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March 18, 2022

The Chairperson,
Natural Resources Committee,
Parliament of Uganda,
Kampala (U).

Dear Sir/Madam,

RE: MEMORANDUM OF PROPOSALS ON THE ELECTRICITY (AMENDMENT) BILL 2022

In recognition of the important role the electricity sector play in Uganda, **Strategic Response on Environmental Conservation (STREC)** and our partners working to influence energy policies to benefit the poor and vulnerable citizens take this opportunity to thank you and your team for sparing time to consult the public on the Electricity amendment bill 2022.

The process for amending the Electricity Act 1999 gives parliament another opportunity to stop the alarming and existing challenges that are being experienced by the vulnerable citizens that have access to electricity through exorbitant power tariffs as well as government. This will in effect help Uganda to maximize electricity benefits for social and economic transformation.

In particular, a good electricity law will help Uganda to achieve her national and international targets and obligations including Goal 7 of the Sustainable Development Goals (access to affordable, reliable, sustainable and modern energy for all), the objectives of the Sustainable Energy for All (SE4ALL), the 2016 Paris Agreement on Climate Change, the National Development Plan, Vision 2040, the 2016 Compact Agreement between Uganda the UK governments, and others.

Below are our proposals aimed at supporting your committee and parliament at large to make a good electricity law for Uganda:

Weaknesses in the bill			
No.	**Provision in the bill**	**Issue/comment**	**Recommendation**

1.	Clause 4: amendment of section 10 of the 1999 Act	Clause 4(qb) is good to ensure that ERA regulates what it can measure. However, the clause remains shallow because it fails to specify the nature of consultancies and studies, and what happens to the reports. Considering the investments being made in the electricity sector including the $2.4 billion in Karuma and Isimba dams, Bujagali dam's $1.1 billion, transmission lines, rural electrification and free connections, numerous government and private companies in generation and distribution, the law should obligate ERA to undertake specific studies and be more accountable.	The amendment should require ERA to undertake studies and do the following: • Present quarterly and annual electricity sector performance reports to parliament.
2.	Clause 5: amendment of section 22 of the Act	It's unfortunate that the fees charged on licensees by ERA is being increased from 0.3% to 0.7% without any scientific basis. This is not necessary and in a country suffering high levels of corruption, it can be a big obstacle which may encourage the regulator to connive with the licensees. Let ERA always face Parliament to justify its funding yearly.	We recommend that: • ERA gets its funding from the consolidated fund to strengthen its independence. The charges on the licensees should be paid to the consolidated fund
3.	**Clause 8** **Amendment of section 44 of principal Act**. Section 44 of the principal Act is amended by substituting for subsection (8), the following- "(8) Where the licensee is aggrieved by the decision of the authority under this section, the licensee may, within twenty-one days after receipt of the decision of the authority, appeal to the	The bill indicates the number of the days (21) that the licensee is supposed to present the grievance to the authority, however, the bill doesn't clearly indicate the timeframe (number of days)under which the tribunal should hold a hearing and make a fair judgment to handle the licensee grievance.	The bill should clearly indicate the timeframe within which the tribunal should hear the licensee's grievance and address his/her dissatisfaction. The number of days should not exceed thirty (30) days after the licensee has lodged the grievance to the tribunal.

	tribunal.		
4.	Clause 14: amendment of section 56 of the Act	Clause 14(3) is a good amendment but it fails to set a timeframe within which ERA must put in place regulations governing cases where anyone with a license for generation can sell directly to distributors, transmitters, and/or consumers.	We recommend the following: • ERA shall within six months of coming into force of this amendment put in place regulations for guiding generators to sell electricity directly to distributors, transmitters and or consumers. The regulations shall among other things provide for the following: • Generators in isolated places must supply power to will consumers directly before selling power to the grid. Government shall construct min grids for isolated areas.
5.	Clause 15: amendment of section 75 of the Act	The requirement for generators to pay royalties to local governments for renewable energy generation is suspect. Why is this limited ONLY to renewable energy? If this is not well sought out, it may discourage generation of renewables. Second, why is it left at the mercy of the local governments and ERA? There is need for certainty.	We recommend the following: • A generator of electricity to sell to the grid shall pay a royalty of 2% to the local government where the plant is located. • A generator of renewable electricity intended to be used not through the grid shall not pay any royalty. ERA shall within 12 months of enacting this Act put in place

			regulations for the payment of royalties to local governments.
6.	Clause 20: Theft of electricity	There is need to understand the categories of people involved in stealing electricity. It does not make sense to impose penalties which will not be enforced but instead will only be used by enforcers to cheat the suspects. In criminal cases where the punishments are heavy, the suspects are entitled to a lawyer at the expense of the state. What will happen to suspects in electricity cases? It will be the poor suspect's vs rich licensees and this will not promote justice. Every punishment must be commensurate to the offence committed.	We recommend: • Any person convicted of stealing power shall face imprisonment for a term not less than 2 years or a fine of not less than one thousand currency points or both. • Without prejudice to the above provision, the tribunal shall have the powers to determine the punishment for any person convicted of stealing electricity.
7.	**Clause 21: General penalty**	Clause 21 serves no purpose. Clauses 19 and 20 cater for all offences.	Clause 21 should be deleted.
8.	**Clause 29.** **Insertion of new section ll2A.** The principal Act is amended by inserting immediately after section ll2. the following- **"ll2. Immunity from suit.** No action, suit, prosecution or any other proceeding may be brought or instituted personally against a person who is or was a member of the tribunal or employee of tribunal in respect of any act done or omitted to be	The clause says that no action, suit, prosecution or any other proceeding may be brought or instituted personally against a person who is or was a member of the tribunal or employee of tribunal in respect of any act done or omitted to be done in good faith in the discharge of any function. However, it does not define what "good faith" is and what amounts to good faith. This will limit the consumers to have access to justice for the challenges or grievances that they	The bill should clearly define what "good faith" is and under what circumstances can the proceeding be brought or instituted against a person who is or was a member of the tribunal or employee of the tribunal in case an act is done or omitted to the consumer.

	done in good faith in the discharge of any function under this Act."	are being faced.	
9.	**Clause 30.** **Insertion of new section fl8A**. The principal Act is amended by inserting immediately after section I18, the following- **"118A.Procedures for dealing with complaints from consumer.** (l) A person aggrieved by a decision or action of a licensee may apply to the licensee for redress. (2) A licensee shall establish procedures for dealing with complaints from its consumers or potential consumers of the Licensee's service.	The clause says that once a consumer has a complaint on the licensee, it should be reported to the licensee for redress and it is the licensee to establish the procedures for dealing with the consumers' compliant. This clause is unfair and will limit access to justice to the consumers because licensee may not fairly address the compliant in a balanced manner.	The section should state that the person aggrieved by a decision or action of the licensee should apply to the authority for redress. It is the authority that should establish the procedures for both the consumer and licensee to deal with complaints of the licensee's service.
10.	**Clause 31.** **Substitution of section 119 of principal Act.** The principal Act is amended by substituting for section 119 the following- "119. Power to make regulations. (l) The authority may, in consultation with the Minister, by statutory instrument, make regulations relating to- (a) safety standards; (b) technical equipment and skills; (c) the quality of deliverance of electricity; (d) tariffs; (e) licensing; (f) compliance requirements; (g) procedures for special	The bill does not make mandatory consultation by the authority to consult with the minister to make statutory instruments or regulations which make compromise the quality-of-service delivery.	The law should make it mandatory for the authority to consult the minister to ensure the quality delivery in the electricity industry.

	committees appointed under section 13 of this Act; (h) the fees to be charged under this Act; and (i) any other matter necessary or convenient for giving full effect to this Act.		

	Gaps in the Bill 2022	**Recommendations**
1.	The Bill is silent about the transparency in the negotiation and signing of agreements such as power purchase agreements (PPAs), implementation of PPAs and others. The secrecy in the PPAs processes promotes impunity and corruption in the electricity sector.	This Bill should include a clause to provide that all PPAs processes, supply licenses and other electricity contractual documents shall be open to the public.
2.	The bill is silent about counterfeit/ substandard equipment such as yaka meters, electric wires, poles and others that lead to both technical and commercial loses. The substandard equipment cost consumers through over billing, unreliable power and power quality services by the utility company.	The Bill should clearly state that all the equipment by the utility company should undergo mandatory testing by the Uganda National Bureau of Standards (UNBS) before being distributed to the consumers. The bill should also include the standard of equipment that should be used installation of electric power. The bill should also include a provision that makes it an offence for anyone who purchases and supplies consumers with faulty equipment like yaka meters and this section should also include a penalty in case of non compliance.
3.	The bill is also silent about the constant power cut-offs in the hospitals and other health facilities. The hospitals and health facilities a great service to the country and they use electricity powered technology and equipment to save Ugandans' lives however, utility companies cut off power supply in hospitals which lead to loss of lives of the citizens. Therefore, the bill should clearly indicate the procedures that should be taken by the utility company before the company cuts-off power supply to hospitals and other relevant institutions.	There has been a public outcry and the effects of the hospitals being cut off and others not being with power at all, the proposed bill should make power in the hospital a necessity and make power disconnection and offence by the utility company. The bill should also stipulate a penalty for any distribution company that will cut off power in a government hospital. This bill should provide for the alternative ways the distribution companies can be paid their bills other than cutting off power.

4.	The bill is also silent on public/stakeholders' participation in the processes of land acquisition and Environmental and Social Impact Assessments (ESIA). Moreover, most of the hydropower dams are located in sensitive natural resources and require mandatory ESIA yet no public hearings are followed.	The bill should have clear provisions that every power project, the Environment and Social Impact Assessment must be conducted and involve the public to participate in the processes such as public hearings. In line to land acquisition processes, the bill should clearly state that the compensation for the project affected people should be in line with article 26 of the 1995 constitution to ensure fair, prompt and adequate compensation of the affected people.
5.	Clarity over sub-licensee of distribution. This is when a licensee distributes power through another entity. The bill does not talk about the roles and responsibilities of sub-contractors given the arrogance, corruption and 'I don't care attitude' they approach the consumers with. It should indicate the minimum standards of conduct. The bill should have more clarity to address the issues related to the above.	The bill should clarify the distribution's sub-licensee roles and responsibilities as well as the way they are intended to within their operational and contractual framework.
6.	The bill is silent about the constant electrocution of the citizens, in how many days a report should be produced on the cause of that electrocution.	The bill should include a section on the persistent electrocution of the citizens because according to the current Act, the distribution company is not under any obligation to produce a report on the causes of electrocution yet people are electrocuted day and night. The bill should clearly stipulate the time frame within which the investigation should take place which should not exceed three (3) days. The bill should also stipulate the people supposed to conduct the investigation to avoid public distrust of the report, therefore there must be an independent body to carry out the investigations with the utility company to ascertain the root causes of the electrocutions.
7.	The Bill doesn't address the issue of delayed completion of hydropower projects and deemed	The bill should have clear provisions indicating the person liable for failure to complete the power

	power challenges.	projects within the agreed timeframe. It should provide fines imposed to the individual or corporate body that fails to abide with the terms and conditions in the agreement for completion of the projects. The bill should also indicate provisions for punishments or fines to the individual that lead to lose by the government and high-power tariffs by the consumers because of the generated power that has failed to be evacuated from the project.
8.	The Bill does not have any clear clause to provide for investments in off-grid solar and renewable energy services.	The Bill should have a clause requiring investment in off-grid solar for rural households instead of grid power.
9.	The current electricity Act, concerns use of land for electricity installation however it does not provide for environmental impact assessment concerns yet there is a likely hood of the electric equipment's, power plants affecting the environment. The environmental impact of electricity generation is significant because modern society uses lager amount of electric power which is generated at a power plant that convert some energy into electric power which poses environmental concern.	The proposed amendment bill should provide for environment impact assessment to be done before any installation and also ensure public participation in decision making.
10.	The Bill does not indicate the source of funding to the tribunal to effectively perform its work. For the electricity disputes tribunal to deliver its mandate, it requires secure and sufficient funds.	The Bill should include a clause empowering the tribunal to get its funds directly from the consolidated fund.

Conclusion

Once again, we thank you and hope that the committee will take our proposals into consideration. Effective public consultation will help Parliament enact a good electricity law for the good of Ugandans. We believe that a good electricity law has the potential to improve the environment, social and economic benefits for all Ugandans.

Thank you,

Cirrus Kabaale,

Chief Executive Officer, STREC

Signatories

1. Strategic Response on Environmental Conservation (STREC)
2. Centre for Citizens Conserving Environment and Management (CECIC)
3. Centre for Energy Governance (CEG)
4. Environment Governance Institute (EGI)
5. Guild Presidents Forum on Energy Governance (GPFOG)
6. Oil Refinery Residents Association (ORRA)
7. Youth for Green Communities
8. Association for oil-affected youth
9. Women for a Green Economy Movement (WoGEM)