

ELECTRIC POWER SECTOR REFORM ACT (AMENDMENT) BILL, 2021

ARRANGEMENT OF CLAUSES

Clauses:

1. Amendment of the Electric Power Sector Reform Act 2005
2. Amendment of Section 8 of the Principal Act
3. Amendment of section 10 of the Principal Act
4. Insertion of Section 2A
5. Insertion of Section 24A
6. Amendment of section 26 of the Principal Act
7. Amendment of section 27 of the Principal Act
8. Amendment of section 32 of the Principal Act
9. Amendment of section 33 of the Principal Act
10. Amendment of section 34 of the Principal Act
11. Amendment of section 37 of the Principal Act
12. Amendment of section 43 of the Principal Act
13. Amendment of section 44 of the Principal Act
14. Amendment of section 49 of the Principal Act
15. Amendment of section 50 of the Principal Act
16. Amendment of section 57 of the Principal Act
17. Amendment of section 61 of the Principal Act
18. Insertion of section 67 A
19. Amendment of section 68 of the Principal Act
20. Amendment of section 71 of the Principal Act
21. Substitution of section 74 of the Principal Act
22. Substitution of section 75 of the Principal Act
23. Substitution of section 76 of the Principal Act
24. Amendment of section 77 of the Principal Act
25. Amendment of section 78 of the principal Act
26. Amendment of section 79 of the principal Act
27. Insertion of section 79A

28. Amendment of section 80 of the Principal Act
29. Insertion of Part IX of the Principal Act
30. Insertion of Part IXA of the Principal Act
31. Amendment of section 94 of the Principal Act
32. Amendment of section 95 of the Principal Act
33. Amendment of section 97 of the Principal Act
34. Amendment of section 98 of the Principal Act
35. Citation

A BILL**FOR**

AN ACT TO AMEND THE ELECTRIC POWER SECTOR REFORM ACT, 2005; TO PROVIDE THE LEGAL AND INSTITUTIONAL FRAMEWORK FOR THE IMPLEMENTATION AND COORDINATION OF RURAL ELECTRIFICATION PROJECTS; ESTABLISHMENT OF THE NATIONAL POWER TRAINING INSTITUTE AND REGULATORY PROVISIONS TO STRENGTHEN THE SECTOR FOR EFFICIENT SERVICE DELIVERY AND FOR RELATED MATTERS, 2021

Sponsored by Hon. Magaji Da'u Aliyu

Co-Sponsors:

Hon. Francis Waive	Hon. Aishatu Jubril Dukku
Hon. Idrisu Lawai Muhammed	Hon. Akinfolarin Mayowa
Hon. Abdullahi Hassan	Hon. Dahiru Abubakar sarki
Hon. Mohammed Ibrahim Bukar	Hon. Shehu Balarabe
Hon. Bala Sani Umar	Hon. Soli Sada
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Hon. Chisom P. Dike	Hon. Nnoli Nnaji
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Hon. Jafaru Suleiman Ribadu	Hon. Jafaru Mohammed
Hon. Abubakar Faggo Kani	Hon. Ahmed Madaki Gololo
Hon. Abubakar Makki Yalleman	Hon. Ali Wudil Muhammad
Hon. Sani Zanga Daura Nasiru	Hon. Makwe Livinus Makwe
Hon. Ogbeide-Ihama Omoregie	Hon. Raji Tasir Olawale
Hon. Makinde Peter Abiola	Hon. Muraina Saubana Ajibola
Hon. Aisoweicen Patrick	Hon. Simon Chukwuemeka Atigwe
Hon. Amadi Oguerinwa Dennis	Hon. Abubakar Abdullahi Ahmad
Hon. Garba Shehu Nicholas	Hon. Blessing Onuh
Hon. Abubakar Y. Kusada	Hon. Khadija Bukar A. Ibrahim
Hon. Amadi O. Dennis	Hon. Fatoba Olusola Steve
Hon. Aminu Ashiru Mani	

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1 1. The Electric Power Sector Reform Act 2005, (in this Bill
- 2 referred to as "the Principal Act") is amended as set out in this Bill.
- 3 2. Section 8 of the Principal Act is amended by inserting, after the
- 4 word "shares", the words "or limited by Guaranty".

Amendment of
the Electric Power
Sector Reform
Act 2005

Amendment of
Section 8 of the
Principal Act

Amendment of
Section 10 of
the Principal Act

1 3. Section 10(4) of the Principal Act is amended by deleting, after the
2 words "successor company" the words "provided-that consent of the transferee
3 shall be required if the transferee is a person other than a successor company
4 incorporated by the National Council on Privatisation Wider section 8;

Insertion of
Section 2A

5 *4. Section 24 of the Principal Act is amended by inserting after the
6 existing subsection (2), a new subsection "(2A)":

7 “(2A) The Commission shall request contribution of all stakeholders
8 in the Nigerian Electricity Supply Industry to prepare the report under this
9 section.”

Insertion of
Section 24A

10 5. Insertion of a new clause "24A"

11 Section 24 of the Principal Act is amended by inserting a new clause
12 "24A", after the existing section 23:

13 "24A - for the purpose of giving effect to the provisions of this Bill
14 especially of ensuring effective supervisory powers by the parent Ministry, the
15 following agencies shall be under the jurisdiction of Federal Ministry
16 responsible for power:

- 17 (a) Transmission Company of Nigeria, TCN;
18 (b) Nigeria Electricity Management Services Agency, NEMSA;
19 (c) Rural Electrification Agency, REA;
20 (d) National Power Training Institute of Nigeria, NAPTIN;
21 (e) Nigeria Electricity Liability management Company, NELMCO;

22 and

23 (f) Hydroelectric Power Producing Areas Development Commission,
24 HYPADDEC;

25 (g) Nigerian Bulk Electricity Trading Company Ltd., NBET;

26 (h) FGN Power Company Ltd. FGNPC;

27 (i) Niger Delta Power Holding Company, NDPHC.

Amendment of
Section 26 of
the Principal
Act

28 6. Section 26 of the Principal Act is amended:

29 (a) in sub-section (1)(a), by substituting for the words "begin the
30 process of novating its existing rights and obligations to purchase electrical

1 power and ancillary services to other licensees" for the words "manage its
2 already existing contract till the end of term.";

3 (b) in subsection (1)(d)(i), by substituting the words "novated to
4 distribution companies or eligible customers and following such
5 innovations" for the words, "fully performed";

6 (c) in section 2, by substituting for the words "system operator" in
7 line 2, the word "Commission."; and

8 (d) in sub clause (6), by substituting for the words "Commission
9 before they come into force and provided that the system operator shall, in
10 accordance with the market rules, publish any proposed amendment to the
11 market rules at least 22 days before the proposed amendment comes into
12 force" for the words "President upon recommendation of the Minister before
13 they came into force and provided that the system operator shall in
14 accordance with the market rules, publish any proposed amendment to the
15 market rules at least 22 days before the proposed amendment comes into
16 force".

17 7. Section 27 of the Principal Act is amended by substituting for
18 the words "Minister may issue a directive to the Commission specifying",
19 the words "commission may specify", in line 1.

Amendment of
Section 27 of the
Principal Act

20 8. Section 32 of the Principal Act is amended:

21 (a) in subsection (1), by inserting after the existing paragraph
22 "(g)" new paragraphs (h) and (i):

Amendment of
Section 32 of the
Principal Act

23 "(h) prepare, review and update periodically indicative national
24 plans to ensure that all reasonable demands for electricity are met;

25 (i) secure a comprehensive data base for national decision making;
26 and

27 (b) in subsection (3), by inserting the words "representatives of
28 labour unions" after the word "consumers", in line 4".

29 9. Section 33(2) of the Principal Act is amended by inserting after
30 the word "market", the words "in line with the provision of this Bill".

Amendment of
Section 33 of the
Principal Act

Amendment of
Section 34 of the
Principal Act

1 10. Section 34(2) of the Principal Act is amended, by substituting
2 paragraphs "(a) and (b)" for paragraphs "(a) to (j)":
3 (a) generation;
4 (b) transmission;
5 (c) system operator;
6 (d) distribution;
7 (e) marketing of electricity;
8 (f) law;
9 (g) accountancy;
10 (h) economics;
11 (i) finance; and
12 (j) administration."

Amendment of
Section 37 of the
Principal Act

13 11. Section 37(c) of the Principal Act is amended, by inserting after
14 the word "Commissioner" the words "or fails to comply with section 36(2)".

Amendment of
Section 43 of the
Principal Act

15 12. Section 43(2) of the Principal Act is amended by substituting, the
16 words "contract, right, immovable property or interest referred to in that sub-
17 section (3) a Commission", for the words "interest property, right, etc., referred
18 to in that sub-section".

Amendment of
Section 44 of the
Principal Act

19 13. Section 44(1) of the Principal Act is amended, by inserting after
20 the word "authorised" the words "provided that the quorum under section 44(4)
21 or its, equivalent is met."

Amendment of
Section 49 of the
Principal Act

22 14. Section 49 of the Principal Act is amended by substituting for
23 subsection (1), a new subsection "(1)":

24 “(1) if any question of law arises from an order or decision of the
25 Commission, the Commission and the person directly affected by such order
26 shall reserve the question for the decision of the High Court.”

Amendment of
Section 50 of the
Principal Act

27 15. Section 50 (l)(i) of the Principal Act is amended by substituting for
28 the word "Commission", the words "Federal High Court or any independent
29 body set up under the Act."

1 16. Section 57 of the Principal Act is amended by substituting for
2 the word "twenty", the words "Fifty" in line 3.

Amendment of
Section 57 of the
Principal Act

3 17. Section 61 of the Principal Act is deleted.

Amendment of
Section 61 of the
Principal Act

4 18. Section 67 of the Principal Act is amended:

Insertion of
Section 67A

5 (a) by substituting for the existing sub-section (3), a new sub-
6 section "(3)":

7 "3A distribution licensee that has a trading licence issued under
8 sub-clause (2) of this clause or section 26 of this Act may:

9 (a) purchase power for resale from another trading licensee and
10 may, with the prior approval of the Commission, purchase power from other
11 sources except for the rights and obligations of the trading licensee
12 described in section 25(a);

13 (b) award contracts for bulk purchase of power by a distribution
14 licensee according to an open, transparent, and competitive manner,
15 pursuant to a procedure established by the Commission, unless the
16 circumstances require otherwise and the Commission approves an
17 alternative method; and

18 (c) by inserting after the existing sub-clause (3) new sub-clauses
19 "(4-6)":

20 "(4) If at any time the Commission ("NERC") is of the opinion that
21 a distribution licensee-

Suspension of
distribution of
license and sale
of utility

22 (a) has persistently failed to maintain uninterrupted supply of
23 electricity conforming to standards regarding quality of electricity to the
24 consumers;

25 (b) is unable to discharge the functions or perform the duties
26 imposed on it by or under the provisions of this Bill;

27 (c) has persistently defaulted in complying with any direction
28 given by the Commission ("NERC") under this Bill; or

29 (d) has broken the terms and conditions of license, and

1 circumstances exist which render it necessary for it in public interest so to do.
 2 The Commission ("NERC") may, for reasons to be recorded in writing,
 3 suspend, for a period not exceeding one year, the license of the distribution
 4 licensee in accordance with the terms and conditions of the license: provided
 5 that before suspending a license under this section, the Commission ("NERC")
 6 shall give a reasonable opportunity to the distribution licensee to make
 7 representations against the proposed suspension of license and shall consider
 8 the representations, if any, of the distribution licensee.
 9 Upon suspension of license under sub-section (3) the utilities of the
 10 distribution licensee shall vest in the Administrator for a period not exceeding
 11 one year or up to the date on which such utility is sold in accordance with the
 12 provisions contained in section 75, whichever is later.
 13 The Commission ("NERC") shall, within one year of appointment of the
 14 Administrator under sub-section (1) either revoke the license in accordance
 15 with the provisions contained in section 74 or revoke suspension of the license
 16 and restore the utility to the distribution license whose licence had been
 17 suspended, as the case may be.
 18 In a case where the Commission ("NERC") revokes the license under sub-
 19 section (3), the utility of the distribution license shall be sold within a period of
 20 one year from the date of revocation of the license in accordance with the
 21 provisions of section 75 and the price after deducting the administrative and
 22 other expenses on sale of utilities be remitted to the distribution licensee."

Amendment of
Section 69 of the
Principal Act

23 19. Section 68 of the Principal Act is amended by inserting after the
 24 existing subsection (3), a new subsection "(4)":

25 "(4) The provisions of the Public Procurement Act, 2007 shall not
 26 apply to the contract made pursuant to this Section."

Amendment of
Section 71 of the
Principal Act

27 20. Section 71 of the Principal Act is amended:

28 (a) by substituting for the existing subsection (4) a new subsection
 29 "(4)":

30 "(4) where the Commission refuses to grant renewal of a distribution

1 license, the licensee may apply to the Federal High Court for such renewal";

2 (b) by substituting for the existing subsection (6), a new subsection

3 "(6)";

4 "(6) unless expressly indicated in the license, the grant of a license
5 shall entitle the licensee to undertake the licensed activity, on an exclusive
6 basis, for all or a part of the period of the license, for specific purpose, for a
7 geographical area, or for some combination of the foregoing and restrict the
8 grant of a license to another person for a like purpose and, in the absence of
9 such an express indication, the licensee shall claim exclusivity; and

10 (c) in subsection (10), by substituting for the word "exceeding" the
11 word, "less than", in line one; and words "not exceeding five years at a time it
12 determines that it is in the public interest to do so", for the words "as it may
13 determine" in lines 3 and 4.

14 21. Section 74 of the Principal Act is amended, by substituting for
15 the existing section 74, a new clause "74":

Substitution of
Section 74 of the
Principal Act

16 "74(1) If the Commission ("NERC"), after making an enquiry, is
17 satisfied that public interest so requires, it may revoke a licence in any of the
18 following of cases:

Revocation of
license

19 (a) where the licensee, in the opinion of the Commission
20 ("NERC"), makes willful and prolonged default in doing anything required
21 of him by or under this Act or the rules or regulations made thereunder:

22 (b) where the licensee breaks any of the terms or conditions of his
23 license, the breach of which is expressly declared by such license to render it
24 liable to revocation;

25 (c) where the licensee fails to, within the period fixed in this behalf
26 by his license, or any longer period which the Commission ("NERC") may
27 have granted therefor:

28 (i) to show, to the satisfaction of the Commission ("NERC"), that
29 he is in a position fully and efficiently to discharge the duties and obligations
30 imposed on him by his license; or (ii) to make the deposit or furnish the

1 security, or pay the fees or other charges required by his license; and
2 (d) where in the opinion of the Commission ("NERC"), the financial
3 position of the licensee is such that he is unable fully and efficiently to
4 discharge the duties and obligations imposed on him by his license.

5 (2) where in its opinion the public interest so requires, the
6 Commission ("NERC") may, on application, or with the consent of the
7 licensee, revoke his license as to the whole or any part of his area of distribution
8 upon such terms and conditions as it thinks fit.

9 (3) No license shall be revoked under Sub-section (1) unless the
10 Commission ("NERC") has given to the licensee not less than six months'
11 notice, in writing, stating the grounds on which it is proposed to revoke the
12 license, and has considered any cause shown by the licensee within the period of
13 that notice, against the proposed revocation.

14 (4) The Commission ("NERC") may, instead of revoking a license
15 under sub-section (1), permit it to remain in force subject to such further terms
16 and conditions as it thinks fit to impose, and any further terms and conditions so
17 imposed shall be binding upon and be observed by the licensee and shall be of
18 like force and effect as if they were contained in the license.

19 (5) Where the Commission ("NERC") revokes a license under this
20 section, it shall serve a notice of revocation upon the licensee and fix a date on
21 which the revocation shall take effect.

22 (6) where the Commission ("NERC") has given notice for revocation
23 of license under sub-section (5), without prejudice to any penalty which may be
24 imposed or prosecution proceeding which may be initiated under this Act, the
25 licensee may, after prior approval of that Commission, sell his utility to any
26 person who is found eligible by that Commission for grant of license."

Substitution of
Section 75 of
the Principal Act

27 22. Section 75 of the Principal Act is amended, by substituting for the
28 existing section 75 for a new section "75":

Sale of utilities
of licensees

29 "75(1) Where the Commission ("NERC") revokes under section 74
30 the license of any licensee, the following provisions shall apply, namely:

1 (a) the Commission ("NERC") shall invite applications for
2 acquiring the utility of the licensee whose license has been revoke and
3 determine which of such applications should be accepted primarily on the
4 basis of the best price and business development model offered for the
5 utility;

6 (b) the Commission ("NERC") may, by notice in writing, require
7 the licensee to sell his utility and thereupon the licensee shall sell his utility
8 to the person (hereafter in this section referred to as the "purchaser") whose
9 application has been accepted b) the Commission ("NERC");

10 (c) all the rights, duties, obligations and liabilities of the licensee,
11 on and from the date of revocation of license or on and from the date, if
12 earlier, on which the utility of the licensee is sold to a purchaser, shall
13 absolutely cease except for any liabilities which have accrued prior to that
14 date;

15 (d) the Commission (NERC) mal make such interim arrangements
16 in regard to the operation of the utility as may be considered appropriate
17 including the appointment of Administrators; and

18 (e) the Administrator appointed under clause

19 (d) shall exercise such powers and discharge such functions as the
20 Commission ("NERC") may direct.

21 (2) Where the Commission ("NERC") issues any notice under sub-
22 section (1) requiring the licensee to sell the utility, it may, by such notice,
23 require the licensee to deliver the utility, and thereupon the licensee shall
24 deliver on a date specified in the notice, the utility to the designated
25 purchaser on payment of the purchase price thereof.

26 (3) Where a utility is sold under sub-section (1), the purchaser shall
27 pay to the licensee the purchase price of the utility in such manner as may be
28 agreed upon.

29 (4) Where the licensee has delivered the utility referred to in sub-
30 section (2) to the purchaser but its sale has not been completed by the date

1 fixed in the notice issued under that sub-section, the Commission ("ERC")
 2 may, if it deems lit, permit the intending purchaser to operate and maintain the
 3 utility system pending the completion of the sale."

Substitution of
 Section 76 of the
 Principal Act

4 23. Section 76 of the Principal Act is amended by substituting for the
 5 existing section 76 a new section '76':

Vesting of utility
 in purchase

6 "76" Where a utility is sold under section 67 or section 75, then, upon
 7 completion of the sale or on the date on which the utility is delivered to the
 8 intending purchaser, as the case may be, whichever is earlier the:

9 (a) utility shall vest in the purchaser or the intending purchaser, as the
 10 case may be, free from any debt, mortgage or similar obligation of the licensee
 11 or attaching to the utility: provided that any such debt, mortgage or similar
 12 obligation shall attach to the purchase money in substitution for the utility; and

13 (b) rights, powers, authorities, duties and obligations of the licensee
 14 under his license shall stand transferred to the purchaser and such purchaser
 15 shall be deemed to be the licensee."

Amendment of
 Section 77 of the
 Principal Act

16 24. Section 77 of the Principal Act is amended:

17 (a) in subsection (6), by substituting for the word "President" the
 18 words "Minister, on behalf of the President" and by inserting before the word
 19 "federation", the words Government of the;

20 (b) in subsection (7), by inserting after paragraph "(c)", a new
 21 paragraph "(d)":

22 "(d) health and safety of inhabitants of the area and safe resettlement":
 23 and

24 (c) in subsection (9), by substituting for the word, "President" the
 25 words "Minister, acting on behalf of the President".

Amendment of
 Section 78 of the
 Principal Act

26 25. Section 78 of the Principal Act is deleted.

Amendment of
 Section 79 of the
 Principal Act

27 26. Section 79 of the Principal Act is amended in subsection (1), by
 28 inserting after paragraph (b), a new paragraph "(c)"-

29 "(c) give licensee whose assets may be affected by such construction,
 30 access to the construction plans submitted to the Commission."

Objectives

- 1 **2. The objectives of the Agency shall be to:**
- 2 (a) create an enabling channel for the entry into markets for rural,
- 3 unserved and underserved electrification services, to facilitate corporate
- 4 bodies wishing to supply such services and facilities;
- 5 (b) ensure that rural, unserved and underserved electrification
- 6 services are provided efficiently, economically and at such performance
- 7 standards which reasonably meet social, industrial and agricultural needs of
- 8 rural communities;
- 9 (c) promote the development and ensure the implementation of
- 10 Government's general policies on rural electrification renewable energy, and
- 11 energy efficiency and execution of all such other functions and responsibilities
- 12 as are given to the Agency under this Bill or are incidental or related thereto;
- 13 (d) ensure the Nigerian rural, unserved and underserved populace
- 14 have unfettered access to electricity facilities and services in line with the
- 15 Sustainable Energy for all goal of 2030 of the United Nations;
- 16 (e) provide for the utilization of renewable energy sources for
- 17 electricity and heat generation in an efficient and sustainable manner;
- 18 (i) provide the framework to support:
- 19 (i) the development and utilization of renewable energy sources and
- 20 an enabling environment to attract investment in renewable energy sources,
- 21 (ii) the promotion for the productive use of renewable energy,
- 22 (iii) the diversification of supplies to safeguard energy sources,
- 23 (iv) improved access to electricity through the use of various
- 24 renewable energy technology sources;
- 25 (v) the building of indigenous capacity in various technologies for
- 26 renewable energy sources;
- 27 (vi) public education of renewable energy production and
- 28 consumption;
- 29 (vii) the production and supply of wood fuel and biofuel; and
- 30 (g) promote, develop and implement any special electrification

1 intervention programmes and projects, in both rural, unserved, underserved
2 communities, as may be approved by the Board or the Federal Ministry of
3 Power in furtherance of government objectives of initiatives by the Federal
4 Government of Nigeria.

5 3.-(1) For the furtherance of its objectives under clause 2 (1) of this
6 Bill, the Agency shall perform the following functions, that is to:

Functions of the
Agency

7 (a) promote universal access to affordable and sustainable ,
8 electricity thereby improving the quality of life and economic opportunities
9 for rural unserved and underserved communities;

10 (b) provide access to reliable electric power supply for rural,
11 unserved and underserved dwellers, irrespective of where they live and what
12 they do, in a way that would allow for reasonable return of investment
13 through appropriate tariffs that are economically responsive and supportive
14 of the average rural customer:

15 (c) oversee , manage and execute the funding of the Rural
16 Electrification and Renewable Energy Fund in accordance with the
17 operational guidelines approved by the Board;

18 (d) the Agency shall promote the exploitation, utilization and
19 development of renewable energy sources in accordance with regulations or
20 another subsidiary legislations issued by the Commission and collaborate
21 with relevant Federal Ministries, Departments and Agencies and State
22 Boards for Rural Electrification responsible for the development,
23 promotion, management, and utilization of renewable energy sources;

24 (e) provide learning opportunities to educate interested
25 communities, students and individuals on the opportunities for rural,
26 unserved, and underserved electrification business ventures;

27 (f) mandate the use of low-cost options in rural, unserved and
28 underserved electrification projects that apply for subsidy grants towards
29 start-up cost;

30 (g) advocate for tax incentives, investment capital allowance and

1 low interest loans for local producers of renewable energy products;

2 (h) encourage the economic growth of rural, unserved and
3 underserved communities;

4 (i) advocate for carbon tax to disincentive the sale of fossil fuels ,
5 encourage reliance on renewable energy and trigger gradual transition to clean
6 energy;

7 (j) sensitize the rural, unserved, and underserved communities in
8 Nigeria on renewable energy and related matters;

9 (k) protect public interest by ensuring that the provisions of this Act
10 are carried out diligently; and

11 (l) perform such other ancillary functions which are necessary and
12 incidental to its objectives and functions under this Bill or any other Act of the
13 National Assembly.

14 (2) In the discharge of its functions, the Agency shall consult, from
15 time to time, and to where appropriate, with such persons or groups of persons
16 who may be likely to be affected by its projects or programmes including,
17 but not limited to investors or renewable energy companies, renewable energy
18 user cooperatives, State Rural Electrification Boards interested parties and
19 other stakeholders.

20 (3) For the furtherance of its objectives and functions under sub-
21 clause (1) and (2) of this Clause, the Agency is vested with powers to:

22 (a) insure its property against any loss or all forms or risks;

23 (b) acquire, purchase, hold, construct or maintain any property
24 whatsoever whether movable or immovable required for or in connection with
25 the performance of its functions and to sell, dispose of or otherwise deal with
26 such property or any part thereof;

27 (c) produce any document which is likely to assist the Agency, the
28 Board or any of its committees in the discharge of the duties of the Agency
29 under this Bill;

30 (d) discuss any matter which the Agency deems necessary for the

1 purpose of effectively discharging the Agency's duties under this Bill;

2 (e) enter into contract or partnership with companies, firms or
3 persons that in the opinion of the Agency will facilitate the duties specified
4 in this Bill;

5 (f) establish Zonal Offices and maintain Liaison and State Offices
6 for the discharge of such functions as the Agency may determine;

7 (g) establish gender unit to track and collate gender mainstreaming
8 indicators in the implementation of rural electrification projects, support for
9 capacity and manpower development for renewable energy and generally
10 track the impact of rural electrification projects on addressing income
11 inequalities and poverty in the rural, unserved and underserved areas;

12 (h) in accordance with the provisions of this Bill, receive, manage
13 and disburse funds accruing to the Rural Electrification and Renewable
14 Energy Fund established under clause 16 of this Bill for the carrying out of
15 approved projects;

16 (i) collect collate process and disseminate online and offline, rural
17 electrification data and information within and outside Nigeria and in
18 consultation with the Minister conduct performance evaluation of the rural
19 electrification policies and strategies to ascertain targets and milestones
20 achieved; and

21 (j) do any other thing necessary and instrumental to the execution
22 of its functions under this Bill.

23 (4) The powers conferred on the Agency under this Clause may be
24 exercised by it or through any of its employees or agents as may be
25 specifically authorized by a written mandate or policy direction.

26 4.-(1) There is established for the Agency a part-time Governing
27 Board (in this Bill referred to as "the Board") which shall be constituted and
28 exercise the powers and perform the functions stipulated under clause 2 of
29 this Bill.

Establishment
and Composition
of the Governing
Board of the Agency

30 (2) The Board shall consist of seven members as follows:

1 (a) six members appointed to represent the Six geopolitical zones of
2 the Nigeria out of which one shall be designated as a part-time Chairman; and

3 (b) the Managing Director and Chief Executive Officer of the Agency.

4 (3) The Managing Director of the Board and the Executive Directors
5 of the Board appointed pursuant to sub-clause (2)(a) and (b) of this clause shall
6 possess the qualifications, experience and competence stipulated under clauses
7 11 and 15 of this Bill while the Part-time Chairman of the Board and the non-
8 Executive Directors of the Board shall be highly respected persons who have
9 distinguished themselves in public service and all members of the Board shall
10 be appointed by the President on the recommendation of the Minister of Power
11 vested with supervisory Power over the Agency.

Tenure of members
of the Board

12 5. The Chairman and other members of the Board shall each:

13 (a) hold office for a period of five years on such terms and conditions
14 as may be specified in their letters of appointment; and

15 (b) may be re-appointed for another period of five years and no more.

Cessation of
membership
of the Board

16 6.-(1) Notwithstanding the provisions of section 4 of this Bill, a
17 person shall cease to hold office as a member of the Board if:

18 (a) he becomes bankrupt, suspends payment or compounds with his
19 creditors;

20 (b) he is convicted of a felony or any offence involving dishonesty or
21 fraud;

22 (c) he become of unsound mind, or incapable of carrying out his
23 duties;

24 (d) he is guilty of a serious misconduct in relation to his duties;

25 (e) in the case of a person possessed of professional qualifications, he
26 is disqualified or suspended from practicing his profession in any part of the
27 world by an order of a competent authority made in respect of the member; or

28 (f) he resigns his appointment by a letter addressed to the President.

29 (2) If a member of the Board ceases to hold office for any reason
30 whatsoever before the expiration of the term for which he is appointed, another

1 person representing the geopolitical zone and possessing the requisite
2 qualification shall be appointed in his stead as a member of the Board to
3 serve the unexpired term of the person whose membership of the Board has
4 ceased.

5 7. The Chairman and members of the Institute shall be paid such
6 emoluments, allowances and benefits as the Federal Government may, from
7 time to time, direct through the National Salaries and Wages Commission.

Allowances of
the Chairman
and non-Executive
members of the
Board

8 8.-(1) The powers of the Board shall include:

Powers of the
Board

9 (a) formulate the general policies and guidelines relating to the
10 discharge of the functions and realization of the objectives of the Agency
11 under this Bill;

12 (b) generally, supervise the management of the affairs of the
13 Agency;

14 (c) supervise and ensure accountability of the Rural Electrification
15 and Renewable Fund (in this Bill referred to as "the Fund") established
16 under this Bill by defining appropriate procedures for management of the for
17 the Fund by the Agency;

18 (d) approve the criteria for disbursement of monies approved for
19 the Fund;

20 (e) approve disbursement of monies from the Fund to pay for the
21 Agency's programmes and projects;

22 (f) receive and examine reports from designated persons or
23 institutions in respect of financial assistance in relation to the realization of
24 the objectives of the Agency;

25 (g) decide on policies and procedures for the allocation and use of
26 funds from the Fund established under this Bill for rural electrification
27 subsidies;

28 (h) approve allocations from the Fund for payment of subsidies for
29 selected rural electrification projects including payment for grid extension
30 projects and renewable mini-grid projects, Solar Home Solutions etc;

1 (i) grant approval for the Agency to support research and
2 developments proposals that would lead to the development of patentable
3 renewable, energy technology solutions and energy efficiency components;

4 (j) give approval to the Agency for the appointment of technical
5 consultants or committee to advise the Board or the Agency from time to time
6 as the need arise;

7 (k) approve the establishment or reorganization of such units,
8 departments or divisions of the Agency where it considers expedient and
9 necessary for the smooth operations of the Agency;

10 (l) generally exercise control and supervise the internal policies,
11 finances and property of the Agency;

12 (m) approve the investment of any portion of the funds of the Agency
13 in treasury bills or other securities or other money market products and services
14 in accordance with the provisions of this Bill;

15 (n) approve the appointment of such administrative staff including the
16 terms and conditions of their appointments, and subject to relevant Acts of the
17 National Assembly, determine the remunerations of management staff of the
18 Agency; and

19 (o) perform any other function and do such things as are necessary for
20 the successful performance of the functions of the Agency.

21 (2) In the performance of its functions under sub clause (1) of this Bill,
22 the Board shall sit on part-time basis and no part-time member of the Board is
23 permitted to interfere with the day to day running of the Agency.

24 (3) In the exercising its powers under this Bill, the Board shall submit
25 annual report and audited accounts of the Agency to the Minister for onward
26 transmission to the committee's on Power in the Senate and House of
27 Representatives of the National Assembly.

28 9. The Board shall adopt its rules and regulations to guide the
29 summoning and conduct of proceedings at its meetings including-

30 (a) the venue and place for its meetings;

- 1 (b) the minimum and maximum number of times in a year to hold a
2 meeting;
- 3 (c) who to preside at such meetings in the absence of the chairman;
- 4 (d) quorum for decision making;
- 5 (e) participation at such meetings including mode of voting and the
6 exercise of casting vote; and
- 7 (f) any other issues that are relevant to the conduct of Board
8 meetings.

9 10. The Board shall on the recommendation of the Managing
10 Director and Chief Executive Officer of the Agency appoint a staff from the
11 Management Cadre of the Agency as the Secretary of the Board and once
12 appointed shall, attend meetings and discharge the functions assigned to him
13 under this Bill or as may be assigned to him by the Board but he shall not be
14 reckoned as a member of the Board.

Secretary of the
Board

15 (2) The Secretary of the Board shall be responsible to the Board
16 through the Managing Director and Chief Executive Officer of the Board
17 and shall be responsible for-

- 18 (a) convening, on the authority of the Chairman, meetings of the
19 Board;
- 20 (b) recording the minutes of all meetings of the Board and such
21 other meetings as the Board may direct;
- 22 (c) acting as Secretary to any Committee as may be appointed by
23 the Board except technical Committee;
- 24 (d) maintaining and keeping minute books and a register of the
25 members of the Board;
- 26 (e) keeping in safe custody the common seal of the Agency;
- 27 (f) keeping in safe custody all title documents relating to the
28 Agency's properties;
- 29 (g) keeping in safe custody all agreements entered into by the
30 Agency with any third party;

1 (h) arranging, through the Managing Director, payment of fees and
2 allowances of meetings and all other matters affecting members of the Board:

3 (i) communicating the decisions of the Board to the Board members;
4 and

5 (ii) carrying out such other duties and responsibilities as may be
6 assigned to him, from time to time, by the Managing Director and Chief
7 Executive Officer of the Agency.

8 (3) The Secretary to the Board shall be a lawyer, with at least, 10 years
9 cognate experience who is in the service of the Agency as Legal Adviser and
10 Head, Legal Unit of the Agency.

Managing Director
and Chief Executive
Officer of the
Agency

11 **11.-(1)** There shall be for the Agency a Managing Director who shall
12 be appointed by the President on the recommendation of the Minister and on
13 such terms and conditions as may be specified in his letter of appointment.

14 (2) The Managing Director shall be-

15 (a) the Chief Executive and accounting officer of the Agency;

16 (b) responsible to the Board for the day-to-day administration of the
17 Agency;

18 (c) appointed for a term of five years in the first instance and may,
19 subject to satisfactory performance, be reappointed for one further term of five
20 years and no more; and

21 (d) (i) be a person who possesses adequate professional qualifications
22 in the fields of Engineering; and

23 (ii) must possess cognate experience of not less than 20 years.

Other staff of
the Agency

24 **12.-(1)** The Agency shall have powers to employ such persons as it
25 may deem necessary for the discharge of the duties and powers of Agency
26 under this Bill or any regulations made pursuant to it.

27 (2) The Agency shall have the powers to determine the job
28 description, title, terms and qualifications of any such person and all such
29 persons shall be subject to the provisions for discipline of staff under this Bill.

30 (3) The employment of the Agency's staff, including its secretary;

1 shall be subject to such terms and conditions as may from time to time be
2 stipulated by the Agency's Board and contained in the respective staff's
3 employment contract.

4 13.-(1) It is hereby declared that service in the employment of the
5 Agency shall be an approved service under the Pensions Reform Act, and
6 accordingly, employees of the Agency shall, in respect of their services shall
7 be entitled to pensions, gratuities, and other retirement benefits as are
8 prescribed thereunder.

9 (2) Notwithstanding the provisions of sub clause (1), nothing in
10 this Bill shall prevent the appointment of a person to any office on terms
11 which preclude the grant of pension and gratuity in respect of that office.

12 (3) For the purposes of the application of the Pensions Reform Act,
13 any power exercisable thereunder by the Minister or authority other than the
14 Federal Government (not being the power to make regulations under Bill) is
15 hereby vested in and shall be exercisable by the Agency and not by any other
16 person or authority.

17 (4) Subject to subsection (2) of this section, the Pensions Reform
18 Act shall in its application by virtue of sub clause (3) of this clause to any
19 office, have effect as if the office were in the public service of the Federation
20 within the meaning of the Constitution of the Federal Republic of Nigeria
21 1999.

22 14.-(1) The Agency shall have its headquarters located in the
23 Federal Capital Territory and may set up Zonal Operational offices in the six
24 geopolitical zones or State offices as the Board may approve.

25 (2) There shall be at the Headquarters of the Agency, three
26 divisions to be headed by three Executive Directors under the direct
27 supervision of the Managing Director as follows-

28 (a) Rural Electrification and Renewable Energy Fund Division ,
29 headed by the Executive Director REREF, with REREF Management
30 Directorate under his direct supervision;

Pensions etc.

Structures of the
Agency

1 (b) Engineering and Technical Services Division, headed by the
2 Executive Director, Engineering and Technical Services, with Projects
3 Support Directorates under his direct supervision; and

4 (c) Corporate Services Division, headed by the Executive Director,
5 Corporate Services, with two Directorates under his direct supervision
6 namely-

7 (i) Planning Research and Promotion, and Directorate; and

8 (ii) Finance and Administration Directorate.

9 (3) The Agency shall have such other divisions, departments or units
10 as may be approved by the Board.

Functions of
Executive Directors
and Directorates
of the Agency

11 15.-(1) The Executive Directors of the Agency appointed pursuant to
12 the provisions of this Bill shall possess academic and professional
13 qualifications in the fields of Engineering, Law, Accounting, Corporate
14 Communication, Project Management, Public Administration in addition to
15 cognate experience and competence relevant to the respective divisions they
16 head as described under clause 9 (2) of this Bill and shall be appointed on such
17 terms and conditions as may be specified in their appointment letters.

18 (2) The Executive Director, Rural Electrification and Renewable
19 Energy Fund Division shall perform the following functions in relation to his
20 division and the directorate under his supervision-

21 (a) oversee the Rural Electrification and Renewable Energy Funds
22 Management Directorate;

23 (b) head the Rural Electrification Fund Division;

24 (c) implement the policies of the Agency as they apply to the Rural
25 Electrification Funds;

26 (d) supervise the work of the Rural Electrification Directorate under
27 him and render reports to the Managing Director or the Board, from time to;

28 (e) coordinate draft expenditure estimates and development plans of
29 the Directorate to ensure compliance with the objective of the Agency; and

30 (f) perform such other functions as may be assigned to him by the

1 managing Director of the Agency or the Board from time to time towards the
2 realization of the objectives of the Agency.

3 (3) The Executive Director, Engineering and Technical Services
4 Division shall perform the following services in relation to his division and
5 the directorate under his supervision-

6 (a) head the Engineering and Technical Services Division;

7 (b) oversee the Projects Support Directorate;

8 (c) implement the policies of the Agencies as it relates to rural
9 electrification, renewable energy and energy efficiency;

10 (d) supervise the work of the Project Support Directorate under
11 him and render reports to the managing Director or the Board, from time to
12 time;

13 (e) ensure that the expenditure estimates of the Project Support
14 Directorate is in accordance with the objectives of the Agency under this
15 Bill; and

16 (f) perform such other functions as may be assigned to him by the
17 Managing Director of the Agency or the Board from time to time towards the
18 realization of the objectives of the Agency.

19 (4) The Executive Director, Corporate Services Division shall
20 perform the following functions in relation to his Division and the
21 directorates under his direct supervision-

22 (a) head the Corporate Services Division;

23 (b) oversee the Planning, Research and Promotion Directorate to
24 promote rural electrification and create awareness more generally; and

25 (c) oversee the Finance and Administration Directorate to manage
26 the Agency's internal finance and administration.

27 (5) The REF Management Directorate shall be responsible for-

28 (a) establishing and administering the Rural Electrification and
29 Renewable Energy Fund to provide capital subsidies to qualified rural
30 electrification schemes developed by public or private sector entities;

1 (b) comply with the policy guidelines and procedures for
2 administering the Fund giving regard to the criteria for subsidy award.
3 transparency, and accountability;

4 (c) coordination of rural electrification projects at local, state, zonal
5 and federal levels; and

6 (d) perform any other function that may be approved by the Board as
7 being relevant to the realization of any of the objectives of the Agency.

8 (6) The Projects Support Directorate shall be responsible for-

9 (a) providing technical support to rural electrification schemes in
10 accordance with policy guidelines designed to protect consumers and service
11 providers on the basis of bilateral agreements signed between the Agency and
12 project developers;

13 (b) monitor project development and supervise project
14 implementation to ensure compliance with standards and specifications used
15 for projects supported by the rural Electrification Fund and Renewable Energy
16 Fund; and

17 (c) through diligent supervision and monitoring, ensure that projects
18 supported by the Rural Electrification Fund meets minimum safety standards,
19 quality of materials requirements, appropriate design and proper use of the
20 network equipment, reasonable cost effectiveness and other requirements.

21 (7) The Planning, Research and Promotion Directorate shall be
22 responsible for-

23 (a) promoting rural electrification through Nigeria;

24 (b) serve as an information clearing house and promote public
25 awareness; and

26 (c) work with the Ministry of Power to collect information on rural
27 electrification, including existing projects, planned projects, renewable energy
28 sources, rural load, equipment and material suppliers, and technological
29 innovations for cost-effective power supply.

30 (8) Finance and Administration Directorate shall be responsible for-

1 (a) internal financial and administrative management of the
2 Agency; and

3 (b) liaise with the Agency's zonal offices for effective monitoring
4 of project matters.

5 16.-(1) There is established the Rural Electrification and
6 Renewable Energy Fund (in this Bill referred to as "the Fund") into which
7 monies from the following sources shall be paid and credited-

Establishment
of the Rural
Electrification
and Renewable
Energy Fund

8 (a) any operating surplus of the Commission determined after
9 annual audited account of the Commission and paid directly into the Fund
10 within 30 days following the audit of the Commission's account;

11 (b) any fines imposed and collected by the Commission in the
12 enforcement of the provisions of this Bill or regulations made by the
13 Commission which shall be paid directly to the Fund within 30 days of
14 collection;

15 (c) any donations, grants, gifts, assistance or loans made by local or
16 international, bilateral or multilateral agencies or non -governmental
17 organizations, the private sector, Federal or State Governments, local
18 communities, businesses, or any other entity;

19 (d) any special intervention fund as may be provided by the
20 Federal, State or Local Government of the Federation;

21 (e) endowments, bequests, gifts, whether of money, movable or
22 immovable property from private foundations, trusts or other sources not
23 contrary to the objectives of the Agency and national security;

24 (f) funds appropriated by the National Assembly for the realization
25 of the objectives of the Agency and performance of its functions under this
26 Bill;

27 (g) 2% charged on assessable profit of all Renewable Energy
28 Service Companies in Nigeria executing renewable energy projects or
29 offering services related to renewable energy;

30 (h) 5% charged on every KWh of energy sold within the Nigerian

1 Electricity Supply Industry and the National Grid by Licensees and Eligible
2 Customers;

3 (i) Carbon tax at the rate of 5% on pump price of petroleum products (
4 PMS ,AGO, LNG) sold by every marketer across Nigeria to be paid directly
5 into the Fund;

6 (j) earnings from any investment of portion of the Fund in the money
7 or capital market as may be approved by the Board;

8 (k) any contribution payable by Eligible Customers and licensees at
9 the rates not exceeding 5% of the cost of electricity procured from non -
10 renewable generators or any other rate as may be determined by the
11 Commission to be paid as contribution into the Fund by the eligible customers
12 and licensees; and

13 (1) 0.5 % of royalties paid to the Federal Government as oil royalties.

14 (2) For the purpose of sub-clause (1) (g) of this clause, the assessable
15 profit of Renewable Energy Service Companies shall be ascertained in the
16 manner specified in the Companies. Income Tax Act (in this Act referred to as
17 "the CITA") and the rate imposed under this Bill shall apply without prejudice
18 to the provisions of the CITA or other Tax Statute:

19 Provided that in the event of a tax holiday or income tax relief scheme
20 introduced to incentivize Renewable Energy Companies, the Minister of
21 Finance shall issue a directive suspending the assessment and collection of the
22 2% imposed on the assessable profit of Renewable Energy Companies until
23 such a time as the tax holiday or income tax scheme is suspended or has
24 elapsed.

25 (3) It shall be the responsibility of the Federal Inland Revenue Service
26 (in this Bill referred to as "the Service") to assess and collect taxes imposed
27 under sub clause (1)(g) -(i) of this clause and for this reason issue such
28 regulations and guidelines on the assessment, collection and cost of collection
29 to be followed for smooth collection and remittances of such taxes to the Fund.

- 1 17. The purpose of the Fund established under clause 16 of this
2 Bill shall be to promote, support and provide sustainable and renewable
3 rural electrification programmes and projects for rural, underserved and
4 unserved communities through public and private sector participation in
5 order to-
- 6 (i) achieve more equitable regional access to electricity,
7 (ii) maximise the economic, social and environmental benefits of
8 rural electrification subsidies,
9 (iii) promote expansion of the grid and development of off grid
10 electrification,
11 (iv) stimulate innovative approaches to rural electrification
12 provided that no part of the Rural Electrification and Renewable Energy
13 Fund shall be used as subsidies for Consumption,
14 (v) promote the research and development of new technological
15 advancement into renewable energy space in Nigeria,
16 (vi) research into the establishment of technical and utilization
17 standards of renewable energy,
18 (vii) implement programmes to adopt international best practices,
19 (viii) promote the implementation of mini-grid and off-grid
20 renewable energy power systems for remote areas, unserved, underserved
21 communities, and islands,
22 (ix) promote the execution of renewable energy projects for non-
23 electricity purposes,
24 (x) develop infrastructure for renewable energy, renewable energy
25 projects and capacity building for the energy sector,
26 (xi) provide production- based subsidies for renewable energy
27 generation; and
28 (xii) procure equity participation in renewable energy projects.
- 29 18.-(i) The Fund shall be managed by the Rural Electrification and
30 Renewable Energy Fund Directorate of the Agency under the direct

Purpose of the
Fund

Management of
the Fund

1 supervision of the Executive Director Rural Electrification and Renewable
2 Energy Fund in accordance with the provisions of this Bill.

3 (2) Without prejudice to clause 17 of this Bill and for the purpose of
4 growing the Fund, the Board may approve a portion of the Fund to be invested
5 in any government security.

6 Provided that the portion of the Fund approved for investment is not
7 already committed to an ongoing project or any proposed project or
8 procurement activity of the Agency and such investment would not undermine
9 the ability of the Agency to meet its payment obligations but only boost its
10 sources of funding.

11 (3) It is further declared that at the maturation of any approved
12 investment of a portion of the Fund, the principal sum invested together with
13 the interest on investment or return on such investment shall be paid into the
14 Fund directly.

15 19.-(1) The Commission shall determine any contribution payable
16 by eligible customers and licensees into the Fund at the rates not exceeding 5%
17 of the cost of electricity procured by eligible customers from non-renewable
18 generators or any other rate as Commission may determine as contribution to
19 be paid into the Fund by the eligible customers and licensees,

20 (2) The Commission, while determining the contribution rates, shall
21 take into consideration the impact of such rates on eligible customers and
22 licensees who have to assume the burden of such contributions.

23 (3) Any amount determined by the Commission as contribution to be
24 paid by eligible customers or licensees under sub clause (1) of this clause shall
25 be due and payable within one month but not later than two months of notice or
26 directive issued by the Commission to that effect.

Contribution
payment for Rural
Electrification

27 20.-(1) All licensees and eligible customers liable to make
28 contribution under clause 19 (1) of this Bill shall make contributions to the
29 Rural Electrification and Renewable Energy Fund at the rates and for the

1 duration specified by the Commission in accordance with clause 19(1) of
2 this Bill.

3 (2) In making contributions to the Rural Electrification Fund,
4 licensees and eligible customers shall pay contributions directly to the Rural
5 Electrification Agency.

6 (3) All collections and payments shall be made in accordance with
7 procedures established by the Rural Electrification Agency.

8 21.-(1) The Rural Electrification Agency shall, in consultation
9 with the Minister-

10 (a) establish objective and transparent criteria for the geographical
11 allocation of resources from the Rural Electrification and Renewable
12 Energy Fund and such criteria shall be determined taking into account-

13 (i) the need for financial support from the Fund,
14 (ii) progress in increasing rural electrification achieved through
15 previous disbursements from the Fund,

16 (iii) the existence of local matching funding; and
17 (b) develop an open, competitive and transparent procedure for
18 making disbursements from the Fund to individual projects, including the
19 establishment of eligibility and selection criteria.

20 (2) The eligibility criteria for the purposes of sub clause (1) (b) of
21 this clause shall be determined considering the-

22 (a) extent to which the proposed activity can demonstrate
23 technical, economic and financial viability for a sustained period;

24 (b) extent to which the proposed activity demonstrates support for
25 rural development taking into account the priorities of the local
26 communities; and

27 (c) level of community and investor commitment to the proposed
28 activity.

29 (3) The selection criteria for the purposes of sub-clause (1) (b) of

Criteria for
allocation of the
Rural Electrification
and Renewable
Energy Fund

1 this clause, and the quantum of disbursement, shall be determined taking into
2 account-

- 3 (a) the resources available from the Fund;
4 (b) the cost of each new connection created under the project; and
5 (c) other objective criteria that the Rural Electrification and
6 Renewable Energy Agency may determine, such as tariff levels and quality of
7 service.

Fine for non-
payment for
amount owed

8 22. In the event of failure by any eligible customer or licensee or any
9 other person liable to make any contribution or payment to the Rural
10 Electrification and Renewable Energy Fund established under clause 16 of this
11 Bill, the principal sum owed as contribution or payment howsoever described,
12 together with a penalty of 10 per cent per annum of the principal amount due
13 plus interest at the prevailing commercial rate shall be recoverable as a debt
14 owed by the eligible customer, licensee, or any other person with such an
15 outstanding payment obligation under this Bill to the Agency:

16 Provided that in giving effect to the provisions of this section, the
17 eligible customer, licensee or any other person defaulting in his payment
18 obligation must first be accorded the opportunity and time frame to explain
19 why the provisions of this section should not be invoked and thereafter a
20 decision could be taken by the Agency regarding the recovering of such debt.

Expenditure of
the Agency

21 23. The Agency shall, from time to time as may be approved by the
22 Board, apply monies from the Fund created under clause 16 of this Bill or any
23 other fund at its disposal to pay for-

- 24 (a) such projects, programmes or activities as are connected to the
25 objectives, functions and purposes of the Agency;
26 (b) the cost of administration and maintenance of the Agency;
27 (c) publicity and advocacy activities of the Agency;
28 (d) allowances, expenses and other benefits of members of the Board,
29 committees or consultants appointed for the Agency;
30 (e) overhead allowances, benefits of employees of the Agency;

- 1 (f) allowances and other benefits of employees of the Agency; and
2 (g) such other activities as may be approved by the Board.

3 24. All sources of monies paid into the Rural Electrification and
4 Renewable Energy Fund as specified in clause 16 (1) of this Bill shall be
5 exempt from income tax and all contributions to the fund of the Agency shall
6 be tax deductible.

Exemption from
income tax

7 25.-(1) The Minister shall have the supervisory powers and
8 perform the functions as assigned to him under this section and any other
9 part of this Bill as follows-

Supervisory
Powers of the
Minister

10 (a) the Minister has the responsibility for the formulation of
11 National Renewable Energy Policy and shall give directives of general or
12 specific character to the Agency in the performance of its functions or
13 implementation of any policy measure,

14 Provided that such policy directives are not in conflict with the
15 objective and functions of the Agency under this Bill;

16 (b) the Minister may give directives to the Agency relating to the
17 performance by the Agency of any or all of its functions under this Bill, and
18 subject to the provisions of this Bill it shall be the duty of the Agency to
19 comply and give effect to the directives; and

20 (c) the Minister shall upon a proposal made by the Agency,
21 undertake a review of the Rural Electrification Strategy and Implementation
22 Plan approved by the President pursuant to the provisions of the Electric
23 Power Sector Reform Act, 2005 at least every two years from the
24 commencement of this Bill and the Rural Electrification Strategy and
25 Implementation Plan when reviewed shall come into effect only after the
26 approval of the President.

27 (2) The supervisory powers of the Minister under this clause shall
28 relate to general or specific policy matters but should not be exercised by the
29 Minister in such a manner as to undermine the autonomy of the Board in

1 giving internal policy guidance and directing the administrative affairs of the
2 Agency.

States Rural
Electrification
Boards and Local
Government Rural
Electrification
Committees

3 26.-(1) For the purpose of effective execution, coordination and
4 monitoring of rural electrification projects nationwide, the Agency shall
5 collaborate with State Rural Electrification Boards or related state agency by
6 whatever appellation and the Agency shall encourage such States to establish
7 Local Government Rural Electrification Implementation Committees or such
8 other similar institutions to carry out any component of the Programme in their
9 respective States.

10 (2) State Houses of Assembly may by law make provision for the
11 structure, operation and functions of the Local Government Rural
12 Electrification Committees in their respective States.

Relationship
between the Agency
and State Rural
Electrification
Boards

13 27.-(1) The Agency shall maintain effective liaison with State Rural
14 Electricity Boards and Local Governments Rural Electrification
15 Implementation Committees where established and shall leverage on such
16 relationship to-

17 (a) ascertain the status of the rural electrification access in the States
18 and Local Government Areas concerned;

19 (b) review, in conjunction with the States or Local Governments,
20 matters connected with or expected to affect the progress of rural
21 electrification projects in States or Local Government areas;

22 (c) leverage on such relationship to implement awareness programs
23 on opportunities that are available to States and Local Governments through
24 the use of renewable energy technologies;

25 (d) build strong alliances with States and Local Governments that can
26 be used to resolve disputes arising from acquisition of land and access to land
27 for rural electrification projects; and

28 (e) consider and advise the States and Local Government Areas on the
29 adoption of the best strategies for the realization of objectives of the
30 Programme.

1 (2) The Agency, as considered appropriate, may assist a State or
2 Local Government Implementation Committee in the formulation and
3 preparation of strategic plans for the implementation of rural electrification
4 projects in a State or its Local Government or in their local communities, the
5 Agency-

6 (a) may provide information and render advice to States Rural
7 Electrification Boards , Local Government Rural Electrification
8 Committees or to any person or body, where it considers that, to do so will
9 assist in achieving the efficient implementation of the rural electrification
10 nationwide; and

11 (b) shall arrange such technical assistance as may be practicable
12 and also encourage State Governments to provide technical and financial
13 assistance, including training, human capacity development, transfer of any
14 required technology to the local communities in their domains for the
15 attainment of the national targets on rural electrification.

16 28. For the purpose of monitoring progress in the implementation
17 of the Rural Electrification Strategy and Implementation Plans as may be
18 adopted or reviewed from time to time, the Minister in consultation with the
19 Agency shall, on a quarterly basis, submit to the President, progress report
20 indicating activities and milestones achieved in the implementation the
21 Rural Electrification Strategic Plans and such a report shall highlight
22 information relating to-

Progress report

- 23 (a) the expansion of the main grid;
24 (b) the development of standalone and mini-grid systems;
25 (c) renewable energy power generation;
26 (d) the impact of ongoing rural electrification projects on
27 economic inequalities in the rural and peri urban areas:
28 (e) impact of rural electrification on general rural economy and
29 addressing gender inequalities in the rural areas in particular; and

1 (f) the extent to which the projects set out in the strategic plan are
2 being achieved.

Monitoring of
Rural
Electrification
Projects

3 29.-(1) The Agency shall put in place appropriate machinery for the
4 monitoring of Rural Electrification implementation projects nationwide.

5 (2) The mechanism for rural electrification monitoring shall include
6 the use of Geographic Information System and geo mapping technologies to
7 monitor projects effectively, generate and analyze projects data without.

Power to accept
gift

8 30.-(1) The Agency may accept gifts of land, money or other property
9 on such terms and conditions, if any, as may be specified by the person or
10 organization making the gift.

11 (2) The Agency shall not accept any gift if the conditions attached by
12 the person or organization making the gift are inconsistent with the functions of
13 the Agency under this Bill.

Power to borrow
money

14 31. The Agency may, with the approval of the Board, borrow such
15 sums of money as may be required, from time to time, to execute or complete
16 any special project of the Agency.

Estimates of
the Agency

17 32. The Agency shall, not later than 30th September in each financial
18 year, submit to the National Assembly through the Minister, an estimate of
19 income and expenditure of the Agency during the next succeeding year.

Accounts and
audit

20 33.-(1) The Agency shall keep proper and regular accounts and other
21 records of monies received and paid by the Agency and of the several purposes
22 for which the monies have been received or paid, and of its assets, credits and
23 liabilities.

24 (2) Agency shall do all things necessary to ensure that all payments
25 out of its Funds and bank accounts are correctly made and properly authorised
26 and that adequate control is maintained over the assets in its custody and over
27 the expenditures incurred by the Agency.

28 (3) The Board shall cause the accounts of the Agency to be audited
29 quarterly and shall be externally audited once every year.

30 (4) The Auditor-General of the Federation shall-

1 (a) inspect and audit the accounts and records of financial
2 transaction of the Agency;

3 (b) inspect records relating to assets of the Agency; and

4 (c) draw the attention of the Minister to any irregularity disclosed
5 by the inspection and audit.

6 (5) The Auditor-General may dispense with all or any part of the
7 detailed inspection and audit of any account or record referred to him under
8 this section.

9 (6) The Auditor-General or an officer authorized by him is entitled
10 at all reasonable time to a full and free access to all accounts, records,
11 documents and papers of the Agency relating directly or indirectly to the
12 receipt or payment of money by the Agency or to the acquisition, receipt,
13 custody or disposal of assets by the Agency.

14 (7) As soon as the accounts and the financial statements of the
15 Agency have been audited in accordance with the requirement of this Act,
16 the Board shall forward a copy of the audited financial statements to the
17 Minister for onward transmission to the National Assembly, together with
18 any report or observation made by the auditors and the Auditor-General on
19 the statement of accounts.

20 (8) The audited accounts of the Agency and the Auditor-General's
21 report on those accounts shall form part of the Auditor-General's overall
22 annual report to the National Assembly.

23 34. The Agency shall submit to the Minister, not later than 30th
24 June of each financial year, a report of its activities during the preceding
25 financial year, and it shall include a copy of the audited accounts of the
26 Agency for that year and a copy of auditor's report thereon.

Annual reports

27 35.-(1) The provisions of the Public Protection Act shall apply in
28 relation to any suit instituted against any officer or employee of the Agency.

Limitation of
suit against the
Agency

29 (2) A person suit shall not commence against a member of the
30 Board, the Managing Director, officer or employee of the Agency before the

1 expiration of a period of 60 days after written a notice of intention to commence
 2 the suit shall have been served upon the Agency by the intending plaintiff or his
 3 counsel.

4 (3) The notice referred to in sub clause (2) of this clause shall state-
 5 (a) cause of action;
 6 (b) particulars of the claims;
 7 (c) name and place of abode of the intending plaintiff; and
 8 (d) relief which he claims.

Service of
 process

9 36. A notice, summons or any other document required or authorized
 10 to be served upon the Agency under the provisions of this Bill or any other law
 11 or enactment may be served by delivering it to Managing Director and Chief
 12 Executive Officer at the head office of the Agency.

Restriction on
 execution against
 the property of
 the Agency

13 37. No execution or attachment of process shall be issued against the
 14 Agency in any action or suit without the consent of the Attorney-General of the
 15 Federation.

Indemnity

16 38. A member of the Council, the Managing Director and Officers of
 17 the Agency shall be indemnified against any proceeding, whether civil or
 18 criminal, in which judgment is given in his favour, or in which he is acquitted, if
 19 any such proceeding is brought against him in his capacity as member of the
 20 Council, the Managing Director, Officer or employee of the Agency.

Interpretation

21 39. In this Bill-
 22 "Agency" means Rural Electrification and Renewable Energy Agency
 23 established under clause 1 of this Bill;
 24 "Board" means the Governing Board of the Agency established under clause 4
 25 of this Bill;
 26 "Constitution" means 1999 Constitution of the Federal Republic of Nigeria, as
 27 altered;
 28 "Commission" means Nigerian Electricity Regulatory Commission;
 29 "Fund" means the Rural Electrification and Renewable Energy Fund
 30 established under clause 16 of this Bill;

- 1 "Minister" means the Minister in charge of Power;
- 2 "President" means President of the Federal Republic of Nigeria;
- 3 "Rural Area" means any area of the country not existing within 10km from
- 4 the boundaries of an urban area or city and which has less than 20000
- 5 inhabitants or a population density of less than 200 per square kilometre and
- 6 which is at least 20km from the nearest existing 11 KV line;
- 7 "Six geo-political zones" for the time being means North Central
- 8 (consisting of Benue State, Nassarawa State, Niger State, Kogi State,
- 9 Plateau State, Kwara State, FCT); North
- 10 East (consisting of Bauchi State, Borno State, Gombe State, Yobe State,
- 11 Adamawa State and Taraba State), North West (consisting of Kano state,
- 12 Kaduna State, Katsina State, Jigawa State, Kebbi State, Sokoto State,
- 13 Zamfara State), South-South (consisting of Delta State, Edo State, Rivers
- 14 State, Akwa Ibom State, Cross River State, Bayelsa State); South East
- 15 (consisting of Anambra State, Abia State, Enugu State, Ebonyi State, Imo
- 16 State), South West (consisting of Lagos State, Oyo State, Ogun State, Osun
- 17 State, Ondo State, Ekiti State);
- 18 "Underserved Area" any area in Nigeria with intermittent power supply
- 19 might as well qualify for the installation of an interconnected mini grid;
- 20 "Unserved Area" means an area within a Distribution Licensee's Network
- 21 without an existing distribution system otherwise called off-grid.

22 30. The principal Act is amended, by inserting a new "Part IXA"-

23 "PART IXA

Insertion of
Part IXA

24 ESTABLISHMENT OF THE NATIONAL POWER TRAINING INSTITUTE

25 1.-(1) There is established the National Power Training Institute (in
26 this Bill referred to as the "Institute").

Establishment
of National Power
Training Institute

27 (2) The Institute shall be a body corporate-

28 (a) with perpetual succession and a common seal;

29 (b) which may sue or be sued in its corporate name; and

Commencement

30 © which may acquire, hold, purchase, mortgage and deal with

Objectives

- 1 property, movable or immovable, real or personal.
- 2 (3) The Institute shall be located in Abuja with branches in some states of the
3 federation as the Governing Council of the Institute may determine.
- 4 2. The objectives of the Institute shall be to-
- 5 (a) serve as centre of excellence for power sector training in Nigeria,
6 West African sub-region and the African continent;
- 7 (b) analyse and disseminate to critical stakeholders from time to time
8 the National Power Policy, existing legal frameworks and regulations for the
9 power sector;
- 10 (c) facilitate the development of National Power Sector Training
11 Policy with the approval of the Minister;
- 12 (d) facilitate a periodic review of the National Power Sector Training
13 Policy as the Minister may direct;
- 14 (e) facilitate the institutionalization of competency based training on
15 metre installation and supervision with provision of a framework for
16 certification and licensing of metre installers/supervisors in order to increase
17 public awareness in the industry;
- 18 (f) coordinate short term certificate and diploma programmes to
19 provide general manpower capacity development required to derive the
20 developments in the industry;
- 21 (g) facilitate curriculum development, standardisation and utilization
22 for capacity enhancement of power sector personnel and critical stakeholders
23 in the Nigeria Electricity Supply Industry;
- 24 (h) provide a conducive learning atmosphere that produce well
25 trained personnel capable of sustaining the growth of the power sector in a
26 competitive challenging operating environment;
- 27 (i) facilitate collaboration, network and synergy with relevant
28 Institutions and corporate bodies in discharging its functions;; and
- 29 (j) perform such other functions as may be directed by the Council to

1 ensure effective, efficient and standard provision of capacity development
2 by the Institute.

3 3.-(1) There is established for the Institute a part-time Governing
4 Council (in this Bill referred to as "the Council") which shall be constituted
5 and exercise the powers and perform the functions stipulated under clause 2
6 of this Bill.

Establishment
and Composition
of the Governing
Council of the
Institute

7 (2) The Council shall consist of seven members as follows-

8 (a) six members appointed to represent the six geopolitical zones
9 of Nigeria out of which one shall be designated as a part-time Chairman;
10 and

11 (b) the Director-General and Chief Executive Officer of the
12 Institute.

13 (3) The Chairman and members of the Council shall-

14 (a) possess sufficient experience in governance of public,
15 academic/professional Institute;

16 (b) be of integrity; and

17 (c) be of unquestionable character.

18 4. The Chairman and members of the Council shall each-

19 (a) hold office for a period of five years on such terms and
20 conditions as may be specified in their letters of appointment; and

21 (b) may be re-appointed for another term of five years and no more.

22 5.-(1) Notwithstanding the provisions of clause 4 of this Bill, a
23 person shall cease to hold office as a member of the Council if-

Tenure of members
of the Council

24 (a) he becomes bankrupt, suspends payment or compounds with
25 his creditors;

26 (b) he is convicted of a felony or any offence involving dishonesty
27 or fraud;

28 (d) he become of unsound mind, or incapable of carrying out his
29 duties;

30 (e) he is guilty of a serious misconduct in relation to his duties;

Cessation of
membership of
the Council

1 (f) in the case of a person possessed of professional qualifications, he
2 is disqualified or suspended from practicing his profession in any part of the
3 world by an order of a competent authority made in respect of the member; or

4 (g) he resigns his appointment by a letter addressed to the President.

5 (2) If a member of the Council ceases to hold office for any reason
6 whatsoever before the expiration of the term for which he is appointed, another
7 person representing the geopolitical zone and possessing the requisite
8 qualification shall be appointed in his stead as a member of the Council to serve
9 the unexpired term of the person whose membership of the Board has ceased.

Allowances of
the Chairman and
members of the
Council

10 6. The Chairman and members of the Council shall be paid such
11 emoluments, allowances and benefits as the Federal Government may, from
12 time to time, direct through the National Salaries and Wages Commission.

Director-General
and Chief Executive
Officer of the
Institute

13 7.-(1) There shall be for the Institute a Director-General who shall be
14 appointed by the President on the recommendation of the Minister and on such
15 terms and conditions as may be specified in his letter of appointment.

16 (2) The Director-General shall be-

17 (a) the Chief Executive and accounting officer of the Institute;

18 (b) responsible to the Council for the day-to-day administration of the
19 Institute;

20 (c) appointed for a term of five years in the first instance and may,
21 subject to satisfactory performance, be reappointed for one further term of five
22 years and no more; and

23 (d) be a person who possesses appropriate professional qualifications
24 and experience.

Other staff of
the Institute

25 8.-(1) The Institute shall have powers to employ such persons as it
26 may deem necessary for the discharge of the duties and powers of Institute
27 under this Bill or any regulations made pursuant to it.

28 (2) The Institute shall have the powers to determine the job
29 description, title, terms and qualifications of any such person and all such
30 persons shall be subject to the provisions for discipline of staff under this Bill.

1 (3) The employment of the Institute's staff, including its secretary;
2 shall be subject to such terms and conditions as may from time to time be
3 stipulated by the Institute's Council and contained in the respective staff
4 employment contract.

5 9.-(1) It is hereby declared that service in the employment of the
6 Institute shall be an approved service under the Pensions Reform Act, and Pensions etc.
7 accordingly, employees of the Institute shall in respect of their services shall
8 be entitled to pensions, gratuities, and other retirement benefits as are
9 prescribed thereunder.

10 (2) Notwithstanding the provisions of sub clause (1) of this clause,
11 nothing in this Bill shall prevent the appointment of a person to any office on
12 terms which preclude the grant of pension and gratuity in respect of that
13 office.

14 (3) For the purposes of the application of the Pensions Reform Act,
15 any power exercisable thereunder by the Minister or authority other than the
16 Federal Government (not being the power to make regulations under Bill) is
17 hereby vested in and shall be exercisable by the Institute and not by any
18 other person or authority.

19 (4) Subject to sub-clause (2) of this clause, the Pensions Reform
20 Act shall in its application by virtue of sub clause (3) of this clause to any
21 office, have effect as if the office were in the public service of the Federation
22 within the meaning of the Constitution of the Federal Republic of Nigeria
23 1999.

24 (5) The Institute shall have such other divisions, departments or
25 units as may be approved by the Council.

26 10.-(1) There is established for the Institute a Fund (in this Bill
27 referred to as, "the Fund") into which monies from the following sources
28 shall be paid and credited-

Establishment
of the Fund of
the Institute

29 (a) any operating surplus of the Institute determined after annual
30 audited account of the Institute and paid directly into the Fund within 30

1 days following the audit of the Commission's account;

2 (b) any fines imposed and collected by the Institute in the
3 enforcement of the provisions of this Bill or regulations made by the Institute
4 which shall be paid directly to the Fund within 30 days of collection;

5 (c) any donations, grants, gifts, assistance or loans made by local or
6 international, bilateral or multilateral agencies or non-governmental
7 organizations, the private sector, Federal or State Governments, local
8 communities, businesses, or any other entity;

9 (d) any special intervention fund as may be provided by the Federal,
10 State or Local Government of the Federation;

11 (e) endowments, bequests, gifts, whether of money, movable or
12 immovable property from private foundations, trusts or other sources not
13 contrary to the objectives of the Institute and national security;

14 (f) funds appropriated by the National Assembly for the realization of
15 the objectives of the Institute and performance of its functions under this Bill;
16 and

17 (g) earnings from any investment of portion of the Fund in the money
18 or capital market as may be approved by the Council.

Power to accept
gift

19 **11.-(1)** The Institute may accept gifts of land, money or other property
20 on such terms and conditions, if any, as may be specified by the person or
21 organization making the gift.

22 (2) The Institute shall not accept any gift if the conditions attached by
23 the person or organization making the gift are inconsistent with the functions of
24 the Institute under this Bill.

Power to borrow
money

25 **12.** The Institute may, with the approval of the Council, borrow such
26 sums of money as may be required, from time to time, to execute or complete
27 any special project of the Institute.

Estimates of the
Institute

28 **13.** The Institute shall, not later than 30th September in each financial
29 year, submit to the National Assembly through the Minister, an estimate of
30 income and expenditure of the Institute during the next succeeding year.

1 14.-(1) The Institute shall keep proper and regular accounts and
2 other records of monies received and paid by the Institute and of the several
3 purposes for which the monies have been received or paid, and of its assets,
4 credits and liabilities.

Accounts and
audit

5 (2) The Institute shall do all things necessary to ensure that all
6 payments out of its Funds and bank accounts are correctly made and
7 properly authorised and that adequate control is maintained over the assets
8 in its custody and over the expenditures incurred by the Institute.

9 (3) The Council shall cause the accounts of the Institute to be
10 audited quarterly and shall be externally audited once every year.

11 (4) The Auditor-General of the Federation shall-

12 (a) inspect and audit the accounts and records of financial
13 transaction of the Institute;

14 (b) inspect records relating to assets of the Institute; and

15 (c) draw the attention of the Minister to any irregularity disclosed
16 by the inspection at audit.

17 (3) The notice referred to in sub clause (2) of this clause shall state-

18 (a) cause of action;

19 (b) particulars of the claims;

20 (c) name and place of abode of the intending plaintiff; and

21 (d) relief which he claims.

22 17. A notice, summons or any other document required or
23 authorized to be served upon the Agency under the provisions of this Bill or
24 any other law or enactment may be served by delivering it to Director-
25 General and Chief Executive Officer at the head office of the Institute.

Notice of process

26 18. No execution or attachment of process shall be issued against
27 the Institute in any action or suit without the consent of the Attorney-General
28 of the Federation.

Restriction on
execution against
the property of
the Institute

29 19. A member of the Council, the Director-General and Officers of
30 the Institute shall be indemnified against any proceeding, whether civil or

Indemnity

Interpretation

1 criminal, in which judgment is given in his favour, or in which he is acquitted, if
 2 any such proceeding is brought against him in his capacity as member of the
 3 Council, the Director-General, Officer or employee of the Institute.

4 20. In this Bill-

5 "Institute" means National Power Training Institute established under clause 1
 6 of this Bill;

7 "Council" means the Governing Council of the Institute established under
 8 clause 4 of this Bill;

9 "Constitution" means 1999 Constitution of the Federal Republic of Nigeria as
 10 altered;

11 "Commission" means Nigerian Electricity Regulatory Commission;

12 "Fund" means the Fund of the Institute established under clause 10 of this Bill;

13 "Minister" means the Minister in charge of Power;

14 "President" means President of the federal Republic of Nigeria.

Amendment of
Section 94 of the
Principal Act

15 31. The Principal Act is amended by substituting after the existing
 16 Section 94, a new clause "94A" -

17 "94A (1) Any person who unlawfully disconnects, removes,
 18 damages, tampers, meddles with or in any way whatsoever interferes with any
 19 plant, work, cables, wire or assembly of wires designed or used for
 20 transforming or converting electricity shall be guilty of an offence and is liable
 21 on conviction to a fine not exceeding N50 million naira or imprisonment not
 22 exceeding 21 years; and

23 (2) Any person who unlawfully disconnects, removes, damages,
 24 tampers, meddles with or in any way whatsoever interferes with any electric
 25 fittings, meters or other appliances used for generating, transforming,
 26 converting, conveyance, supplying or selling electricity commits an offence
 27 and is liable on conviction to a fine not exceeding N50million naira or to
 28 imprisonment for a term not exceeding 5 years.

Amendment of
Section 95 of the
Principal Act

29 32. Section 95(1) of the Principal Act is deleted.

