Experts Finalize New Directives to Strengthen ECOWAS Regional Electricity Market

ECOWAS regional experts from the National Regulatory Authorities and power utilities from Member States are meeting in Lome, the Togolese capital, to consider two documents that will boost the functioning of the regional electricity market. The documents are the draft Directive on the Regional Electricity Market Levy and the draft Regulation on the Surveillance of ECOWAS Regional Electricity Market.

The experts who are members of the Consultative Committees of Regulators and Operators (CCRO) of the ECOWAS Regional Electricity Regulatory Authority (ERERA) began their three-day meeting on September 4, 2023 to finalize the documents, which will be presented to the ECOWAS Ministers of Energy at their next meeting in October 2023.

The draft Directive on the Regional Electricity Market Levy applies to all participants of the ECOWAS Regional Electricity Market, and all cross-border electricity transactions within the ECOWAS Regional Electricity Market, including electricity import and export between ECOWAS Member States as well as access, cross-border interconnection and use of the Regional Transmission Network.

It will ensure the financial security and autonomy of ERERA and the Regional System Market Operator (SMO). The financial security and autonomy of ERERA and the SMO are necessary for their effective operation and their ability to carry out their functions with regard to the operation and regulation of the Regional Electricity Market.

Among others, the Directive will also establish the mechanism for the determination of the amount of levy to be paid by market participants as well as provide the procedure for the payment of levy in the market. Levies to be collected under this Directive will cover market operation fees, system operation fees and regulatory fees.

In addition to these fees, ERERA may approve such other fees proposed by the SMO considered necessary for the operation of the electricity market, including balancing fees and ancillary services fees.

For its part, the Regulation on the Surveillance of ECOWAS Regional Electricity Market seeks to establish the rules and procedures for the surveillance of the ECOWAS Regional Electricity Market and includes the...
mechanisms for monitoring Market participants’ behaviour to support an efficient, reliable, and sustainable Regional Electricity Market in compliance with the Regional Market Rules, the Operation Manual of the West African Power Pool (WAPP), the Market Procedures and other approved Regional Electricity Market documents.

Market Surveillance includes the monitoring of the level of transparency and competition in the ECOWAS electricity market, to foster transparency and competition, as well as the efficacy of the market design.

Under this regulation, ERERA will be responsible for the conduct of the market surveillance and may delegate any function or activity related to market surveillance to the Regional System Market Operator.

The National Regulatory Authorities will also conduct, on behalf of ERERA, any Regional Electricity Market surveillance function or activity within its jurisdiction.

The regulation provides for ERERA, when necessary, to propose a review of the document to ensure its effectiveness and appropriateness in achieving its purpose.

The Chairman of ERERA, Engr. Kokou Tossou, the Chairman of the Consultative Committee of Regulators, Mr. Moustapha Touré and the Chairman of the Consultative Committee of Operators, Mr. Ali Bukar Ahmed, addressed the meeting, which was organized in collaboration with the European Union.