

A

BILL

to provide for the establishment of institutions and enunciation of mechanisms and procedures so as to provide for effective conservation and efficient use of energy

WHEREAS the conservation and efficient use of energy is pivotal for the development of Pakistan;

AND WHEREAS it is expedient and imperative to establish institutions and stipulate mechanisms and procedures for effective conservation and efficient use of energy in Pakistan and for matters connected therewith and incidental thereto;

It is hereby enacted as follows:-

1. **Short title, extent and commencement** - (1) This Act may be called the National Energy Efficiency and Conservation Act, 2015.

(2) It extends to the whole of Pakistan

(3) It shall come into force at once.

2. **Definitions.**- In this Act, unless there is anything repugnant in the subject or context-

i. "accredited energy auditor" means any person accredited by the Federal Government and designated by Authority or the Provincial Government to carry out energy audit in accordance with the provisions of this Act;

ii. "adverse energy and environment effect" means energy wastage and discharge of air pollutants due to energy waste practices;

iii. "agriculture and livestock sector" means activities or practices related to soil management, land preparation (tillage, plowing etc), harvesting, threshing, mechanized livestock and agriculture farming, livestock and agriculture farm irrigation and

drainage, livestock and agriculture farm management, livestock and agriculture farm produce transportation, agro-chemicals management, livestock, plant and agriculture food processing, preservation and value addition, bio-mass recycling, rangeland and forest management, livestock and poultry management, post harvest output management;

- iv. "Authority" means the National Energy Efficiency and Conservation Authority established under section 7;
- v. "buildings sector" means all buildings including private domestic household, commercial, industrial, public and community buildings;
- vi. "certified laboratory" means a laboratory designated by the Authority or the Provincial Government and duly accredited by the Federal Government to carry out such procedures and tests as are necessary for furtherance of the purposes of this Act;
- vii. "Board" means the National Energy Efficiency and Conservation Board established under section 3;
- viii. "designated agency" means an agency designated as such by the Board or a Provincial Government for the purpose of this Act;
- ix. "designated consumer" means a consumer designated as such by the Authority for the purpose of this Act;
- x. "efficiency" means the ratio of energy output to energy input in respect of energy consuming equipment, appliances or systems;
- xi. "ENERCON" means the National Energy Conservation Centre
- xii. "energy" means conventional and non-conventional, alternate sources of energy including petroleum, coal, natural gas, liquefied petroleum gas or compressed natural gas and electrical energy and may also include such other new or renewable forms of energy as the Board may, by notification in the official Gazette, specify;
- xiii. "energy audit" means an examination of any energy consuming project about the way the energy is generated, transmitted, distributed or used there and identification of

areas where energy waste can occur for improving energy efficiency and where scope for improving energy use efficiency may be possible;

xiv. "energy conservation" means reduction in energy consumption by minimizing waste, or curtailment of energy use or improving generation, transmission, distribution or end use energy efficiency to avoid waste, creating additional energy supply at source and effecting a reduction of undesirable emissions to the atmosphere or air due to better fuel combustion;

xv. "Energy Conservation Tribunal" means the Tribunal constituted under Section 19;

xvi. "energy use assessment" means a comprehensive review and analysis to determine the appropriateness of energy use in any energy consuming project;

xvii. "energy waste" means amount of energy that remains unused or discarded due to incomplete burning or combustion or due to use of inefficient energy consuming equipment, appliance or due to process or inefficient operation, maintenance and management of a system;

xviii. "Government " means the Federal Government or, as the case may be, a Provincial Government;

xix. "industrial sector" means small scale, medium scale and large scale industry involving manufacturing, making, formulating, altering repairing, finishing, packing or otherwise treating any article or substance with a view to its use, sale, transport, delivery or disposal;

xx. "Managing Director" means the Managing Director of the Authority;

xxi. "person" means a natural or legal person, firm, association, partnership, society, group, company, corporation, co-operative society, Government agency, public body, non governmental organization, community based organization, village organization, local council or local authority and, in the case of a vehicle, the owner or other person having for the time being the charge or control of the said vehicle;

- xxii. "pollution" means contamination of air, land or water due to discharge of pollutants as a consequence of incomplete or inefficient combustion of energy resources that alters unfavorably the chemical, physical, biological, radiation, thermal, radiological or aesthetic properties of air, water or atmosphere;
- xxiii. "power sector" means generation, transmission and distribution system of electricity;
- xxiv. "prescribed" means prescribed by rules or, as the case may be, regulations made under this Act;
- xxv. "project" means any activity, scheme, proposal or undertaking in any sector of economy involving use of energy;
- xxvi. "regulations" means the regulations made under this Act;
- xxvii. "rules" means the rules made under this Act;
- xxviii. "sectors of economy" include but not limited to power sector, industrial sector, transport sector, agriculture and livestock sector and the buildings sector;
- xxix. "standards" means numeric values for optimum level of energy units required to produce a unit of output or desirable energy efficiency levels assigned to any process, object, equipment or appliance either for general applicability or for specific application established under the provisions of this Act; and
- xxx. "transport sector" means road transport, railways, aviation and such other means of transportation as the Board may determine.

3. **Establishment of the Board.**— (1) As soon as may be after the commencement of this Act, the Federal Government shall, by notification in the official Gazette, establish a Board to be known as the Pakistan Energy Efficiency & Conservation Board consisting of the following members, namely:-

a)	Federal Minister for the Division to which subject-matter of this Act stands allocated	Chairman
b)	Federal Secretary of the Division to which subject-matter of this Act stands allocated	Vice Chairman
c)	Federal Secretary, Ministry of Finance	Member
d)	Federal Secretary, Ministry of Planning and Development	Member
e)	Federal Secretary of the Division to which subject-matter of petroleum and natural resources stands allocated	Member
f)	Federal Secretary of the Division to which subject-matter of science and technology stands allocated	Member
g)	Federal Secretary of the Division to which subject-matter of industries stands allocated	Member
h)	Federal Secretary of the Division to which subject-matter of housing and works stands allocated	Member
i)	Federal Secretary of the Division to which subject-matter of climate stands allocated	Member
j)	Secretary of the Designated Department, Government of Punjab	Member
k)	Secretary of the Designated Department, Government of Sindh	Member
l)	Secretary of the Designated Department, Government of Khyber Pakhtunkhwa	Member
m)	Secretary of the Designated Department, Government of Balochistan	Member
n)	Chairman, Oil and Gas Regulatory Authority	Member
o)	Chairman, National Electric Power Regulatory Authority	Member
p)	one nominee of Chambers of Commerce and Industry	Member
q)	Managing Director of the Authority	Member
r)	six persons of known integrity and competence from private sector of which three would be full time paid	Members

(2) The Board shall appoint a Secretary to the Board.

(3) The Federal Government may increase or decrease the number of the members of the Board and prescribe the qualifications and mode of appointment of members other than the *ex officio* members. However, a member of the Board, other than an *ex officio* member,

shall hold office for a period of three years from the date of his appointment and shall be eligible for re-appointment on such terms and conditions as may be prescribed.

(4) The headquarters of the Board shall be at Islamabad, but it may hold its meetings anywhere in Pakistan as and when deemed necessary.

(5) The Board shall hold not less than one meeting during a year and may co-opt members for particular meetings or generally as may be necessary.

(6) A meeting of the Board shall be presided over by the Chairman of the Board or, in his absence, by the Vice Chairman or in his absence by any member designated to the effect thereof by the Chairman.

(7) The Board may make its own rules of procedure and conduct of its business accordingly.

(8) A member of the Board, other than an *ex officio* member, may at any time by writing under his hand resign from his office, provided that no resignation shall take effect until it has been accepted by the Board

(9) The presence of not less than one-half of the total members of the Board shall be necessary to constitute a quorum for its meetings and its decisions shall be expressed in terms of the opinion of the majority members present and voting. In case of a tie, the vote of the presiding officer shall be the casting vote.

(10) The Board may delegate any of its functions, other than the making of regulations, to any committee set up by it or to any of its members, subject to such conditions, if any, as it may specify. The recommendations of the committees shall be submitted to the Board for approval.

(11) The Board or any of its committees may invite any technical expert or representative of any Government agency or non-governmental organization or other person possessing specialized knowledge of any subject for assistance for the performance of its functions.

(12) The Board may recommend to the Federal Government or a Provincial Government to establish advisory committees for various sectors for assisting the Authority in the discharge of its functions.

(13) The Provincial Government may notify a specific public department as focal point for the proper co-ordination, facilitation and enforcement of the provisions of this Act.

4. **Functions and powers of the Board.** – (1) The functions of the Board shall be to-

- (a) be custodian of national policy for energy conservation and ensure proper utilization, planning and management of energy in all sectors of national economy;
- (b) coordinate, supervise and carry out enforcement of the provisions of this Act;
- (c) create awareness and disseminate information related to efficient use of energy resources;
- (d) coordinate integration and inculcation of energy conservation concerns in national development plans and policies;
- (e) approve energy efficiency standards and ensure their enforcement and compliance;
- (f) direct the Authority in the conduct of research and development, and preparation and execution of demonstration projects and national programs on energy conservation;
- (g) recommend to the Federal Government the adoption of measures directly or indirectly conducive to energy conservation;
- (h) promote investment by the public and private sectors in energy conservation through partnership or otherwise;
- (i) encourage and facilitate import and local manufacture and indigenous technologies for the promotion of energy conservation through all legal and policy support; and

(j) institute national energy conservation and efficiency and management awards for various categories of energy consumers for the promotion and encouragement of energy conservation.

(2) The Board may, either itself or upon the request of any person or organization, direct the Authority or any provincial agency or any Government body to prepare, submit, promote or implement projects for energy conservation in a specific sector of economy.

(3) The Board, or a Provincial Government with the concurrence of the Board, may establish any suitable structure or mechanism for enforcement of this Act including energy efficiency standards, labeling, incentives, fines and other related requirements under this Act with effect from the date to be determined by the Board.

(4) The Board may approve appropriate strengthening, restructuring, capacity building, terms and conditions of employees and compensation or protection of service benefits for PEECA and its employees, to effectively carry out the functions under the provisions of this Act.

5. Organization of the Board. - (1) The board may, for carrying out its functions for promotion of energy conservation and efficiency, development of energy efficient technologies, certification of energy efficient products and projects and project management, may establish one or more organizations as it may consider necessary.

(2) The organization established under sub-section (1) shall be subject to control and supervision of the Board and shall function within the framework of this Act.

(3) An organization established under sub-section (1) shall perform such business as may be prescribed by regulations by the Board for the purpose.

6. Establishment of the Authority. - (1) As soon as may be after the commencement of this Act, the Federal Government shall, by notification in the official Gazette, establish an Authority to be called the National Energy Efficiency and Conservation Authority.

(2) The Authority shall be a body corporate having perpetual succession and a common seal with powers, subject to the provisions of this Act, to acquire, hold and dispose of property, both moveable and immovable and shall have the capacity to sue and be sued.

(3) The general direction and administration of the Authority and its affairs shall vest in the Managing Director, who shall be appointed by the Federal Government on such terms and conditions as may be prescribed. Managing Director shall be an eminent engineering professional of known integrity, competence with at least ten years of related experience in handling energy projects. Managing Director shall be appointed for an initial term of five years and shall be eligible for re-appointment upon satisfactory performance for similar term upto a maximum of sixty-five years age. Subject to this Act, the Managing Director may exercise all powers and do all acts and things which may be exercised or done by the Authority.

(4) The Managing Director, officers, employees and servants of the Authority shall, when acting or purporting to act in pursuance of any of the provisions of this Act or the rules and regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

7. Powers and functions of Authority. - The powers and functions of the Authority shall be to-

- a. serve as sole focal Federal authority for initiating, catalyzing carrying out and coordinating the implementation of all energy conservation programs in all sectors of economy;
- b. administer, implement and enforce the provisions of this Act and the rules and regulations made thereunder;
- c. prepare or update national energy conservation policy for the approval of the Board;
- d. prepare draft regulations to be made by the Board pursuant to the provisions of this Act;

