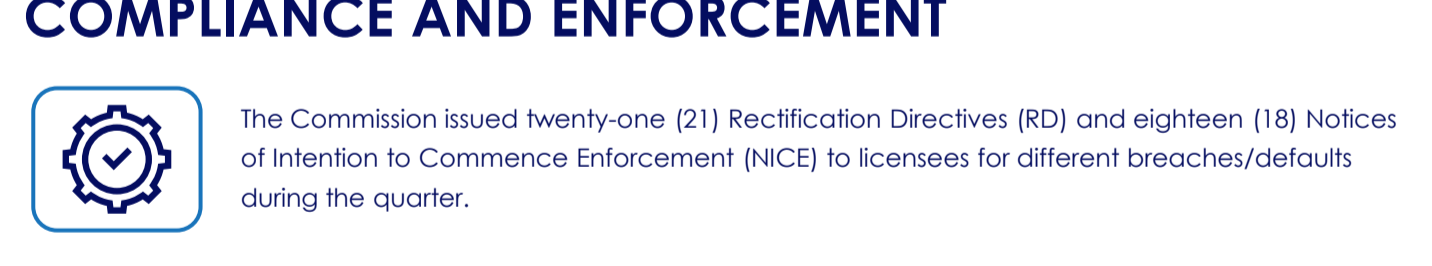
## NERC'S REGULATORY FUNCTIONS



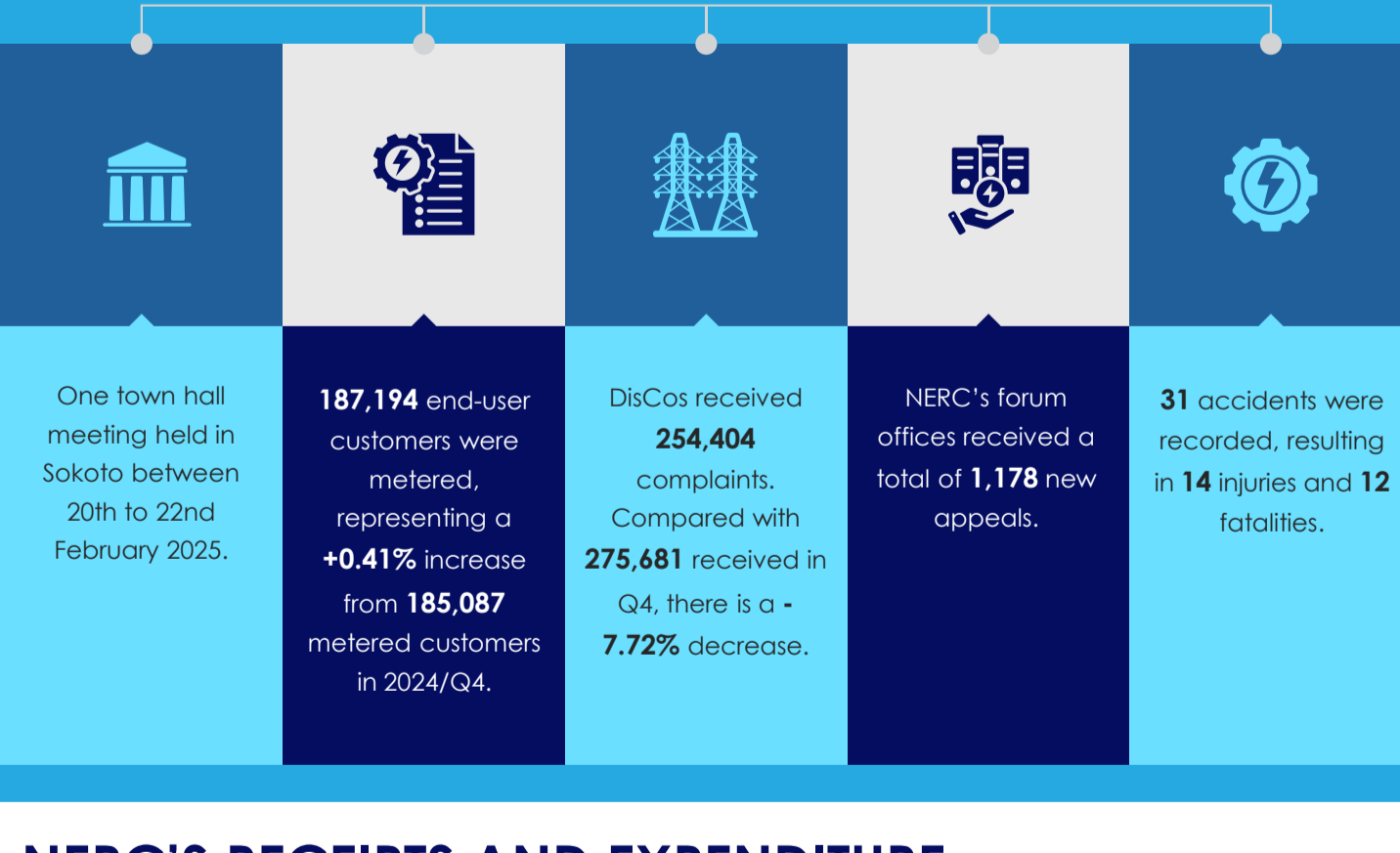
## HEARINGS AND PUBLIC CONSULTATION



## COMPLIANCE AND ENFORCEMENT



## CONSUMER AFFAIRS



## NERC'S RECEIPTS AND EXPENDITURE

No report of the Commission's revenue or expenditure in Q4.

## OUR THOUGHTS

The NESI recorded significant progress in Q1 2025, particularly in electricity generation and grid stability. Available capacity increased modestly, and actual generation rose substantially compared to the previous quarter, indicating improved utilization and operational performance. In a welcome development, the quarter recorded no grid collapse incidents, in contrast to the multiple collapses reported in Q4 2024. However, transmission frequency and voltage levels remained outside prescribed grid code thresholds, reflecting the continued need for grid modernization. The absence of system disturbances suggests operational improvements.

On the distribution and commercial side, results were mixed. DisCos significantly improved their energy offtake and remittance performance compared to Q4, demonstrating stronger operational alignment and market discipline. However, billing efficiency declined, and ATC&C losses worsened, largely driven by higher collection losses, posing a threat to commercial viability and investor confidence. Payment defaults by bilateral customers persisted, although slightly more payments were made during the quarter. On the regulatory side, NERC's enforcement actions increased, and more licences were issued, particularly for independent electricity distribution network (IEDN), captive and embedded generation, signaling active regulatory engagement. Metering progress remained minimal, and while customer complaints declined, safety remains a concern with continued reports of electrical accidents and fatalities.

We recommend that NERC consolidate the gains in generation and grid stability by deepening oversight of dispatch and enforcing strict compliance with grid code parameters. Distribution companies must be held accountable for improving billing and drastically reducing losses to ensure long-term financial sustainability. NERC should also accelerate metering efforts and expand targeted consumer improvement measures. NERC persistent service and safety concerns. The sector's commercial improvement in Q1 is encouraging, but without urgent attention to systemic losses and regulatory enforcement, the gains may not translate into sustainable sectoral growth.

