



Office of the Minister
27 March 2020

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Ministerial Directive

Pillar B - Prior Action 3: Promotion of Competition in the Regional Market

'Adoption of The Least Cost Development Plan (LCDP) for Energy Generation in Liberia'

1. The Ministry of Mines and Energy formally adopts the document listed below as the Least Cost Development Plan (LCDP) for the Liberian Energy Sector.

'Optimization Study for the Development of Power generation in Liberia'

dated 14 Feb 2020

(Multiconsult doc code 10207524-01-RIEn-RAP-004)

2. The study was funded by the West African Power Pool (WAPP) and World Bank as part of the St Paul River 2nd Hydro and Solar project. The Ministry, LEC, WAPP and World Bank (WB) are in possession of both hard and soft copy of this document.
3. The LCDP includes:
 - Predictive assumptions about national demand.
 - Consideration of projects, options and technologies.
 - Examination of the expansion of new and planned interconnection and production capacity in the region (based on the WAPP Infrastructure Master Plan 2018 and updated information) including considerations of import and export options.
 - Examination of the economic justification of potential options.
4. The LCDP will be updated as required (every 4 years) in a fully transparent format and will be used as the reference document when considering Power Purchase Agreements (PPA) in support of His Excellency, President George Manneh Weah's Pro Poor Agenda for Development and in the best interest of the Liberian people.


Gesler E. Murray
Minister





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MINISTERIAL DIRECTIVE

Pillar B - Prior Action 4: Promotion of Competition in the Regional Market

'Adoption of the West African Power Pool (WAPP) Operational Manual for Regional Transmission and Tariff Methodology'


1. In order to facilitate regional electricity trade, The Ministry of Mines and Energy adopts this directive requiring the use by the Liberian Energy Sector of the regulations defined by the Regional Electricity Regulatory Authority (ERERA) of the Economic Community of West African States (ECOWAS), in particular:

(i) the WAPP Operating Manual as approved by ERERA on September 29, 2015 by Decision N°007 / ERERA / 15 adopting the Operating Manual for the West African Power Pool; and

(ii) the Tariff Methodology for Transmission Cost and Tariff, as approved by ERERA on August 18, 2015 by decision N°006 / ERERA / 15.

- Annex 1: Decision N°007 / ERERA / 15
- Annex 2: Decision N°006 / ERERA / 15

2. As part of this regional trade in energy, Liberia aspires to export excess wet season generation capacity (in excess of domestic demand) as well as to import cheap generation to meet its dry season generation gap.


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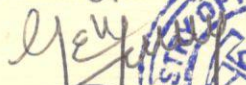
27 March 2020

MINISTERIAL DIRECTIVE

Pillar B - Prior Action 5: Promotion of Competition in the Regional Market

'Adoption and Implementation of (and Reporting on) the LEC Recovery Plan as Endorsed by the LEC Board of Directors Dec 2019'

1. In order to promote financial viability and avoid the accumulation of arrears, the Ministry of Mines and Energy (MME) decrees that, every 6 months Liberian Electricity Cooperation (LEC) on behalf of the Government of Liberia (GoL) will take stock and provide information relating to progress of the LEC Recovery Plan for the energy sector to the MME, the LEC Board of Directors and the Regional Electricity Regulatory Authority (ERERA) of the ECOWAS.
2. The LEC Recovery Plan provides for measures aimed at achieving operational and financial recovery in the sector for 2020 and supports the LEC Business Plan that covers the same objectives but over a maximum horizon of approximately 5 years. The recovery will be considered achieved when the structural imbalance between the costs of the service and the revenues of the company has been bridged. The objective is also to inform the other participants in the WAPP of the main expected decisions which may affect demand, supply or other elements relevant to interconnection and trade.
3. Reports to MME, the LEC Board of Directors and ERERA will include the following:
 - (i) Scenarios for demand and base case expectation
 - (ii) Plan for increasing revenues covering collections, losses, revenue protection planning and tariffs
 - (iii) Plan for adjusting to a lower cost energy mix and mechanisms to support such adjustment.
 - (iv) Commitments for competitive fuel procurement and measures to ensure least cost basis for project investment decisions and power import/export decisions.
 - (v) Government commitments for sufficient level of transitional subsidy to the sector.
4. This new framework of purchase contracts will be in line with the spirit of the ECOWAS Directive C / DIR / 2/12/18 on securing cross-border energy trade in the regional electricity market.
5. The LEC Recovery Plan has been approved through an LEC Board Resolution. The LEC Board of Directors has four (4) statutory members. They are the Minister of Mines and Energy (MME), the Minister of Finance and Development Planning (MFDP), the Minister of Justice (MoJ) and the LEC CEO.


Gesler E. Murray
Minister

