

BILL

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No.



2017

Sierra Leone

A BILL ENTITLED

The National Electricity (Amendment) Act, 2017.

Short title.

Being an Act to amend the National Electricity Act, 2011, to make provision for the Electricity Generation and Transmission Company and Electricity Distribution and Supply Authority to enter into agreements with third parties jointly or otherwise, to provide for the establishment of collection account instruments for the Company and the Authority and to provide for other related matters.

[

] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

Admendment
of section 11
of Act No. 8
of 2011.

1. Section 11 of the National Electricity Act, 2011 is amended by the repeal and replacement of that section by the following new section—

- “Functions of Company. **11** (1) The Company shall be responsible for—
- (a) the generation and transmission of electricity; and
 - (b) the sale of electricity to the Authority and to customers eligible for such sale as the Minister may, by statutory instrument prescribe.”
- (2) Without prejudice to the generality of subsection (1) the Company may –
- (a) enter into agreements with third parties jointly or otherwise for –
 - (i) the operation of any Company equipment for generation or transmission;
 - (ii) the improvement and expansion of any Authority equipment for generation or transmission;
 - (iii) the sale of electricity by such third parties on behalf of the Company to customers eligible for such sale as the Minister may, by statutory instrument prescribe;

- (b) establish a collection account instrument for the receipt, administration and distribution of all revenue collected by the Company from customers referred to in paragraph (b) of subsection (1);
- (c) enter into all of the agreements referred to in paragraph (a) of subsection (2) as a single agreement with any third party, jointly or otherwise.
- (d) own and operate the existing generating assets of the National Power Authority, the Bo-Kenema Power System and the Bumbuna Hydro-power Plant as well as its transmission lines, above the size determined by the Minister;
- (e) develop, construct and operate new generating facilities as the Government may determine should be publicly owned or act as the Government’s partner in a public and private partnership for the development of new generation projects;
- (f) develop, construct, own and operate future national transmission grids;

- (f) carry on any business usually associated with electricity generation and transmission including the West African Power Pool;
- (g) keep itself informed of development relating to the generation of electricity;
- (h) advise the Minister on all matters relating to the construction of generating stations and the generation and transmission of electricity; and
- (g) do all things necessary, connected with or incidental to the functions set out in this section.

(3) All sale of electricity shall be subject to a power purchase agreement approved by the Commission.

Amendment of section 34 of Act No. 8 of 2011.

2. Section 34 of the National Electricity Act, 2011 is amended by the repeal and replacement of that section by the following new section—

“Functions of Authority.

34(1) The Authority shall—

- (a) be responsible for the supply, distribution and retail sale of electricity for the entire country except in areas in which the Commission has issued a distribution licence to another appropriately qualified entity;

- (b) be responsible for dispatch and system control of electricity within its territory;
- (c) establish as far as is practicable uniform standard voltages through-out its area of supply;
- (d) secure the supply of electricity at reasonable prices;
- (e) carry on any business usually associated with electricity distribution and supply;
- (f) promote and encourage the economic and efficient use of electricity, especially for domestic, commercial, agricultural, industrial and manufacturing purposes;
- (g) establish a collection account instrument for the receipt, administration and distribution of all revenue collected by the Authority from customers in relation to the supply, distribution and retail sale of electricity under this Act;
- (h) enter into agreements with third parties jointly or otherwise for
 - (i) the operation, improvement and expansion of any equipment for supply, distribution and retail sale of electricity;
 - (ii) the improvement and expansion of any Authority equipment for distribution;
 - (iii) the sale of electricity by third parties on their behalf, jointly or otherwise; or

- (i) enter into all of the agreements referred to in paragraphs (h) (i), (j), of subsection (1) of section 34 as a single agreement with any third party, jointly or otherwise.
- (j) perform any other functions incidental or consequential to its functions under this Act.”

Amendment
of section 81
of Act No. 8
of 2011.

3. Section 81 of the National Electricity Act, 2011 is amended by –

- (a) the addition, immediately after paragraph (i) of subsection (2) the following new paragraphs –
 - (j) processes and procedures for the operation and management of the collection account instruments referred to in paragraph (b) of subsection (2) of section 11 and paragraph (g) of subsection (1) of section 34 respectively;
 - (k) the criteria to become an eligible customer and the conditions under which the Company or an independent power producer shall sell electricity to customers meeting the criteria to be classed as eligible customers.

- (b) the renumbering of paragraph (j) as (l).

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is to amend the National Electricity Act, 2011 (Act No. 16 of 2011) to improve the viability of EDSA and EGTC in accordance with the Roadmap for the Reform of the Electricity Sector signed by stakeholders of the Electricity Sector on 7th September 2017 and approved by a Cabinet Conclusion of 15th November 2017.

This Bill provides for the creation of revenue collection accounts by EDSA and EGTC under conditions to be established by a statutory instrument established by the Minister of Energy. It further enables the transfer of assets to third party utilities licenced by EWRC; and the establishment of a class of eligible customers that will be able to directly purchase electricity from all companies licenced to generate electricity.

The Roadmap for the Reform of the Electricity Sector was the result of a large consultation with institutions and utilities of the electricity sector including development financing institutions and bilateral development agencies.

MADE this *27th day of November, 2017.*

HENRY O. MACAULEY,
Minister of energy.

FREETOWN,
SIERRA LEONE.
, 2017