



## Energy Reform, New Opportunities: What Recent Regulatory Developments Mean for Projects and Investment

### Introduction

Nigeria's energy sector continues to evolve through regulatory reforms aimed at expanding private sector participation and strengthening investment across the electricity and upstream petroleum sectors. Recent developments by the Nigerian Electricity Regulatory Commission (NERC) and the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) illustrate this momentum.

While NERC has introduced the Net Billing Regulations 2026 to encourage distributed renewable energy, NUPRC has confirmed that the 2026 Oil Licensing Round will commence in the

third quarter of the year. Together, these developments present new opportunities for investors, developers, lenders, and project sponsors across Nigeria's energy value chain.

### Key Highlights

- **Net billing framework now in force:**

With effect from 3 June 2026, eligible electricity consumers ("prosumers") may generate electricity for their own use and export excess power to distribution companies under NERC's Net Billing Regulations 2026. For the first time, distributed renewable generation has a clear regulatory framework to operate within.



- **2026 Licensing Round confirmed:**

NUPRC has confirmed that the 2026 Oil Licensing Round will commence in the third quarter of 2026 following ministerial approval under the Petroleum Industry Act 2021, continuing Nigeria's efforts to attract upstream investment.

- **Greater opportunities for private sector participation:**

Together, these developments reflect an ongoing policy direction towards encouraging private investment, expanding energy infrastructure, and improving long-term energy security across both the electricity and petroleum sectors.

## Commercial and Transaction Implications

- **For renewable energy developers and commercial consumers:**

The Net Billing Regulations provide greater regulatory certainty for investment in rooftop solar and distributed generation. Connection agreements, metering arrangements, billing mechanisms, and related project documentation should be reviewed to align with the new framework.

- **For upstream investors and bidders:**

The confirmation of the 2026 Licensing Round allows investors to begin regulatory planning, technical preparation, consortium discussions, and transaction structuring ahead of the bidding process.

- **For lenders and project sponsors:**

Regulatory milestones are becoming increasingly important to project execution. Financing structures, conditions precedent, and completion timelines should adequately account for licensing requirements, regulatory approvals, and sector-specific compliance obligations.

- **For the wider energy market:**

The developments reinforce the government's continued commitment to attracting private investment across the energy sector while creating new opportunities for project development, infrastructure financing, and long-term market growth.

## The Road Forward

Nigeria's energy sector continues to present significant opportunities across electricity, renewable energy, and upstream petroleum. As the regulatory framework continues to evolve, early engagement with regulatory requirements and careful transaction planning will remain critical to successful project delivery.

For investors, developers, lenders, and project sponsors, understanding the regulatory landscape at the outset of a transaction will be essential to managing risk and positioning projects for long-term success.

For guidance on energy transactions, project development, regulatory approvals, project finance, and infrastructure investment, contact [info@scp-law.com](mailto:info@scp-law.com) or visit [www.scp-law.com](http://www.scp-law.com).