



MEETING WITH THE SENATE

Briefing Note

The Liberia Electricity Regulatory Commission (LERC) is an independent electricity industry regulator established by the 2015 Electricity Law of Liberia (ELL) to regulate the electricity prices quality of electricity supply and services provided by the operators/companies, among others. The law prescribes the legal and regulatory framework for the sector, clearly defining the roles and responsibilities of the Regulator, Policy Makers, Operators and End-Users in the sector.

LERC, as a referee, does not select companies to participate in the electricity sector but must approve any company selected through our licensing process before they can operate in Liberia. Because this responsibility is so critical and we take it seriously, we invested a huge portion of our time in the development of regulations that makes the electricity sector attractive to new investments and ensure operators improve availability and quality of their services. Yes, our big goal is to achieve a liberalized electricity sector with many private players in the sector activities (generation, transmission and distribution) to increase access, improve reliability and reduce electricity price in Liberia.

To date, LERC has achieved the following to position the sector in addressing electricity access:

1. In September 2020, LERC completed and published the Electricity Licensing Regulations and the Micro Utility Licensing Regulations. These documents provide the qualifying criteria and procedures for licensing operators within the interconnected national grid network and operators of mini-grids and off-grid systems, and standalone systems respectively.
2. In February 2021, LERC issued distribution, generation (hydro & thermal), import, transmission and transmission system operator licenses to LEC, consistent with the 2015 ELL and Regulations. The licenses will allow LEC to engage in the activity for which each license was issued and comply with the terms and conditions therein. The Commission is also reviewing applications submitted by Jungle Energy Power (JEP), which operates in Nimba County, for a Micro Utility Distribution License and Totota Electric Cooperative, in Bong County, for a Small Composite Micro Utility permit
3. In May 2021, LERC finalized the Tariff Regulations and Multi Year Tariff Methodology which will provide the framework for determination of the price of electricity and other terms of supply
4. In May 2021 LERC developed a draft Customer Service and Quality of Supply Regulations for which stakeholders' comments are being solicited. The Regulations, when approved will address customer service procedures, reliability, and quality of supply. Guidelines for Complaint and Dispute Resolutions that address customer's complaints and disputes amongst operator's/service providers has been developed. Drafts distribution code and grid code are also under review.

To conclude, LERC assures you Honourable members of the Senate that the predictable and enabling regulatory environment to which we are committed will yield the following outcomes:

1. Private investment in the electricity sector – Private capital will flow to the electricity sector to stimulate private investment in generation and distribution, increase access to safe, reliable, and affordable electricity with improved quality of service. More private investment will also create multiplier effect in the economy by creating both direct and indirect employment, boosting consumption and fostering economic growth and development.
2. Adequate, reliable, and safe supply of electricity – There will be a balance between electricity supply and demand with reliability and safety.
3. Reasonable and affordable tariffs – will ensure cost reflective but affordable electricity pricing by operators and service providers.
4. Operational efficiency and better performance standards – Will ensure efficiency in operations and performance that is consistent with set standards.
5. Satisfactory customer service - Ensure that standards, and codes governing technical parameters and commercial relations between service providers and their customers or prospective customers are adhered to.