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Nigerian Gas Voices

Exclusive interview series bringing you the latest on the natural gas sector of Africa's biggest economy.



“We need an active and policy-driven stakeholders’ cooperation to create the commercial construct operators need to drill gas wells and build midstream gas infrastructure.”

Olakunle Williams
CEO
Tetracore Energy Group

Nigerian Gas Voices

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Olakunle Williams (Kunle) started his career as a consultant at the Energy desk of Deloitte Nigeria, and as a leading Commercial Advisor in the Nigerian Gas Company Limited (now NNPC Gas Marketing Limited) and its affiliate, the Nigerian Gas Marketing Company Limited (now NNPC Gas Infrastructure Company Limited).

While in NGML and NGIC, he was a commercial lead on several gas processing projects including the 66 MMscf/d Sapele Gas Compression Plant, 50 MMscf/d Chevron Makaraba Gas project, Seplat Energy's 250 Mmscf/d ANOH Gas Processing Project and many more.

As a Law graduate who holds a Master of Business Administration degree from the University of Bradford School of Management (UK), Kunle possesses certifications in Project Management and is a Chartered Management Accountant. He is also a Fellow of the Institute of Management Consultant, and a member of several professional bodies including the International Bar Association (IBA), the Chartered Institute of Taxation (CITN), and the Institute of Arbitrators (UK).

As the CEO of Tetracore, he has led the company from inception into becoming a dominant portfolio natural gas distributor to major industrial zones in Nigeria with an installed gas distribution capacity exceeding 70 MMScf/d, hence energizing over 300 MW of power generation in Nigeria.

His notable awards include recognition as one of the "25 Energy Personalities to Watch" by the African Energy Chambers (2022) and the Energy Personality Leadership Prize Winner by African Institute for Leadership Excellence (2021). In 2023, he was also recognised by The Guardian Nigeria as one of the country's 50 most influential and definitive top CEOs.

Olakunle Williams

CEO

Tetracore Energy Group

**on why now is a good time to
invest in Nigeria's gas sector**

What opportunity did you see in Nigeria's gas industry when you set up Tetracore Energy Group?

My experience working on gas early on in my career showed me how a pragmatic utilization of gas can address Africa's energy deficit and support its industrialization. This offers a wide range of opportunities, especially when it comes to debottlenecking a series of constraints across the value-chain.

The first one is in the midstream space. Nigeria has some of the world's largest proven reserves of natural gas but little has been done to develop our midstream infrastructure and capabilities. We need to incentivize standalone midstream gas projects to unlock more gas, improve gas availability, and ultimately boost volumes for the domestic and export markets.

The second is gas-to-power and overall electricity generation infrastructure. The Electricity Act signed by President Tinubu is addressing some of the constraints in the power sector, but we need more infrastructure support to produce and transport gas to power plants. In this regard, we are particularly bullish about decentralization and the adoption of new business models around embedded power generation for instance.

The third one pertains to Nigeria's persisting macroeconomic pressures around foreign exchange reserves, currency devaluation, inflation, and rising energy prices. The adoption of Autogas and the growth of CNG infrastructure need to be promoted to offer credible and sustainable alternatives to gasoline and petrol, both for vehicles and industries. The establishment of the Presidential CNG Initiative that targets over 11,500 new CNG-enabled vehicles and 55,000 CNG conversion kits is a step in the right direction. Importantly, it sends a strong message to investors and stakeholders that there is political will behind gas.

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The current appetite for gas is driving demand up and putting pressure on gas distribution companies to secure their supply.”

How concerned are you about gas availability and the outlook for gas supply in Nigeria?

Current policies in Nigeria – including the removal of gasoline subsidies – are naturally providing further incentives to consume gas which in turn is driving demand. We are already witnessing this impact with growing pressure to access gas and meet increasing requirements from our own off-takers.

For supply to keep up, there must be an active and policy-driven stakeholders' cooperation to create the commercial construct operators need to drill gas wells and build midstream gas infrastructure. Gas distributors can also consider backward integration by investing in upstream assets that would give them control over their own gas supply.

We are encouraged to see that unlocking gas supply is a priority for all stakeholders, including NNPC Ltd. The industry needs partners and players willing to cooperate on near-term opportunities to address gas supply constraints and ultimately grow energy availability across the country.

GHANA

TOGO

BENIN

NIGERIA



Accra
Tema Industrial Area

30 MW
Victoria Island IPP
(Elekron Energy)

Lagos

Ijebu Itele Energy Park

Ore Industrial Park

Benin City

Rongtai Industry Park

450 MW
Sapele Power Plant
(NDPHC)

Emeyal-1 Oil Gas Park (NOGaPS)

Port Harcourt

Calabar
Odukpani Oil & Gas Park (NOGaPS)

CAMEROON

EQUATORIAL GUINEA

Equatorial Guinea small-scale LNG



Power customers

- 1 60 MMscf/d supply contract
- 2 Gas delivery facility for embedded power project from 2024
- 3 Planned delivery of 300 MT/d of LNG to a 38MW IPP and the Akoga Cement plant



Corporate Head Office



Industrial customers

- 1 Established 28 MMscf/d combined Pressure Reduction and Metering Station (PRMS)
Current supply volume of 15 MMscf/d to a growing base of 11 customers
- 2 Infini Power: 1.5 MW gas-to-power (captive) from 2024
Tetracore Energy: gas supply (0.3 Mmscf/d)
- 3 Infini Power: 1.5 MW gas-to-power (captive) from 2024
Tetracore Energy: gas supply (0.3 Mmscf/d)
- 4 Planned 5km piped natural gas (PNG) network on a BOO basis.
- 5 Planned 20 MMscf/d mini- LNG facility and 6.2 MMscf/d CNG facility
- 6 CNG facility under a BOO basis, incl. 5 MMscf/d Pressure Regulating and Metering Station, 2.5km pipeline, and 6.2 Mmscf/d gas compression facility.



To what extent does Nigeria have the local capabilities and skills to grow its gas value-chain?

Nigeria has had a very successful local content strategy, which is now recognized globally. However, the approach has remained very oil-focused and the current push towards a gas-centered economy means that we need to grow skills, capacity, and funding in the gas space.

Thankfully, we are already witnessing positive growth of local content across the gas value-chain: a lot of industrial development projects are driven by local players and institutions like the Bank of Industry and the Nigerian Content Development and Monitoring Board (NCDMB) are providing funding to the sector.

To take this one step further, the market needs technology. Our ecosystem currently lacks the kind of technology adoption we need to stay ahead of market trends and be competitive.

We also see strong opportunities for local assembling and manufacturing of gas equipment to support market growth. Tetracore locally assembled its own Pressure Regulating and Metering Station (PRMS) and we would like to see more of this happening in Nigeria.

Scaling up local assembly and manufacturing can create tremendous value to reduce foreign exchange waste, provide cheaper equipment with quickly delivery schedules, and create jobs in the process.



“ In 2024 we expect to make headways with the commissioning of two CNG mother stations, our first one in Nigeria and the second one in Ghana – which will be the country’s first. ”

What can we expect from Tetracore in 2024?

Tetracore has gone through a remarkable growth in a short time frame. Our portfolio includes some 70 mmscf/d of gas distributed to the industrial and power sectors, including the Rongtai Industrial Park in Edo State and the 450 MW Sapele Power Plant.

We will also be supplying gas to the 30 MW Victoria Island IPP that broke ground this year and is Nigeria’s first commercially financed embedded independent power project.

More importantly, 2024 will mark the commissioning of our first CNG mother station in Ogun State, which will support existing industries that are stranded and do not have access to the gas pipeline network.

We continue to mature a diverse range of projects across the value-chain, including in piped natural gas (PNG) and liquefied natural gas (LNG).

Our ambitions have been regional from the start, so we are also pursuing opportunities outside of Nigeria. We expect to commission Ghana’s first CNG mother station next year which will be supplied by Ghana Gas.

Finally, Tetracore is working on integrating clean and renewable energy projects into its portfolio. Solar energy and gas complement each other very successfully and we want to scale up renewable energy generation in Nigeria to build a diverse, competitive and reliable mix of energy solutions.



Tetracore is an integrated Nigerian energy company with a growing gas and power portfolio that supports energy access, industrialization, and local content development within Africa's biggest economy, with a growing footprint across Africa.

Via its various investments, Tetracore targets the penetration of cleaner fuels for power, industries, and households, thereby displacing expensive and polluting sources such as diesel, petrol, charcoal, and wood.

Tetracore deploys small-scale gas and power technologies that are better adapted to address the challenges of an economy like Nigeria. The company has made a conscious decision to focus on natural gas, in line with Nigeria's 'Decade of Gas' initiative, the country's Energy Transition Plan (ETP), and its commitment to reach Net Zero by 2060. Since its establishment in 2021 the company has quickly imposed itself as a strategic player and developed a natural gas distribution capacity currently exceeding 70 MMscf/d, as well as contractual supply volumes exceeding 90 MMscf/d.

The company focuses on projects that have a deep impact on industrialization and energy access in Africa. It notably has a long-term contract to supply 15 MMscf/d of gas to the Rongtai Industrial Park in Edo State and 60 MMscf/d of natural gas to NDPHC (Niger Delta Power Holding Company) to support 34% of electricity generation to the Nigerian grid.

As Tetracore grows its gas and power portfolio in Nigeria, it is also developing renewable energy projects while expanding across the rest of the region. The company is present in Ghana, where it has a CNG license to deliver gas to the Tema enclave, one of Ghana's most industrialised clusters. It is also in the process of developing a small-scale LNG plant in Equatorial Guinea in order to support the delivery of energy to industries and the power sector in the Gulf of Guinea.



Hawilti

