

REGIONAL AUTHORITY
ECOWAS ELECTRICITY REGULATOR

ECOWAS REGIONAL
ELECTRICITY
REGULATORY AUTHORITY



REGULATORY AUTHORITY
REGIONAL SECTOR OF
ECOWAS ELECTRICITY

ENERGY COMMISSION BUILDING, GHANA AIRWAYS AVENUE, PMB 76 MINISTRIES POST OFFICE, ACCRA – GHANA
TEL: (+233) 0302 817 047 (+233) 0302 817 049 FAX: (+233) 0302 817 050 WEBSITE: www.erera.arrec.org EMAIL: info@erera.arrec.org

RESOLUTION N° 022/ERERA/26
Adopting the Procedure for the determination and collection of the
Regional Electricity Market Fee

The Regulatory Council,

MINDFUL of the Revised Treaty of the Economic Community of West African States (ECOWAS) of 24 July 1993;

MINDFUL of ECOWAS Energy Protocol A/P4/1/03 of 31 January 2003;

MINDFUL of Supplementary Act A/SA.2/01/08 of 18 January 2008 establishing the ECOWAS Regional Electricity Regulatory Authority (ERERA);

MINDFUL of Regulation C/REG.27/12/07 of 15 December 2007 as amended, concerning the Composition, Organisation, Powers and Operation of ERERA, in particular Article 32 thereof;

MINDFUL of Directive C/DIR.1/06/13 of 21 June 2013 on the Organisation of the Regional Electricity Market (REM);

MINDFUL of Regulation C/REG.14/12/23 of 8 December 2023 relating to the ECOWAS Regional Electricity Market Fee;

MINDFUL of Resolution No. 018/ERERA/25 of 13 September 2025 approving the Regional Electricity Market Codes of West Africa (REMC-WA);

MINDFUL of Resolution No. 020/ERERA/26 of March 19, 2026, adopting the Regional Transmission Tariff Methodology (RTTM);

MINDFUL of Resolution No. 021/ERERA/26 of March 19, 2026, approving the Regional Electricity Transmission Tariff Application Procedure (RETTAP);

84

WHEREAS Regulation C/REG.14/12/23 of 8 December 2023 establishes a fee applicable to transactions carried out within the framework of the Regional Electricity Market (REM) in order to ensure the financing of REM institutions;

CONSIDERING that the effective implementation of this fee requires the adoption of a procedure specifying the methods of calculation, invoicing, collection and distribution of said fee;

CONSIDERING that the market fee constitutes an essential mechanism to guarantee the financial viability, transparency and proper functioning of the Regional Electricity Market;

CONSIDERING the report of the twenty-fourth joint meeting of the ERECA Consultative Committees of Regulators and Operators of October 22, 2025 recommending the adoption of the Procedure for the Regional Electricity Market fee by the ERECA Regulatory Council;

CONSIDERING the conclusions of the ninety-third meeting of the Regulatory Council held from March 17 to 19, 2026, which examined and validated the draft Procedure relating to the Regional Electricity Market Fee;

RESOLVED

Article 1

The Procedure for the determination and collection of the Regional Electricity Market Fee, hereby attached, is adopted.

Article 2

The Procedure defines the operational arrangements for implementing Regulation C/REG.14/12/23 of 8 December 2023 relating to the Regional Electricity Market (REM) Fee, in particular:

- (a) the rules for calculating the fee;
- (b) billing methods;
- (c) collection and payment mechanisms;
- (d) the methods of distributing income among the institutions of the REM; and
- (e) the roles and responsibilities of market actors.



Article 3

The market fee is collected by the System Market Operator under the supervision of ERERA, in accordance with the provisions of Regulation C/REG.14/12/23 of 8 December 2023 relating to the Regional Electricity Market (REM) Fee.

Article 4

This Resolution is published in the Official Bulletin of ERERA and on its website.

Article 5

This Resolution shall enter into force from the date of its signature.

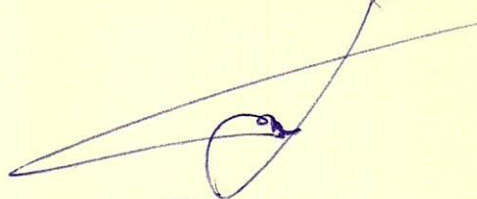
Done in Accra, Ghana, on March 19, 2026

Charles NDIAYE



Council Member

Kocou Laurent Rodrigue Tossou



Chairman

**PROCEDURE FOR THE
DETERMINATION AND COLLECTION
OF THE REGIONAL ELECTRICITY
MARKET FEE**

TABLE OF CONTENTS

ACRONYMS.....	3
CHAPTER I. GENERAL PROVISIONS.....	4
ARTICLE 1 INTRODUCTION AND OBJECTIVES	4
ARTICLE 2 LEGAL BASIS	4
ARTICLE 3 DEFINITIONS.....	5
ARTICLE 4 INTERPRETATION	6
ARTICLE 5 ASSOCIATED PROCEDURES AND DOCUMENTS.....	6
CHAPTER II. PROCESS FOR REM FEES	6
ARTICLE 6 RATIONALE AND DEFINITION OF REVENUE REQUIREMENTS	6
ARTICLE 7 OVERVIEW OF THE PROCESS FOR MARKET FEES.....	7
ARTICLE 8 RESPONSIBILITIES AND OBLIGATIONS OF ENTITIES	8
ARTICLE 9 PROCESS FOR DETERMINING MARKET FEE	10
CHAPTER III. FINAL PROVISIONS	12
ARTICLE 10 ACCOUNTABILITY AND REPORTING.....	12
ARTICLE 11 SANCTIONS.....	12
ARTICLE 12 REVIEW OF THE PROCEDURE	13
ARTICLE 13 EFFECTIVENESS	13

ACRONYMS

ECOWAS	Economic Community of West African States
ERERA	ECOWAS Regional Electricity Regulatory Authority
MWh	Megawatt hour
NRA	National Regulatory Authority
REM	Regional Electricity Market
RETTAP	Regional Electricity Transmission Tariff Application Procedure
SMO	System and Market Operator
WAPP	West African Power Pool
Y	Refers to the year Y for which the REM Fees are determined and shall be paid
Y-1	Means one year ahead of Year Y

CHAPTER I. GENERAL PROVISIONS

Article 1 Introduction and Objectives

- 1.1** The financial security and autonomy of ECOWAS Regional Electricity Regulatory Authority (ERERA) and the regional System and Market Operator (SMO) are necessary for their effective operation and their ability to carry out their functions concerning the operation and regulation of the Regional Electricity Market (REM).
- 1.2** The ECOWAS regulation on the Regional Electricity Market Fee, herinafter referred to as REM Fees regulation, establishes the methodology for the determination of fees to fund the function and operation of the REM and to ensure its effective regulation and supervision.
- 1.3** The REM Fees regulation formulates steps to be followed and rules that shall govern the determination of the Market Fees necessary to ensure the financial security and autonomy of ERERA and the SMO.
- 1.4** This procedure establishes a structured framework for the determination and collection of Market Fees by the SMO and ERERA from Market Participants in the REM. The fees collected are intended to cover the operational and regulatory costs of REM institutions, necessary for maintaining an efficient, reliable, and equitable market environment.
- 1.5** The SMO shall prepare, each year ahead (Y-1), a statement of the rates to be paid by Market Participants in the following year (Y), by applying the rules and procedures as outlined in the REM Fees Regulation. The rates and amounts shall be presented to ERERA for review and approval.

Article 2 Legal Basis

- 2.1** ERERA has been vested, under Article 18.5 of Regulation C/REG.27/12/07 of 15 December 2007, as amended, with the mandate to set regulations on accounting rules for tariff structure and cost for transmission and ancillary services and approve tariff proposals emanating from operators.
- 2.2** The ECOWAS Electricity Code, adopted by Supplementary Act A/SA.2/07/23 of 9th July 2023, provides in Article 33 that the rules, methodologies, pricing procedures, and tariffs in the Regional Electricity Market are defined by ERERA in accordance with regional regulations.
- 2.3** The ECOWAS Regulation C/REG.14/12/23 of 8th December 2023 on the Regional Electricity Market Fee provides for the components, methodology of determination of the REM Fees, and responsibilities of ERERA, the SMO, and Market Participants in allocation, payment, and collection of the REM Fee.

2.4 The REM Codes provide in MC 20 that ERERA shall adopt the Regional Electricity Market Fee procedure and set annually the REM Fees latest by 30th November each year, and the SMO shall publish the Fee rates to be applied in the ensuing year, starting on the 1st of January.

Article 3 Definitions

Fixed Fee	Refers to the component of the Market Fee, designed to cover the costs that are largely independent of the REM's transaction volume, representing the stable and predictable portion of the Revenue Requirements.
Market Fee	Means the fee collected from Market participants to fund the operation of the Regional Electricity Market and to ensure its effective regulation and supervision.
Market Participant	means an Entity of the Electricity Supply Industries of any State connected to the WAPPITS that is registered and authorized to trade in the REM.
National Regulatory Authorities (NRA)	Means the competent authority in each Member State that is responsible for the function of regulation of the electricity sector, including, where appropriate, any authority responsible for approving electricity tariffs in that Member State.
Regional Electricity Market (REM)	All cross-border electricity trading and related services made through the Cross-Border Interconnections within the WAPPITS.
REM Codes	means the whole of the documents that define the shared principles, methods, technical and commercial rules regulating the different aspects of the management of the WAPP interconnected Transmission System (WAPPITS) for the appropriate planning and operation of the Regional Electricity Market (REM) as approved by ERERA Resolution N°18/ERERA/25.
REM Fees Regulation	The ECOWAS Regulation C/REG.14/12/23 of 8th December 2023 on the Regional Electricity Market Fee.
Revenue requirement (RR)	As defined by the REM Fees Regulation, the Revenue requirement is the total amount of revenue needed to perform the operational and regulatory functions in the Regional Electricity Market for a given year Y.
Variable Fee	Refers to the component of the Market Fee intended to cover the remaining revenue requirements after the allocation of the Fixed Fee, corresponding to the portion of revenue requirements that varies with the traded volumes in the Day-Ahead Market (DAM) and the allocations of physical transmission rights in the OTC Market.

Article 4 Interpretation

4.1 The following principles of interpretation apply to this procedure unless otherwise indicated.

- (a) Terms defined in the REM Codes or in the REM Fees Regulation not otherwise defined in Article 3 have the meanings given to them in the REM Codes or in REM Fees Regulation as the case may be.
- (b) If a provision of these rules is inconsistent with a provision of the REM Fees Regulation, the REM Fees Regulation will prevail to the extent of the inconsistency.
- (c) A reference to any person includes that person's successors in respect of the assets, function or activity to which that reference relates.
- (d) If a period of time is specified in days from a given day, it is to be calculated exclusive of that day.

Article 5 Associated Procedures and Documents

5.1 The following procedures are associated with this Market Fees Procedure:

- (a) Regional Electricity Transmission Tariff Application Procedure (RETTAP).
- (b) Settlement procedure of the REM

CHAPTER II. PROCESS FOR REM FEES

Article 6 Rationale and Definition of Revenue Requirements

6.1 Market Fees play a vital role in supporting operations, infrastructure development, oversight, and regulatory obligations necessary to sustain a competitive, transparent, reliable and scalable Regional Electricity Market. The Market Fees enable the SMO and ERERA to provide a range of critical services, including market and system operations, regulatory oversight, and the administration of market participation. These services ensure fair access, stable market conditions, and the operational efficiency of the REM, facilitating the secure exchange of electricity and fair competition among Market Participants.

6.2 The Revenue Requirements (RR) represent the total funding required to support the relevant activities of the Regional Electricity Market institutions, including the operating budgets of both the SMO and ERERA. The Revenue Requirements (RR) include expenses related to:

- (a) System Operation: Enabling the continuous, reliable operation of the whole power system of the REM.

- (b) Market Operation: Facilitating the efficient and transparent trading of electricity within the REM.
- (c) System Planning: Facilitating the harmonious expansion and the reinforcement of the WAPP Interconnected Transmission System (WAPPITS) for the optimal and secure operation of the REM.
- (d) Regulatory Function: Enforcing market rules, performance and compliance monitoring, protecting market integrity, and ensuring fair competition in the REM.
- (e) Administrative and Overhead Costs: Covering essential administrative functions and fixed operational costs, as well as necessary overhead costs for maintaining the functions (a) through (d) above.

6.3 Overhead costs shall be financed through Fixed Fees, providing a stable revenue stream to cover non-variable expenses such as administrative support, data management, IT system maintenance, rent, utilities, and insurance. This structure ensures that the core functions of ERECA and the SMO remain funded regardless of fluctuations in market activity.

Article 7 Overview of the Process for Market Fees

7.1 The determination, computation and collection of the Regional Electricity Market (REM) Fees consist of the following steps:

- (a) Definition and approval of the Revenue Requirements for ERECA and the SMO.
- (b) Determination of the share of Fixed Fees and Variable Fees.
- (c) Computation of the Fixed Fees and Variable Fees.
- (d) Approval of Market Fees for year Y.
- (e) Billing and Collection of Market Fees.
- (f) Adjustment for Over- or Under-Collection.

7.2 An overview of the process is schematically presented as follows in Figure 1 below.

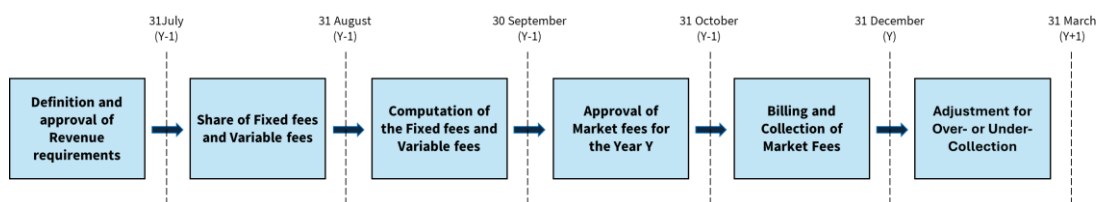


Figure 1: Process for Determining and Collecting Market Fees

Article 8 Responsibilities and Obligations of Entities

8.1 ERERA

The responsibilities and obligations of ERERA, in the determination and computation of the REM Fees, include the following:

- (a) Prepare detailed ERERA budget figures for year Y.
- (b) Itemise ERERA budget for year Y into fixed and variable elements.
- (c) Submit ERERA budget for year Y to ECOWAS Council of Ministers for approval.
- (d) Approve the SMO budget and its fixed and variable elements for the year Y.
- (e) Approve adjustments for over-collection related to ERERA and SMO Budget collection for year Y-2.
- (f) Set out the percentage of Market Fees that shall represent the Fixed Fees for Year Y.
- (g) Approve Combined annual budgets of ERERA and the SMO for the year Y adjusted with any over collections in year Y-2.
- (h) Approve Market Fees Charges to be collected for year Y.
- (i) Publish annual report on the allocation of the Market Fees and its effect on the operation and the regulation of the REM.

8.2 System and Market operator (SMO)

The responsibilities and obligations of the SMO, in the determination, computation and collection of the REM Fees include the following:

- (a) Prepare detailed SMO budget figures for year Y.
- (b) Itemise budget into fixed and variable elements.
- (c) Submit itemised SMO budget for year Y to ERERA for approval.
- (d) Forecast quantity of trades across the WAPP Interconnected Transmission System for year Y.
- (e) Estimate the number of participants planning to participate in cross-border trade for year Y.
- (f) Determine Market Fees charges for year Y for approval by ERERA.

- (g) Put in place prudential arrangements for Market Participants.
- (h) Establish separate bank account for the collection of Market Fees.
- (i) Establish separate bank account to deposit Market Fees due to EREDA.
- (j) Send bills to Market Participants throughout year Y.
- (k) Proceed to Market Fees settlement.
- (l) Collect guarantees in lieu of payments.
- (m) Determine the necessary adjustments for over-collection related to EREDA and SMO Budget collection for year Y to be submitted for EREDA approval.

8.3 National Regulatory Authority (NRA)

For the implementation of the REM Fees regulation, the obligations of the National Regulatory Authority (NRA) include the following:

- (a) Support EREDA in the implementation of the REM Fees Regulation.
- (b) Enforce any necessary national regulation to facilitate the payment of the Market Fees by Market participants of its jurisdiction.
- (c) Make provision, if necessary, in national tariffs for payment of Market Fees.

8.4 Market Participants

For the implementation of the REM Fees regulation, the responsibilities and obligations of a Market Participant include the following:

- (a) Provide in year Y-1, information to the SMO on its actual trading activities in the REM during the previous year (Y-2), as well as on its intended trading activities in the REM for the following year (Y).
- (b) Put in place payment guarantees in respect of Market Fees due to be paid.
- (c) Pay, timely, Market Fees for year Y.

8.5 Grid Operators

For the implementation of the REM Fees Regulation, the responsibilities and obligations of a Grid Operator include the following:

- (a) Provide in year Y-1, information to the SMO on actual trading activities of Market Participants of its Control area in the REM during the previous year (Y-2).
- (b) Pay, if required, applicable fees regarding system operation.
- (c) To support the SMO in the enforcement of sanctions

Article 9 Process for Determining Market Fee

9.1 Definition and approval of Revenue Requirements (RR) for ERETA and SMO.

The Revenue Requirements of ERETA and the SMO for the year Y shall be approved by ERETA each year (Y-1) by 31st of July.

To approve the Revenue Requirements for the year (Y) the following processes shall be completed:

- (1) Each year (Y-1) by the 30th of June:
 - a. ERETA shall prepare its budget for the following year (Y) and submit for ECOWAS Council of Ministers’ approval. This budget shall be itemized into fixed and variable elements.
 - b. The SMO shall prepare and submit to ERETA for approval, its budget for the following year (Y). This budget shall be itemized into fixed and variable elements.
- (2) Each year (Y-1) by the 31st of July, ERETA shall determine the budget requirements of ERETA and the SMO for the year (Y) by adding or offsetting the approved adjustment for over collection of their respective revenue requirement for the previous year (Y-2) to their respective approved budget for year (Y).

The SMO may add, to its annual budget requirements, any fees associated with System planning, system balancing, operation of REM Working Groups and any other system services as may be approved by ERETA.

9.2 Determination of Market fees for the year Y

By the 31st of July each year (Y-1), after a regulatory consultation of REM stakeholders, ERETA shall set the total Market Fees to be collected in the REM. The Market Fees shall be a portion or the total of the overall Revenue Requirements of ERETA and the SMO.

$$Market\ Fee = \alpha * RR$$

Where

$\alpha \leq 1$ is determined by ERETA

RR is the overall Revenue Requirement of ERETA and the SMO as determined in paragraph 9.1 above.

9.3 Determination of the share of Fixed Fees and Variable Fees

By the 31st of August each year (Y-1), ERERA shall consider the fixed and variable elements of the combined budgets of ERERA and the SMO and set the proportion (percentage) for the fixed element of the Market Fees and the proportion (percentage) for the variable element of the Market Fees.

9.4 Computation of the Fixed Fees and Variable Fees

By 30th September each year (Y-1), the SMO shall compute the annual Market Fees by using the following formula:

$$\text{Market Fee} = \alpha_F * \text{Market Fee} + \alpha_V * \text{Market Fee}$$

Where:

α_F is the proportion determined by ERERA for the fixed element of the Market Fees

α_V is the proportion determined by ERERA for the variable element of the Market Fees

$(\alpha_F + \alpha_V) = 1$

The Fixed Fee is distributed equally among all Market Participants. The base for the determination is the previous year (Y-2). The rate for the fixed charge is determined using the following formula:

$$\text{Rate Fixed Fee} = \frac{\alpha_F * \text{Market Fee}}{\text{Total Market Participants in } (Y - 2)}$$

The Variable Fee is computed on the total energy contracted in the OTC Market and the total energy traded in the DAM during the previous year (Y-2). The rate for the Variable charge is therefore determined using the following formula:

$$\text{Rate Variable Fee} = \frac{\alpha_V * \text{Market Fee}}{\text{Total Contracted Energy in OTC Market} + \text{Traded Energy in DAM during } (Y - 2)}$$

The SMO shall by 30th September submit the Market Fees rates to ERERA for approval.

9.5 Approval of Annual Values

By 31st October of each year ahead (Y-1), ERERA shall approve the annual rates of Market Fees for the year (Y). In the absence of current annual rates of Market Fees for the year (Y) approved by ERERA, the SMO shall use the latest approved annual rates of Market Fees.

9.6 Billing and Collection of Market Fees

By November 30th each year (Y-1), the SMO shall publish the Market Fee charges for year (Y) as approved by EREERA.

The SMO shall request payment guarantees from Market Participants where approved by EREERA

The Fixed Market Fee shall be invoiced and paid as a lump sum once before the beginning of the Market Participant trading in the year.

In the year (Y), the SMO shall bill monthly Market Participants the variable elements of the Market Fees.

Each Market Participant shall pay the Market Fees in accordance with the settlement procedure of the REM.

The SMO shall collect the Market Fee from Market Participants and deposit the regulatory fee component into a dedicated bank account opened in the name of EREERA.

9.7 Adjustment for Over-Collection

After the year (Y) of collection of Market Fees, by 31st March of the following year (Y+1), the SMO shall calculate any over-recovery of the Market Fees for the year (Y). This will serve to adjust the Revenue Requirement for the following year (Y+2).

CHAPTER III. FINAL PROVISIONS

Article 10 Accountability and Reporting

10.1 The SMO shall be responsible for:

- (a) Collecting REM fees from Market Participants;
- (b) Maintaining appropriate records of the fees collected;
- (c) Reporting quarterly to EREERA on the status of the collection of Market fees.

10.2 EREERA shall be responsible for:

- (a) The allocation of the Market Fees collected in accordance with this Procedure;
- (b) Maintaining appropriate records of the Market Fees collected;
- (c) Publishing, in its annual report, the total amount of Market Fees collected and their impact on the operation and regulation of the Regional Electricity Market.

Article 11 Sanctions

11.1 Without prejudice to Regulation C/REG.17/06/19 on Sanctions for the Regional Electricity Market dated 27 June 2019, a Market Participant who fails to disclose or found to have provided false or misleading information to avoid payment of the Market Fees

shall be liable to pay the actual amount payable together with a fine of 100% of the payable amount.

Article 12 Review of the Procedure

12.1 ERERA may, from time to time, propose a review of this Procedure to ensure its effectiveness and appropriateness in achieving its purpose.

Article 13 Effectiveness

13.1 This Procedure for the determination and collection of the Regional Electricity Market Fee, is approved by the ERERA Regulatory Council on 19th of March 2026 and is effective from the said date.

DONE IN ACCRA, GHANA, ON MARCH 19, 2026

By Order of the Regulatory Council



Kocou Laurent Rodrigue TOSSOU
Chairman