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# The Challenges of Monopolistic System of Energy Transmission in Nigeria

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### ABSTRACT

This paper examined the challenges of monopolised system of energy transmission in Nigeria. Electricity is an important factor in technological, economic and social development. Based on research and experience, the paper has x-rayed the common areas which Nigeria could use to improve its energy generation. These include solar electricity integration, sustainable renewable energy plan, and investment in research and development in renewable technologies. This paper recommends the needs to focus on diversification towards provision of reliable electricity, creation of wealth, jobs and steady power supply. The conclusion is that there is need for total willingness and cohesive commitment from Nigerian government towards effective power generation.

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## 1. Introduction

Nigeria has abundant energy resources but the path towards its development, utilisation and standard are inadequate. The country's power sector has over the years witnessed complete failure in energy transmission. The challenges faced in this monopoly system of energy generation needs to be addressed. This will help in the exploration of the potential of other means energy generation.

One urgent problem facing the Nigerian power sector is how to effectively transmit and distribute power throughout the entire nation. An important key to this problem lies in the realisation that the Federal government of Nigeria has to set target toward exploiting a potential energy mix of coal, solar, biomass and other means of energy generation and transmission of other electricity is defined as a form of energy that can be carried by wire and is used for heating, lighting, provide power for industrial machine purpose. A monopoly or monopolistic is defined as business or practice that controls or have complete control over a business or industries without involving others. Monopolistic industry or business control as much of an industry or business controls as much of an industry as it can and does not allow fair competition. The Nigerian energy sector should add other means of alternative energy sources to their energy generation mix to create viable energy industries (Okundamiya *et al.*, 2014).

Adequate modern energy supply can lead to a stable economic development, promotion of trade and investments, social and economics linkage (Energy NTWG 2009). The Nigeria energy sector should find way towards making its electricity supply less venerable to disruption. This will help energy industries to be reliable, available and accessible (Eyibe, 2014).

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Some schools of thought have observed that bad leadership was the major factor inhibiting against the Nigeria electricity industry. Clearly for Nigeria energy industry to expand effectively ought to exhibit transparency, dedication and determination. There are technical and security issues in privatising the key sector of the economy. Privatisation could be allowed in Nigeria if it does not put the nation under the dictate of fraudulent, inactive foreign and private investor (Eyibe, 2014)

Based on this backdrop, the following consideration for explaining Nigeria economy and monopoly energy system are:

1. Renewable energy strategy and policy
2. Nigeria energy crises and challenges
3. Fixing a monoculture energy sector
4. Recommendation
5. Conclusion

## 2. Renewable Energy Strategy and Policy.

A country without accessible power will always be retrogressive and timid in this global age. It is imperative to say that the quantity and accessible energy are key ingredient to rapid and sustained economic growth (Bryne *et al.*, 1998). The amount of energy a country generate and utilise is a clear indicator of her economic growth and social development. Such power generation should not be through gas, fuel and oil. Clearly, if power is removed from the exclusive list and move towards renewable energy source, then sufficient power for national good can be generated (Eyibe, 2013; REN, 2016).

Currently, coal, solar, tidal, wind, geothermal, biomass are not in order of essential, harnessed in Nigeria energy plan. For Nigeria to expand with highly industrialised nations, we must avoid neglect, diversity, exploit and utilise alternative energy sources. Nigeria can reduce environmental effects of burning fossil fuel and global warming through the use of renewable energy (Okafor & Uzuegbu, 2010; IEA, 2014; REN 2016).

The deployment of renewable energy source to remote places such as rural and urban area will help reduce inadequate supply of electricity (Okundamiya & Ojieabu, 2017). The distinct advantages of renewable energy technologies include; from ease of maintenance, noise and pollution free, simplicity of the technologies and environment friendliness. A smart grid and local power project would be a quality development aimed at deployment and utilisation (Energy NTWG, 2009)

The insufficient operational capacity in Nigeria energy industry calls for urgent resuscitation. Nigeria energy crises have crippled initialisation, economic growth and employment generation. There is need to change high demand in fossil fuel to renewable energy sources. The economic growth of any nation lies in their accessibility of electricity (CEER, 2008) .Nigeria needs to map out strategy towards renewable energy implementation. This will help efficient energy generation. A diversified road map of energy supply contributes to long term sustainable energy strategy. Clearly, this will help protect power supply from market fluctuation and volatility.

## 3. Nigeria Energy Crises and Challenges

Nigeria energy sector is one of the most inefficient industries globally. The country is the world eight largest exporter of crude oil and member of organisation of petroleum exporting countries. With all these rich abundant energy resources, Nigeria gas- dominated electric grid experience frequent system failure. This is as a result to inadequate gas supply. Inefficient energy transmission in Nigeria affect standard of restructures the power and petroleum industries (Ogbuagu & Eyibe, 2014).

Nigeria government must revitalise the power transmission in Nigeria. This is because energy generation holds the key to manufacturing and industrial sector (Eyibe, 2014). We must revolutionise national electricity for the benefit of all. The problem of inefficient supply of electricity is a drawback to the growth of Nigerian nation (Okafor & Eyibe, 2015). Lack of basic amenities drive away citizens, potential investors and development.

Political unwillingness and instability are some of the problems that have hindered the energy sector. Federal, state and local level must work cohesively to fix the energy sector. The government should stipulate measures such as funds, investment policy and regulatory framework to help the energy sector. The power industry needs radical reform and re-structuring to ensure accountability and transparency this radical reform will help reduce corruption. Every reform and re-structure in Nigeria power industry must be anchored on creating competitive energy market. Clearly, investing in alternative energy source can help reduce price

control. We must build refineries, power station and avoid over dependent on fossil fuel for energy transmission.

Clearly, to increase refining capacity the government should grant permission to independent bodies to build their own refineries. To this end, the government must set up bodies to monitor functionality and price fixing. These measures will help meet global standard

#### 4. Fixing a Mono-cultured Energy Sector

To make electricity supply less susceptible to disruptions, more accessible, affordable and reliable, the Federal government of Nigeria has set targets for the country’s energy mix to exploit Nigeria’s potential for coal, solar, wind, biomass, large and small hydroelectric power generation as illustrated in Figure 1.

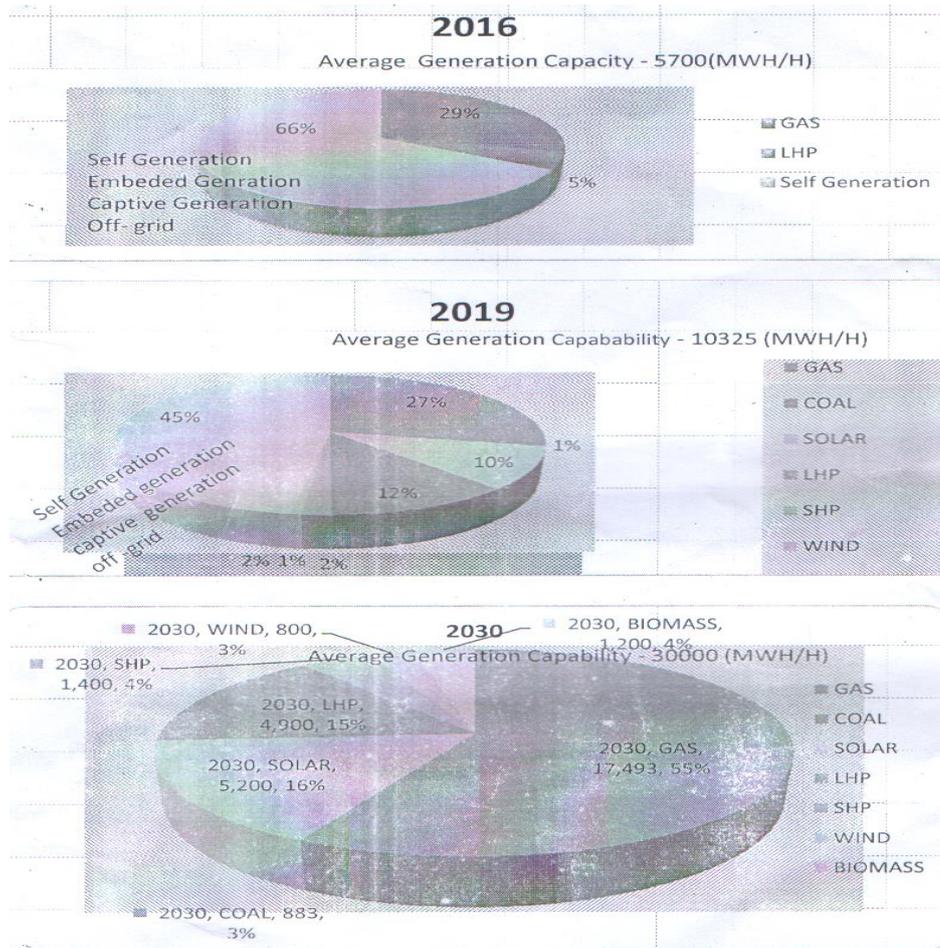


Figure 1: Nigeria Electricity mix target (ECN, 2014)

The economy of any country is directly linked to its energy sector. The extent to which Nigeria can grow economically depends on her strategic national energy plan. It is unfortunate and painful to observe that Nigeria energy sector is monopolized. Our energy generation is based only on gas – dominated electric grid. This trend should be re-assessed for efficient power generation (Eyibe, 2014). The unstable power output in Nigeria is a reflection of gross technical inefficiency in the power sector (Ajibola, 2014; Okafor & Eyibe, 2015).

Clearly, if we argument power supply from gas-dominated electric grid with renewable energy, we will generate enough electricity for the good of the national. There is need for acquisition, diffusion of technology and managerial expertise in our energy industry. The pace at which this is achieved will push forward the aggressive frontier of our development plan.

Renewable energy is the energy source generated from natural processes that are continuously being replenished. This includes sunlight, wind, geothermal, heat, wave, tide, biomass and bio-fuel. These depict energies that are non-traditional and have low environmental impact. Solar electricity has a great potential to contribute to energy supply mix of the country.

Clearly, there is need for appropriate and effective harnessing and deployment of alternative source. Increasing refinery activities in Nigeria will help cut down importation of petroleum product (Eyibe, 2014). Nigeria have been losing substantial amount of revenue buying refined product for local consumptions. We need to fix our monopolized energy sector aimed at diversification and exploitation.

## 5. Recommendations

Based on the findings of this paper, these recommendations were made:

1. Nigeria should fix the electricity sector for energy generation.
2. Nigeria should change its energy sector from being monopolistic to diversified energy plan.
3. The economy of any countries is directly linked to its energy sector.
4. We must generate power from coal, biomass, solar and other alternative energy sources
5. Privatization could be allowed in Nigeria if it does not put the under dictate of fraudulent, inactive foreign private investors.
6. Energy is an important factor of technology, economic and social development.
7. Government should provide constant and affordable electricity to improve manufacturing and industrial processes.
8. The inefficient operational capacity in Nigeria energy sector calls for urgent resuscitation

## 6. Conclusion

The solution to Nigerian energy arises requires cohesive and urgent attention. Alternative energy source must be integrated in the Nigerian energy mix. The provision of electricity is essential in developmental agenda of Nigeria. The government should advocate for provision of power supply as a social responsibility. The country need to pursue effective implementation of her present power policy to ensure steady supply of electricity. Accessible electricity will help promote skill acquisition, economic growth, and in unemployment rates. Clearly, power sector must be fixed so as to drive the economy and industries. Nigeria should find a way to diversify its energy source in order to augment energy generation.

## Conflict of Interests

The authors declare that there is no conflict of interests regarding the publication of this paper.

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