



Rural and Renewable Energy Agency

Securing modern energy access for all Liberians



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August 8, 2018

Hon. Gesler E. Murray
Minister
Ministry of Mines and Energy
Republic of Liberia
Monrovia, Liberia

Dear Honorable Murray:

Appointment of Commissioners of the Liberia Electricity Regulatory Commission

On behalf of the Steering Committee of the Rural Energy Working Group (REWG), we respectfully request your support in ensuring the swift appointment of Commissioners to the Liberia Electricity Regulatory Commission (LERC).

Section 13.1 of the 2015 Electricity Law of Liberia provides clear direction with respect to the appointment of the LERC's Commissioners¹. It provides that appointment of "one chairperson and two members" shall take place no later than October 2016 (one year after the effective date of the Law). These appointments, as legislated in the Electricity Law, need to be made by the President, with Legislative approval.

Hon. Minister, as you may be aware, the three commissioners were appointed by the then-President, Ellen Johnson-Sirleaf, but were not confirmed until the transition to the current government. Since the incumbency of this Government, we have learned of no further action regarding the appointed commissioners. The Appointment and confirmation of LERC's Commissioners, as stipulated in 2015 Electricity Law of Liberia, is of paramount importance for the implementation of donors' funded projects and full establishment of the fledgling Commission. This would be a marked success for the new Government, as the matter is now urgent. It also presents a significant opportunity for the Government to impact longer-term sector development, as a fully independent and functional regulator would send a strong, positive signal regarding the Government's intention to improve supply and safety standards, address sector financial sustainability and attract critical private sector investment.

Most pressingly, appointment of the Commissioners will directly unlock postponed development partner funding and technical support. Specifically, the REWG has learned that on June 26th the EU postponed approval of Euro 42 million package of support for rural electrification in the South-East, supported by the RREA, due to the prolonged delay in LERC's Commissioners appointment. Additionally, the Millennium Challenge Account, Liberia (MCAL) support to LERC, as part of the \$257 million MCC Compact, *has been significantly scaled-down* pending progress on the appointments², as has EU technical assistance to LERC.

¹ Electricity Law of Liberia, 2015, Chapter 13, Section 13:1

² This was unavoidable as the foundational studies that will inform LERC's regulatory basis – including a Cost of Service Study and set-up of the Regulatory Information Management System (RIMS) – need to be validated and co-developed by the new LERC staff, who must be brought in by the confirmed Commissioners.

As the MCA Liberia project faces a 3-year horizon, the sooner these important pillars of support to LERC can resume, the better.

Secondly, in the absence of the appointed Commissioners, LERC is unable to appoint and on-board the necessary management and technical staff, as appointed Commissioners need to be involved in the recruitment and on-boarding of LERC's senior management team, to avoid future staff disruption.


Thirdly, no sector regulation can formally be propagated without the Commissioners in place. There is a substantive amount of robust sector regulation – from licensing to mini-grid and grid codes – that needs to be formally adopted. The Acting Commissioners have provided helpful inputs towards this end, but cannot formally approve regulation in their capacity. A proper regulatory framework is critical to reduce investors' perceived regulatory risk, improve the financial health of the sector and lower the costs of capital required for sector development, including projects under the RREA's Rural Energy Sector Masterplan (RESMP).

Given the importance of these interrelated issues, the REWG Steering Committee kindly requests status update on the appointment of substantive commissioners for the LERC. We stand ready to discuss these matters in further detail, should an in-person meeting be helpful.

The REWG is a consortium of energy sector stakeholders with the objective to ensure the successful implementation of the Rural Energy Strategy and Master Plan for Liberia (RESMP) and related programs/projects, by fostering close coordination and cooperation between concerned stakeholders – relevant GOL entities, civil society organizations, local and international NGOs, the private sector, donors, and development partners. The REWG is chaired by the RREA.

While thanking you for your continuous support to the Energy Sector, please accept, Hon. Minister, the assurance of our highest esteem as we strive to secure modern energy access for all Liberians.

Sincerely yours,


Mr. Augustus W. Goanue
Chair and Secretariat
Rural Energy Working Group (REWG)

Cc: **Hon. Nathaniel F. McGill**
Minister of State for Presidential Affairs

Hon. Samuel D. Tweah, Jr.
Minister of Finance and Development Planning

Hon. Archibald Bernard
Chairman, Board of Directors of the Liberia Electricity Corporation