

MCA-L Supports LERC's Development of Electricity Tariff Regulations



(Monrovia – May 22, 2020) – The Liberia Electricity Regulatory Commission (LERC), with the support of the Millennium Challenge Account Liberia (MCA-L), has begun a Cost of Service Study (COSS) to gather information on the generation, transmission, distribution, and sale of electricity within Liberia.

The information will enable LERC to more effectively determine appropriate tariff regulations for the electricity sector.

Tetra Tech ES Inc., a global engineering consulting company, is conducting the study and will provide the final deliverables by November 30, 2020.

Among the deliverables, Tetra Tech will produce reports on the structure and performance of Liberia's power sector, a willingness to pay survey, an economic cost of electricity supply report, and a cost-reflective pricing model.

These reports will be presented and discussed at workshops of relevant stakeholders from Liberia's electricity sector.

MCA-L's Director of Energy, M. Hady Sherif, described the COSS as critical to ensuring that LERC has appropriate and adequate data to make decisions during regulatory review of tariff proposals and tariff determination for effective regulations.

"It is imperative that an electricity Cost of Service Study be undertaken to determine the actual and efficient cost of supplying electricity with a view of transitioning to cost-reflective electricity pricing," he added.

Sherif noted that Tetra Tech has already developed and submitted a contingency and risk management plan to enable the company to implement the project amid the COVID-19 pandemic.

Tetra Tech is ensuring that all tasks are being conducted in line with advisories and restrictions provided by local and international health authorities. The company has also rescheduled field data collection for the Willingness to Pay Survey and Electrical Energy Demand Study to commence upon the ease of restrictions on movement in Liberia.

A project kick-off meeting was held on March 9, 2020 via videoconferencing and included stakeholders from the Liberia Electricity Corporation, the Rural and Renewable Energy Agency, the Ministry of Mines and Energy, the Liberia Institute for Statistics and Geo-Information Services, the Ministry of Finance and Development Planning, the European Union, the World Bank, and the African Development Bank. The Tetra Tech team has also held consultations with Jungle Energy Power, a private power operator in Nimba County.

LERC was created through the Electricity Law of 2015 to register, license, and set tariffs for all electricity suppliers, including the Liberia Electricity Corporation. In supervising the electricity sector, LERC will set, monitor, and enforce safety and technical standards and codes related to electricity supply and use through transparent regulations.

About MCA-L: *In October 2015, the Government of the United States of America, through its development agency, Millennium Challenge Corporation, provided a grant of US\$257 million to Liberia. MCA-L is an independent, legal, and autonomous agency of the Government of Liberia created by the legislature to administer the compact projects, which address the lack of access to reliable and affordable electricity and inadequate road infrastructure. Learn more about MCA-L at www.mca.gov.lr.*