ERERA to Hold First Meeting of Tariff and Performance Working Group

ERERA will hold the first meeting of its Tariff and Performance Working Group (TPWG) on 28th and 29th May 2019 in Accra, Ghana to begin the process of approval of the Transmission Pricing Model, a critical document for the take-off of the second phase of the ECOWAS Regional Electricity Market.

The pricing model, which is an output of the transmission tariff methodology for the West African power market approved by ERERA, deals with the assumptions, calculation and allocation of total cost of wheeling electricity from one export point to another input point, otherwise known as “from sunk to sink”.

The Transmission Pricing Model is expected to be presented to ERERA by the West African Power Pool (WAPP) in mid-September 2019 for review and subsequent approval.

Members of the Tariff and Performance Working Group will also examine the tariff methodology, pricing, calculation model and the terms of reference for the recruitment of a consultant who will assist the Working Group in reviewing the transmission pricing model for the regional market.

In addition, they will participate in the implementation of the study carried out by the consultant on the Harmonized Comparison of Electricity Tariffs of ECOWAS Member States, under the supervision of ERERA, in collaboration with the African Development Bank (AfDB).

The Harmonized Comparison of Electricity Tariffs of ECOWAS Member States seeks to compile, summarize and standardize presentation of electricity tariffs of different Member States for ease of comparison.

The study is expected to identify the tariff methodology and costs of generation, transmission and retail of each country.
Core focal points for the study will be appointed from members of the Tariff and Performance Working Group.

The Tariff and Performance Working Group was created as a technical instrument to assist ERERA’s Consultative Committees of Regulators and Operators, the two statutory advisory organs for the ECOWAS electricity regulator.

As part of its mandate, the Tariff and Performance Working Group will provide guidance, advice and assistance to ERERA in developing tariff methodologies, pricing models and procedures.

It will also assist ERERA in monitoring of market performance and other associated processes with the aim of enabling ERERA to efficiently discharge its responsibility of tariff-setting and performance monitoring in the regional electricity market.