

AS PASSED BY THE SENATE

A

Bill

To amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997)

WHEREAS it is expedient to amend the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.

- (1) This Act may be called the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2019.
- (2) It shall come into force at once.

2. Amendment of section 3, Act XL of 1997.

In the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), hereinafter referred to as the said Act, in section 3,-

a) for subsection (1), following shall be substituted, namely:-

- (1) "As soon as may be, after the commencement of this Act, the Federal Government shall, by notification in the official Gazette, establish an Authority to be known as the a National Electric Power Regulatory Authority which shall be a body corporate, having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire and hold property, both moveable and immovable, and to sue and be sued by its name".

b) for sub-section (2), following shall be substituted, namely:-

"(2) The Authority shall consist of a Chairman and four specialized members, to be appointed by the Federal Government and shall comprise of,-

(a) The member tariff & finance shall be a person holding a degree in the field of Economics, corporate finance or chartered accountancy and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate finance or chartered accountancy and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely,-

- (i) the member representing the province of Baluchistan;
- (ii) the member representing the Province of Punjab;
- (iii) the member representing the province of Khyber Pakhtunkhwa; and
- (iv) the member representing the province of Sindh.

(b) The member Technical shall be a person holding an engineering degree in the fields of electricity, energy or power and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of electrical and power services business and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely,-

- (i) the member representing the province of Sindh;
- (ii) the member representing the Province of Khyber Pakhtunkhwa;
- (iii) the member representing the province of Punjab; and
- (iv) the member representing the province of Baluchistan.

(c) The member Law shall be a person holding a degree in the field of corporate and economics law and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate law and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely,-

- (i) the member representing the province of Punjab;
- (ii) the member representing the province of Sindh;
- (iii) the member representing the province of Baluchistan; and
- (iv) the member representing the province of Khyber Pakhtunkhwa.

(d) The member development shall be a person holding a degree in the field of Economics, chartered accountancy or an engineering in electricity, energy or power and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of public policy, renewable energy or electric power services business and shall be nominated by the Provinces or Federal Government, as the case may be, by rotation in the following order, namely,-

- (i) the member representing the province of Khyber Pakhtunkhwa;
- (ii) the member representing the province of Baluchistan;
- (iii) the member representing the province of Sindh; and
- (iv) the member representing the province of Punjab."

c) in sub-section (3), for the words "accounting" the words "chartered accountancy" shall be substituted.

d) for sub-section (4), following shall be substituted, namely:-

"(4) Every member of the Authority shall be appointed for a period of three years on such terms and conditions as may be prescribed."

e) in sub-section (5), the words **"and a member"** shall be omitted.

f) in sub-section (5), for the first proviso, following shall be substituted, namely:-

"Provided that the Chairman or a member shall not be appointed under sub-section (2) if he has attained the age of sixty years;"

g) in sub-section (5), for the second proviso, following shall be substituted, namely:-

"Provided further that the process of appointment of new Chairman or member under sub-section (2) shall be finalized ninety days prior to the retirement of incumbent Chairman or member as the case may be;"

h) in sub-section (5), after the second proviso, following shall be inserted, namely:-

"Provided further that the process of appointment shall be finalized within ninety days in case of vacancy created due to the death, resignation or removal of the Chairman or member. The Federal Government shall appoint a member to work as an acting Chairman till the appointment of new Chairman within the prescribed time period."

3. **Amendment of section 5, Act XL of 1997.** In the said Act, in section 5, for sub-section (2), following shall be substituted, namely:-

"(2) The Chairman and two other members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority,

"Provided that the members of the Authority shall, nominate a member amongst themselves to work as an acting Chairman in case

of absence of the Chairman, as the case may be, for meeting of the Authority."

STATEMENT OF OBJECTS AND REASONS:

The competency of senior management of the regulatory body is of vital importance as it establishes a vision and policy for the provision of services, strategies and plans for delivery. The amendment in this Act aims at strengthening the administration of the regulator in Power sector. Hence, the criterion prescribed in the proposed amendment for the appointment of the Members and Chairman are made explicit according to the positions they hold, rather than mere representation of the provinces. Furthermore, age prescribed for the appointments of the Members and the Chairman is proposed as per logical availability in market to engage the work force for the same.

SENATOR SYED SHIBLI FARAZ

Member-in-charge