

Gas, Grids and Regulation: What Nigeria's Energy Reforms Mean for You

Introduction

Nigeria's energy sector is entering another significant phase of reform, driven by renewed investment in gas infrastructure and changes within the electricity transmission framework. Recent developments — including the proposed Nigeria–Europe gas pipeline, NNPC Ltd.'s Gas Master Plan 2026, and the proposed establishment of the Grid Asset Management Company Limited (GAMCO) — reflect a broader effort to reposition Nigeria as a regional gas and energy hub.

These developments create substantial opportunities across infrastructure, project finance, and industrial energy supply. At the same time, they introduce new legal, regulatory, and compliance considerations for investors, operators, lenders, and industrial consumers.

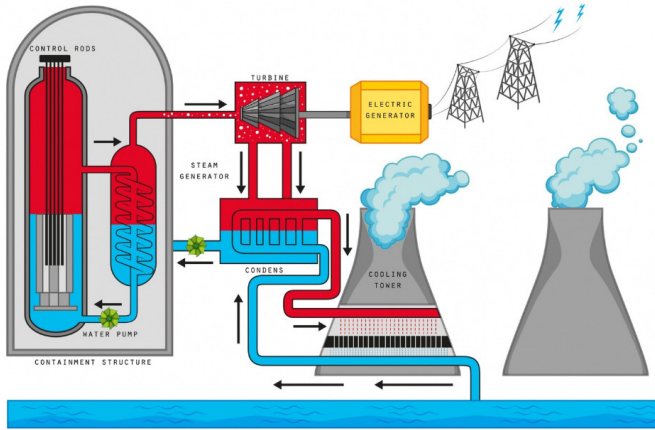
Key Highlights

- **Cross-border gas infrastructure is gaining momentum:**

The proposed \$20 billion Nigeria–Europe gas pipeline could transport up to 30 billion cubic meters of gas annually to European markets. Its scale will require cross-border regulatory coordination, host government agreements, environmental approvals, security planning, ESG compliance, and bankable long-term offtake arrangements.

- **Domestic gas expansion remains central to Nigeria's energy strategy:**

NNPC Ltd.'s Gas Master Plan 2026 targets 12 billion standard cubic feet of gas production daily by 2030, with projected investments exceeding \$60 billion. The plan prioritizes gas utilization across power



generation, compressed natural gas (CNG), liquefied petroleum gas (LPG), and industrial sectors, while projects such as the NIPCO–NNPC pipeline expansion are expected to deepen gas access across South-West industrial clusters.

- **Transmission reform is becoming a priority:**

The proposed Grid Asset Management Company Limited (GAMCO) is intended to address transmission bottlenecks and unlock stranded generation capacity. However, its structure will need to clarify asset ownership, operational control, regulatory oversight, and the role of public-private participation under the Electricity Act 2023.

- **Private transmission operators face immediate compliance exposure:**

Under NERC Order NERC/2026/013, operators of privately owned transmission substations serving bulk electricity consumers must obtain Independent Electricity Transmission Network Operator (IETNO) permits. Failure to comply may result in disconnection, operational disruption, and regulatory sanctions.

What This Means for Stakeholders

- **For infrastructure developers and sponsors:**

Energy projects will require stronger regulatory planning, particularly around permits, environmental approvals, project documentation, and long-term commercial structure.

- **For lenders and investors:**

Financing decisions will likely turn on regulatory certainty, ESG obligations, project bankability, sovereign risk allocation, and the enforceability of key project agreements.

- **For industrial consumers and private operators:**

Compliance obligations are expanding across gas and electricity, especially permits, grid access, operational approvals, and connection arrangements.

- **For all market participants:**

The pace of reform means businesses must monitor policy and regulatory developments that could affect project timelines, operating models, and investment decisions.

The Road Ahead

Nigeria’s gas expansion and grid restructuring agenda represents one of the most significant energy-sector reform efforts in recent years. The fundamentals are compelling: resource base, demand growth, regional and export opportunity. But the legal and institutional framework is still being built in real time — and that gap between ambition and implementation is where risk lives.

The businesses that will move best through this environment are those that engage regulators early, structure transactions carefully, and treat compliance not as a cost Centre but as a strategic function.

For guidance on energy transactions, infrastructure projects, regulatory compliance, and project finance structuring across the oil, gas, and electricity sectors, [contact info@scp-law.com](mailto:info@scp-law.com) or visit www.scp-law.com.