



Mini-Grids and Market Reform: What NERC's 2026 Regulations Signal for Nigeria's Decentralized Electricity Policy

Introduction

The Nigerian Electricity Regulatory Commission (NERC) has issued the Mini-Grid Regulations 2026 under the Electricity Act 2023, strengthening the framework for decentralized electricity supply in Nigeria.

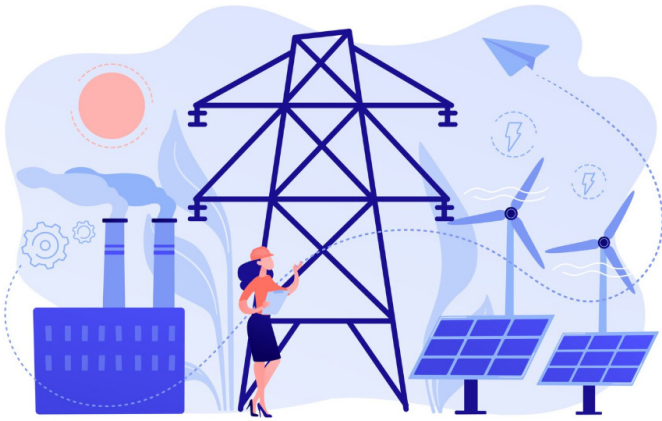
Regulations are important beyond mini-grid operations. They reflect Nigeria's broader policy shift toward a more flexible electricity market—one that relies on private investment, state-level participation, and off-grid solutions to close persistent energy access gaps.

For policymakers, investors, and operators, the framework raises a central question: how can Nigeria expand electricity access while maintaining regulatory coordination, consumer protection, and investor confidence?

Key Policy and Regulatory Highlights

- **A clearer framework for decentralized electricity:**

The Regulations establish rules for both isolated and interconnected mini-grid systems, creating a more structured pathway for off-grid and embedded electricity solutions.



- **Threshold-based regulation:**

Systems below 100kW may be registered with NERC, while larger systems require formal permits. This reflects an attempt to balance regulatory oversight with ease of market entry.

- **Integration with existing distribution networks:**

By formally recognizing interconnected mini-grids, the Regulations acknowledge the increasing role of hybrid public-private electricity arrangements involving Distribution Companies (Discos).

- **Expanded consumer protection and reporting obligations:**

The framework introduces tariff, reporting, technical, and operational standards intended to strengthen accountability and service reliability.

- **Alignment with broader electricity reform:**

The Regulations complement the decentralization objectives of the Electricity Act 2023, particularly around market liberalization and sub-national participation in electricity development.

What This Means for Policy and Market Development

- **For policymakers and regulators:**

The framework demonstrates a continued shift toward decentralized electricity governance and greater reliance on private sector participation to address electricity access gaps.

- **For investors and developers:**

Regulatory clarity may improve project bankability and reduce uncertainty around permits, tariffs, and operational boundaries.

- **For state governments:**

The Regulations sit within a broader constitutional and legislative shift allowing states to play a more active role in electricity regulation and infrastructure development.

- **For the electricity market generally:**

The success of the framework will depend heavily on implementation coordination between NERC, state actors, Discos, and private operators. Top of Form



The Road Forward

The Mini-Grid Regulations 2026 are part of Nigeria's wider shift toward decentralized electricity governance. Their success will depend less on the rules themselves and more on how well regulators, states, Distribution Companies, investors, and operators coordinate implementation.

For policymakers and market participants, the priority is clear: regulatory consistency, credible consumer protection, and investment-ready project structures will determine whether mini-grids can move from policy ambition to reliable electricity access.

For guidance on electricity sector policy, regulatory design, and compliance under Nigeria's evolving power sector framework, contact info@scp-law.com or visit www.scp-law.com.