

A HOW TO REGISTER/ FAQ

Please read the information below before completing the participant admission application form.

1. Why do I need to complete this form?

Market Operations (MO)'s is authorized by the Nigerian electricity Regulatory Commission (NERC) to be the sole operator of the wholesale electricity market in Nigeria. One of its responsibilities is to admit and maintain registers of all market participants in the wholesale electricity market. You must complete and submit this form to apply to be a market participant, if you wish to:

- » participate in the wholesale electricity market and/or
- » convey any physical services through the market's facilities.

If you hold more than one electricity license and intend to perform different functions pursuant to those licenses in the wholesale electricity market, you must submit separate application forms for each function.

2. Why has MO developed this form?

The MO has developed this form to facilitate the admission of participants into the wholesale electricity market in accordance with the market rules. You should read the relevant sections of the market rules prior to completing the forms.

3. Am I eligible to apply as a market participant?

Before the MO can fully admit you as a market participant, you must satisfy the following requirements.

- » Hold a valid electricity license or an exemption order granted or issued, by NERC
- » Fall within one of the classes of persons who may apply for admission as a market participant (see below): and
- » Have entered into agreement with the TSP for the use of the transmission system
- » Have entered into agreement with the relevant DISCO for the use of the distribution network (embedded GENCOS and Retailers)

4. What classes of persons may apply for admission?

The classes of persons who may apply for admission as market participant's are:

- » Generation Licensees
- » Electricity retail licensees
- » Distribution Licensees
- » Persons, other than generation electricity or distribution licensees, that have been granted an electricity license by NERC permitting them to trade in the wholesale electricity market

5. When will I know the outcome of my application?

The MO will notify you in writing of the outcome within 5 business days of the receipt of your fully completed admission form or any further information or clarification requested by the MO, whichever is the later (unless you and the MO have agreed a longer time for this process). If your application is declined, the notification will inform why this is the case. A complete and accurate form will help the MO to process your participant admission application within the above stated period.

6. Any application processing fees?

A non-refundable 40% of License fee is charged as application processing fee. This is payable to Market Operations Account with the following details:-

Bank Name:-

Account No:-

Sort Code:-

7. Any security cover required?

Before your application for admission to start trading in the wholesale market, is proposed, the MO must receive your proposal for the provision of a security cover, pursuant to sections 15.1.4(b) and 15.3.3(a) of the market rule.

Note: All communication between the MO and market participants shall be in writing.

Technical Information

- Submission of the technical information as contained in appendix I and II attached is a condition for the processing of participant application for admission.
- Any draft agreement between the applicant and TSP or distribution companies must be attached.
- Information on metering and communication system

All meters must be Digital, COSEM/DLMS compliant, AMR ready with embedded modem.

Note: Market Operation shall require tests to be carried out on applicant participant's metering and communication systems. Successful completion of these tests is a condition for admission.

B. FULFILLMENT OF DUTIES AND RESPONSIBILITIES:

1. The Applicant Participant certifies that it has:
 - a. Installed and proven to be operational the communication equipment required to communicate with the System Operator for the activities that it proposes to fulfill, and to comply with the Grid Code;
 - b. Installed and proven to be operational all metering facilities and communication equipment (E-mail/Fax) to communicate with the Market operations; and
 - c. The Bank Account and transfer mechanism, as required by the Market Rules for the market settlement and payment and to comply with the Market Rules; or
 - d. Certifies that it has installed and proven to be operational all metering facilities and communication equipment (E-mail/Fax) and has the Bank Account and transfer mechanism for the market Rules, settlement and payment, and for the activities that it proposes to fulfill, and to comply with the Market Rules and the Grid Code; or
 - e. Undertakes to install prior to acceptance of its Admission Application the facilities and equipment, and have the Bank Account and transfer mechanisms described in (a) to (c) above.
2. The Applicant Participant further certifies and agrees that the equipment and facilities described in paragraph 1 are, or shall be prior to certification, available for examination, inspection and testing by Market operations.
3. For the purpose of registration, the Applicant Participant attaches the list of Connection Points, metering facilities and communication equipment, and a description of the Bank Account and transfer mechanism is attached. In the event that the metering facilities are not yet installed as of the date of this Admission Application, a plan and schedule for completion of installation are attached.
4. The Market operations will assign a Trading Point and a metering system to each Connection Point, which will be used to measure the energy that is injected or withdrawn by the Participant from the Market. When the registration is finalized, the Market operations will give the Participant the list of Trading Points and metering facilities.

5. **(Only if registering generation)** The Applicant Participant attaches the list of power stations, generation facilities in each power station and generation capacity of each facility.
6. The Applicant Participant certifies that it employs on its own behalf, or has contracted with entities that employ personnel, who are fully qualified and competent to perform the duties, responsibilities, tasks and functions of the Applicant Participant under the Market Rules and the Market Procedures, and under the Grid Code and the Operating Procedures. The Applicant Participant agrees that the qualifications of such personnel shall be available to the System Operator and the Market operations for review.

C. ADDITIONAL OBLIGATIONS:

1. The Applicant Participant agrees to comply with all terms and conditions of the Market Rules, the Market Procedures, the Grid Code and the Operating Procedures, as they may be modified from time to time.
1. The Applicant Participant undertakes that, after registration is confirmed by the Market operations, the Participant shall inform the Market operations through written notification any and all changes to the information provided on or attached to this Admission Application form within three (3) Business Days of the change(s). A change in the Authorized Representative or the Bank Account for the Market shall be notified immediately.
2. By submitting this Admission Application, the Applicant Participant shall be deemed to agree to abide by the provision of the Market Rules.
3. The Applicant Participant certifies that all information contained in or attached to this Admission Application is true and correct, to the best of its knowledge and belief.

APPENDIX I

APPLICABLE ONLY TO GENCOS AND IPPs

- i. Technical data for Applicant Participant's Generating Unit listing the Generating Unit's fixed electrical parameters.
- ii. The Applicant Participant's system data, comprising single-line diagrams and the electrical parameters relating to the applicant participant's facilities connected to the System Operator Controlled Grid.
- iii. The applicant participant's load characteristics, providing the estimated parameters of load groupings in respect of, for example, harmonic content and response to frequency deviations.
- iv. Data relating to Reactive Support Service Facilities other than those owned by the TSP.

- v. Short circuit in feed to the System Operator Controlled Grid from the applicant participant's system at any connection point.
- vi. Maximum net capacity of the generating unit.
- vii. Minimum synchronization time of the generating unit.
- viii. Minimum level of output for which the generating unit must, or is scheduled to run.
- ix. The minimum continuous run time of the generating unit, if it is scheduled to run.
- x. The minimum continuous downtime of the generating unit, if it is scheduled to Desynchronize.
- xi. The maximum ramp-up rate of the generating unit.
- xii. The maximum ramp-down rate of the generating unit.
- xiii. The maximum availability.
- xiv. The ancillary service capability.
- xv. The Governor droop; and
- xvi. Automatic voltage regulator capability.
- xvii. Such other details, information and documentation as may reasonably be required by the system operator.

Note: Market operations shall require test to be carried out on applicant participant's equipment. Successful completion of these tests is a condition for admission.

APPENDIX II

APPLICABLE ONLY TO RETAILERS, DISCOS AND ELIGIBLE CUSTOMERS

- i. Technical data for applicant participant's power transformer(s)
- ii. Single line diagram of applicant participants network, showing the geographical locations of all distribution transformers, ring main unit, isolator etc.
- iii. List of injection sub-stations, manned or un-manned and their conditions and locations.
- iv. Load characteristics of the area of operation, showing maximum demand, minimum demand and expected annual load growth rate.
- v. Revenue generation profile in the past 2 years and expected annual growth rate.
- vi. List of distribution transformers, showing, serial number, capacities, voltage ratio, frequency, full load losses and no-load losses.
- vii. Percentage loading of power and distribution transformers
- viii. Customer population according to their demography, and their expected annual growth rate.
- ix. Stock level of fast moving distribution materials, e.g. conductors, cables, transformer oil, fuses, feeder pillars, etc.

- x. Stock level of equipments, e.g. power transformers, distribution transformer, panels, breakers, etc.
- xi. List of metered customers, customers on direct connections and customers with faulty meters.
- xii. List of meters in circuit, showing details of type.

Note: Market operations shall require that a physical inspection of the applicant participant installation and network be carried out. Successful conduct of this inspection is a condition for admission.