

## Report of the Third NAEI/IAEE International Conference

### Introduction

The 3rd NAEI/IAEE International Conference with the theme “Energy, Environment and Economic Growth” took place on 19th and 20th April 2010 at the New Chelsea Hotel, Abuja, Nigeria. The two day conference was attended by 153 delegates from academics, energy industry, government, the press among others. Also in attendance were over 50 students – undergraduates and postgraduates – from universities across the country. Nigerian postgraduate students studying in Universities abroad – Japan, West Germany and Britain also attended and presented papers at the Conference.

However, attendance at the Conference was affected by the volcanic ash eruption in Iceland that led to the shut down of airports across Europe. This led to cancellation from Professor Einar Hope, the 2010 IAEE President who was billed to attend and present paper at the Conference. The IAEE Executive Director, Mr. Dave Williams also had to cancel his earlier plan to attend the Conference. Few other participants that had previously indicated their participations could not attend due to the flight disruptions.

### First Day – Monday 19<sup>th</sup> April 2010

The First day started with an Opening Ceremony presided over by the Special Adviser to the President on Petroleum Matters, Dr. Emmanuel Egbogah, a renowned Petroleum Engineer. In his welcome address, the NAEI President, Professor Akin Iwayemi took the audience through the four years of the Association and the remarkable progress that has been recorded. He underscored the importance of the theme of the Conference and made apologies on behalf of the IAEE President and the IAEE Executive Director who could not attend the Conference due to the volcanic cloud in parts of Europe. Goodwill Message was delivered on behalf of the Governor of the Central Bank of Nigeria, Mallam Lamido Sanusi who was ably represented by a Deputy Director at the CBN, Dr. Uwatt B. Uwatt. The Keynote Address was delivered by Professor A.S. Sambo, the Director-General of the Energy Commission of Nigeria. The keynote address titled, “Energy and Environmental Interactions for Sustainable Economic Growth in Nigeria” made a case for the country to enact a policy to reduce Green House Gas Emissions by 60-90% below 1990 levels by 2050. The Conference Program Chairman, Professor Adeola Adenikinju gave the vote of thanks. He appealed for financial support for the students’ arm of the association who have consistently showed a lot of enthusiasms in the annual conferences of the Association. He also acknowledged the financial support of the Sponsors for the Conference: CBN, Shell, ECN, Budget Office of the Federation and the IAEE. The 3rd Annual Conference was declared open by the Conference Chairman. Other important dignitaries at the Opening Ceremony included Professor A.O. Adegbulugbe, Former Special Adviser to the former President Obasanjo on Energy Matters; Engr. Chima Ibenechie, Managing Director of Nigerian Liquefied Natural Gas (NLNG) Company and a representative of the Country Director of USAID

There were four plenary sessions on the First Day. The First Plenary Session on Petroleum and Energy Sector Outlook was chaired by the Managing Director of the Nigerian Liquefied Natural Gas (NLNG) Company, Engr. Chima Ibenechie. Two papers were presented at the Session. The First paper on the topic: “Is the World Really Running out of Oil – Lessons from the Last Four Decades, 1970-2008” was writ-



A few of the Conference Delegates



NAEE Award Recipients. From left, Mr. Mutiu Sunmonu, Country Chair, Shell; Dr. Emmanuel Egbogah, Presidential Adviser on Petroleum Matters; Professor A.O. Adegbulugbe, Former Presidential Adviser on Energy Matters and Engr. Johnson Ojusu, representing Professor A.S. Sambo, Director General, Energy Commission of Nigeria.

ten by Professor Wumi Iledare, Director, Energy Information Division, LSU Center for Energy Studies, and presented on his behalf by Professor Adeola Adenikinju of Department of Economics, University of Ibadan. The highly informative paper reviewed the arguments of the two schools of thought on the debate. His review of the various indicators of global oil reserves and production showed that while the world may be running out of cheap oil, oil will remain an important source of global energy for many decades to come. The paper identified key factors that will impact on global oil resources and supply.

The second paper on Power Sector Outlook – Looking Ahead was delivered by Engr. Clement Oke, Group General Manager (Power), Nigerian National Petroleum Corporation (NNPC). The paper provided a detailed overview of the structure, conduct and performance of the electricity sector in Nigeria. It identified the key issues and challenges facing the sector and recommended that commercial environment for profitability should be entrenched in the sector.

The Second Plenary Session on Domestic Gas Industry – Options for Growth was chaired by Professor Abiola Kehinde, Head of Chemical Engineering Department, University of Lagos. The only paper in this session was by Professor Adeola Adenikinju who presented a paper on “Developing Nigeria’s Domestic Gas Industry: Role of Appropriate Pricing”. The author argued that the current low price of domestic gas relative to LNG will not create incentives for gas producers to invest in long term supply of gas to the domestic market. He therefore called for efficient pricing of gas and the use of fiscal instruments to support strategic sectors in the short term.

The Third Plenary Session on Electric Power Industry Regulations was chaired by Professor Layi Fagbenle of the Department of Mechanical Engineering, Obafemi Awolowo University, Ile –Ife. There were two presentations during the session. The First was the paper prepared by the IAEE President, Professor Einar Hope on Market and Regulatory Design for Electric Power Systems: Principles, Experiences and Challenges. The Paper was presented on his behalf by Professor Akin Iwayemi. The second paper, titled, “Resolving the Power Pricing Issues in Nigeria: The Multi Year Tariff Order (MYTO) was presented on behalf of Dr. Haliru Dikko of the Nigerian Electricity Regulatory Commission (NERC), by an official of the Commission. The paper provided a detailed discussion of the methodology used in deriving the MYTO and the outstanding issues that still confront appropriate pricing of electricity in Nigeria.

The Final plenary session was a Roundtable discussion on Climate Change and Energy Development Options for Nigeria. The session was chaired by Professor Adeola Adenikinju and featured discussion on the link between climate change and Nigeria’s growth process. Three speakers that featured at the Roundtable were Professor Akin Iwayemi, Professor Layi Fagbenle and Mr. Ewah Eleri, Director, ICEED. The presenters offer several recommendations on how Nigeria can take advantage of the ongoing global initiatives on climate change to fashion out a sustainable development strategy.

Each of the plenary session was followed by lively questions and contributions from the floor.

The First Day ended with a Cocktail Reception hosted by The Central Bank of Nigeria. The Cocktail provided opportunity for the delegates to interact and unwind after a very exciting day.

#### **Second Day: Tuesday April 20, 2010**

The Second Day and Final Day of the Conference featured four, two concurrent sessions each. Twenty nine out of thirty-six papers slated for presentations were presented at the various concurrent sessions. The First Concurrent Session was on Energy Sector Reforms and Regulations. It was chaired by Professor Abiola Kehinde of the University of Lagos. Presenters at this session include Professor Wumi Iledare who presented a paper on “An Appraisal of the Fiscal Provisions in the Nigerian Petroleum Industry Bill”. Ms Balkisu Saidu of the Graduate School of Law, Keio University, Tokyo, Japan delivered a paper on “Committing to Legal and Regulatory Framework in the Electricity Supply Industry in Nigeria”. Glenn Olowojaiye presented a paper on “Social Expediency and Economic Reality: Can a Liberalized Electricity and Gas Sector Give Birth to Viable IPPs (Gas Fired) in Nigeria? The Final paper in the session was a joint authored paper by Ogundari, I.O., A.S. Momodu, J.B. Akarakiri and W.O. Siyanbola, of the National Centre for Technology Management, OAU, Ile Ife, on “Kerosene Subsidy and Oil De-regulation Policy in Nigeria”.

The Second Concurrent Session on Energy Security and MDGs was chaired by Engr. (Rev.) Johnson O. Ojosu, Director, Energy Commission of Nigeria. Four papers were delivered in this session. Aliyu, A.O. and A.E.A Etah of Energy Commission of Nigeria, presented a paper on “Energy Security and Its Implications on Developing Economy”. Obi, Ben and Elisha M. Auta of Department of Economics, University of Abuja, Nigeria, delivered a paper on “Energizing Developing Economies to Achieve Millennium Development Goals: Challenges and Opportunities”. The third paper was presented by by Aliyu, A.O. and J.Y. Bawa, of Energy Commission of Nigeria, on “Energy: The Clear Vision for Achieving

the MDGs in Nigeria”. Finally, Mr. Olugbenga Adesanya of Jily Continentals Limited presented a paper titled, “Global Low Carbon Power Celerity”.

**The Third Concurrent Session on Renewable Energy and Bio-Fuels** was chaired by Professor A.O. Adegbulugbe, Former Special Adviser to President Obasanjo on Energy Matters. The session featured three presentations. *Tasie, C. Oyinkansola of School of Law, University of Aberdeen, UK, presented a paper on “Fossil Energy and Renewable Energy: A Case Study of U.K. and Nigeria”*. Abaka, A.U., L. Mohammed and A. Aliyu (Energy Commission of Nigeria), delivered a paper on **“Renewable Energy for Sustainable Development”**. The final paper was by *Ogundari, I.O., A.S. Momodu, A.J. Famurewa, J.B. Akarakiri and W.O. Siyanbola, (National Centre for Technology Management, OAU, Ile Ife), on “Techno-Policy Considerations on Sustainable Cassava Biofuel Production in Nigeria”*

**The Fourth session on Climate Change Issues** was chaired by Mrs Edith Olubanjo, General Manager, CPDD, NNPC. The session featured presentations by *Omojolaibi, J. Ayoola (Department of Economics, University of Ibadan) on “Climate Change and Sustainable Development in sub-Saharan Africa: An Application of Panel Cointegration to Some Selected Countries”*. *Oniemola, K. Peter (Faculty of Law, University of Ibadan) spoke on “Climate Change and Sustainable Development: Any way Forward After Copenhagen? Eregha, P. Bright (Department of Economics and Statistics, University of Benin, Nigeria) delivered a paper on “Oil Exploration and Biodiversity Depletion in Nigeria’s Niger Delta: Issues and Implications”*. Finally, *Chuku A. Chuku (Department of Economics, University of Uyo, Nigeria) presented a paper on, “Climate Change in Development Policies: The Framings for an Integrated Approach”*.

**The fifth Session on Oil Price Shocks** was chaired by *Professor Akin Iwayemi, NAEF President, University of Ibadan, Ibadan, Nigeria. Presentation at the Session include Babatunde, M. Adetunji and M.Isa Shuaibu (Department of Economics, University of Ibadan) on “The Balassa-Samuelson Hypothesis and Oil Price Shocks in Nigeria”*. *Auwar, Umar (Department of Economics, Ahmadu Bello University, Zaria) on “Volatility in Crude Oil Prices: Analysis of Monthly Pattern and its Implications on Revenue in Nigeria”*. *Adeniyi, A. Oluwatosin (Department of Economics, University of Ibadan) delivered a paper on “Oil Price shocks and Economic Growth in Nigeria: Are Thresholds Important? Finally Adenikinju, Olayinka (Department of Economics, Bowen University, Iwo) spoke on “Determinants of Performance of Quoted Oil Companies in Nigeria”*.

**Session Six was on Energy Modelling and Statistics 1** and chaired by Dr Bennett Obi of Department of Economics, University of Abuja. There were four presentations during the session. *Oderinde, L.O. (Department of Economics and Business studies, Redeemer’s University, Nigeria) presented a paper on “The Dynamics of Output, Electricity Consumption and Exports in Nigeria: evidence from Multivariate Causality Tests”*. *Second Paper was presented by Abdurrahman, Ahmed (Energy Commission of Nigeria) on “Modelling Tools for Elaborating Sustainable Energy Development Strategies for Developing Countries”*. *Chuku A. Chuku and U. Akpan, (Department of Economics, University of Uyo) presented a paper on “Energy Efficiency, Environmental Sustainability and Economic Growth: A Computable General Equilibrium Framework for Nigeria”*. *Isola, W.A. and L.O. Oderinde (Department of Economics, University of Lagos) delivered a paper on “Interfuel Substitution and Allocative Efficiency in Electricity Production in Nigeria”*.

**The seventh Session on Energy Modelling and Statistics 2** was chaired by Mr. Julius Ola Peters, Chief Economist, NLNG. The session featured three Speakers. *Yusuf, M.B.S. and A.O. Yusuf (Energy Commission of Nigeria and Nigerian Electricity Regulatory Commission) spoke on “Modeling Effects of Policy Incentives on Market Competitiveness of Renewable Energy Based”*. *Yusuf, A.O. (Nigerian Electricity Regulatory Commission, Abuja) delivered his paper titled “Least Cost Mix of Renewable Energy for an Affordable Feed-in Tariff: A Linear Programming Approach”*. The final paper in this section was presented by *Aliyu, A.O. and Abdulkabir Aliyu (Energy Commission of Nigeria) on “Energy Statistics: The Basis for Energy Sustainable Development in Nigeria”*.

**The eight Concurrent Session on Energy Demand and Economic Growth** was chaired by Dr. Ben Obi, University of Abuja, Nigeria. There were three presentations. *Osigwe, C. Augustine (Department of Economics, University of Ibadan) delivered a paper on “Macroeconomic Responses to Oil Price Increases and Decreases in Nigeria: Cointegration and VAR approaches”*. *Omisakin, A. Olusegun (Department of Economics and Business Studies, Redeemer’s University), presented a paper on “Structural Breaks, Parameter Stability and Energy Demand Modelling in Nigeria”*. *Olaniyan, Kayode (National Graduate Institute for Policy Studies, Tokyo) presented the final paper titled “Energy Consumption and Growth Causality in West Africa”*.