

THE NIGERIAN FEDERAL GOVERNMENT, AFDB OPEN TALKS ON COAL-TO-POWER FINANCING: A STEP IN THE RIGHT DIRECTION.

Adequate electric power supply is critical for the development of a country. It is a powerful means of economic and social development, and no country has managed to develop much beyond a subsistence economy without ensuring access to electricity for a broad section of its population.¹ It has been said that depriving people of electric power is tantamount to castration.²

Electric power can be generated through various sources of energy and Nigeria is abundantly endowed with four of these sources namely coal, oil, gas and hydropower. Despite Nigeria's richness in these resources, Nigeria is one of the poorest countries when it comes to provision of electricity supply to its people.

The National Population Commission puts the present population of Nigeria at 182million.³ The peak electricity generation of Nigeria as at June 11th 2017 is reported to be 3,860MW.⁴ This is completely inadequate for the population and size of Nigeria. In Nigeria, the power supply system is run with a shortfall where demand exceeds supply. Different government dispensations have tried in the past to resolve the endemic problem facing the power sector by introducing different policies and strategy, but none of these policies and strategy has worked. The present dispensation is no different in the fight to provide stable and adequate power supply to Nigerians and for the economic wellbeing of the nation. The Government is presently in talks with the African Development Bank for the financing of coal-to-power projects across Nigeria. The Government plans to generate 30% of the country's electricity from coal power plants.

Generating electricity from coal energy is not a new concept to Nigeria. Nigeria had generated electricity from coal before the discovery of oil in the 1950s and before the Nigerian Civil War.⁵ Coal was first discovered in Enugu State in 1909⁶

¹ Comfort Asokoro-Ogaji, *Importance of Energy to the Nigerian Economy*, available @ <https://comfortasokoroogaji.wordpress.com/2011/09/19/importance-of-energy-to-the-nigerian-economy-by-comfort-asokoro-ogaji/>, accessed on 12/06/2017.

² Musa D. Abdullahi, *The Economics of Electric Power Supply in Nigeria*, available @ <http://www.gamji.com/article900/news9075.htm>, accessed on 12/06/2017.

³ See the website of National Population Commission, Nigeria, available @ population.gov.ng, accessed on 12/06/2017.

⁴ Independent Energy Watch Initiative, *Milhouse Set to Fast Track 30Mw Coal-to-Power Plant in Enugu*, available @ <http://iwin.org.ng/index.php/news/item/6134-milhouse-set-to-fast-track-30mw-coal-to-power-plant-in-enugu>, accessed on 12/06/2017.

⁵ Ibid.

⁶ Francis Igata, *From 1909: Sad Tale of Enugu Coal Industry*, available @ <http://www.vanguardngr.com/2016/03/1909-sad-tale-enugu-coal-industry>, accessed on 12/06/2017.

and at least seven states in Nigeria are known to have coal reserves. Today, Nigeria's coal reserve is estimated to be at least 2 billion metric tons.⁷

Coal energy is said to be inexpensive and has other advantages like the fact that it is easy to burn, it is abundant, it produces high energy upon combustion and is a reliable source of energy. It however has its disadvantages. A major disadvantage is that it produces harmful emissions such as sulphur dioxide, carbon dioxide and nitrogen oxide that causes pollution to the environment including acid rain, lung cancer and cardiovascular disease. A third of China was hit by acid rain in 2006 as a result of the release of sulphur dioxide that spewed out from the country's coal burning factories.⁸ The state of New York also witnessed the death of about 200 people in 1953 due to heavy smog that hit the city as a result of the release of sulphur dioxide and carbon monoxide into the atmosphere from the coal factories.⁹

Though the effect of coal mining on the human health and the environment is too high a price to pay, its cheap and plentiful nature makes countries like the United States of America to still continue to use it for the generation of half of its electricity. The age of environmental protection has however brought about the concept of clean coal. By its name, clean coal is a technology that seeks to reduce the harsh environmental effect of coal by using multiple technologies to clean coal and contain its emissions. The previous government of President Goodluck Jonathan signed a Memorandum of Understanding with Millhouse Engineering and Construction of Chicago, U.S.A for the development, exploration and mining of the Enugu coal reserve and utilization for power generation in the country using the clean coal technology.¹⁰ The then administration emphasized clean coal technology and invited stakeholders to come invest in Nigeria and partner with the Federal Government to improve the power sector. The African Development Bank (AfDB) provided the Partial Risk Guarantee during that period.¹¹

Consequently, the step taken by the present administration to open talks on coal-to-power financing is laudable. Whilst Nigeria has a history of lack of continuity in its different administrations, the present administration resolve to continue the coal-to power project initiated by the previous administration should be commended. The Millhouse Generation Services Ltd (incorporated in Nigeria and owned by the Millhouse Engineering and Construction Inc.) announced on April

⁷ Ibid.

⁸ *Third of China 'hit by acid rain'*, available @ <http://news.bbc.co.uk/2/hi/asia-pacific/5290236.stm>, accessed on 12/06/2017.

⁹ Jim Dwyer, *Remembering a City Where the Smog Could Kill*, available @ <https://www.nytimes.com/2017/02/28/nyregion/new-york-city-smog.html?mcubz=1&r=0>, accessed on 12/06/2017.

¹⁰ Roseline Okere, *Harnessing coal for Nigeria's electricity generation*, available @ <https://guardian.ng/energy/harnessing-coal-for-nigerias-electricity-generation>, accessed on 12/06/2017.

¹¹ Ibid.

21st 2017 its intention to commence the 30MW coal-to-power plant in Enugu using clean coal technologies.¹² The company expressed its interest to support the current administration's economic recovery and transformation initiative of expanding the power sector infrastructure. It hopes to employ over 100 local residents during the course of this project.¹³

The admonition therefore to the present government is not to allow its urgent need to revive the power sector cloud its judgment and responsibility to Nigerians and the environment. History is full of the negative effects of coal mining on human and the environment. We can have clean coal energy. Countries all over the world are waking up to their responsibilities to the environment and are setting up policies and infrastructure that will enhance clean energy; Nigeria should not be different. We must strive to protect lives and the atmosphere in all our endeavors. The government must ensure it puts in place mechanism that will monitor coal mining in Nigeria so as to ensure stakeholders operating in that sector operate within boundaries that meets international standard and is fair to human lives.

May God bless the Federal Republic of Nigeria.

Thank you.

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¹² See Note 4 above.

¹³ Ibid.