



ENERGY REGULATORS
ASSOCIATION
OF EAST AFRICA

0931

15/07/2020

REPORT

**FOR THE 18TH EXCO COMMITTEE MEETING TO BE HELD ON FRIDAY 6TH
MARCH 2020 AT 11.00 A.M. – 1.00 P.M.**

EWURA CONFERENCE ROOM

ARUSHA-TANZANIA

6TH MARCH 2020

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**REPORT FOR THE 18TH EXCO COMMITTEE MEETING TO BE HELD ON FRIDAY 6TH
MARCH 2020 AT 11.00 A.M.**

AGENDA ITEM

MIN 1. EXCO/18/20: OPENING PRAYER

The Opening Prayer was led by Eng. Ziria Tibalwa Waako.

MIN 2. EXCO/18/20: OPENING OF MEETING/GROUP PICTURES

AGREED that the pictures of the delegates would be taken after the meeting.

MIN 3. EXCO/18/20: INTRODUCTION AND OPENING REMARKS.

- i) The Heads of Delegation of AREEN, EWURA, EPRA, ERA, PAU, RURA introduced the members of their delegations.
- ii) The Chairperson apologised gave apologies on why EWURA was not able to attend the proposed EXCO meeting in Kampala. Further, he thanked the Members of the EXCO for attending the EXCO in Arusha-Tanzania.

MIN 4. EXCO/18/20: CONSTITUTION OF QUORUM

The Chairperson confirmed the Quorum for the 18th EXCO Meeting and noted the attendance of AREEN, EWURA, EPRA, ERA, PAU, RURA and ZURA.

MIN 5. EXCO/18/20: APOLOGIES

RECEIVED the apologies of the substantive Heads of National Regulatory Institutions (NRI) and recognised their nomination and attendance of their representatives as follows;

- i) ZURA, represented by Eng. Hemed Salim Hemed;
- ii) EPRA represented by Mr Cyprian Nyakundi; and
- iii) RURA, who was represented by Mr. Alexis Mutware.

MIN 6. EXCO/18/20: ADOPTION OF THE AGENDA

AGREED that the Report of the EREA Secretariat would be presented to subsequent EREA EXCO Meetings.

ADOPTED the following agenda for the 18th EXCO Meeting.

1. Opening Prayer.
2. Opening of Meeting/Group Pictures
3. Introduction and Opening Remarks
4. Constitution of Quorum
5. Apologies
6. Adoption of the Agenda
7. Declaration of Conflict of Interests
8. Tabling of minutes from:
 - (i) 17th EXCO Meeting held on 30th May 2019 at Pride Inn Paradise Hotel, Mombasa, Kenya
9. Matters Arising from the:
 - (i) 11th AGA held on 31st May 2019 at the Pride Inn Paradise Hotel - Kenya
 - (ii) 17th EXCO Meeting held on 30th May 2019 at the Pride Inn Paradise Hotel - Kenya
10. Portfolio Committees Reports;
 - (i) Legal Portfolio Committee
 - (ii) Technical Portfolio Committee
 - (iii) Economic Portfolio Committee
11. EXCO Sub-Committees Reports;
 - (i) Report of EXCO Committee on Finance and Administration (CFA)
 - (ii) Report of EXCO's Strategic Planning and Human Resources Committee (SPHRC)
12. Meeting venue
13. Any other business.

14. EXCO Side Meeting with the Executive Secretary.

MIN 7. EXCO/18/20: DECLARATION OF CONFLICT OF INTERESTS

Noted that none of the NRIs, the Members of the Committee had reported any conflict of interest in the business of the meeting.

**MIN 8. EXCO/18/20:
TABLING OF MINUTES FROM 17TH EXCO MEETING HELD ON 30TH MAY 2019 AT PRIDE
INN PARADISE HOTEL, MOMBASA, KENYA**

The Secretariat tabled the minutes of the 17th EXCO and the EXCO, took note of the minutes of the 17th EXCO Meeting held on 30th May 2019 at Pride Inn Paradise Hotel, Mombasa, Kenya.

MIN 9. EXCO/18/20 MATTERS ARISING FROM THE:

**9.1. EXCO/18/20: 11TH AGA HELD ON 31ST MAY 2019 AT THE PRIDE INN PARADISE
HOTEL - KENYA**

RECEIVED the report of the 11th AGA held on 31st May 2019 at the Pride Inn Paradise Hotel, Kenya.

OBSERVED;



- i) Noted that, for example, paragraphs (d) (e) and (f) the Secretariat should report on the activities that were undertaken to qualify the status.
- ii) The review of the Electricity Regulatory Index(ERI) as funded by the AfDB should also review the ERI for the year 2018 and 2019.
- iii) For items reported as fully completed, they should be further reported as either closed or open and evidence provided on the same.
- iv) Commended the Secretariat for completing 18 of the 22 action items.
- v) Reports on completed actions items such as Reports and Studies should refer to the report or table the completed actions before the Council.

APPROVED the report of Matters arising and execution status of the 11th AGA held on 31st May 2019 at the Pride Inn Paradise Hotel – Kenya, subject to incorporation of the above observations.

9.2. EXCO/18/20: 17TH EXCO MEETING HELD ON 30TH MAY 2019 AT THE PRIDE INN PARADISE HOTEL – KENYA

The Secretariat submitted and reported on the status of the matters arising from the 17th Executive Council held on 30th May 2019 at the Pride Inn Paradise Hotel – Kenya.

OBSERVED;

- i) The comments as submitted to the Minute 9.1/EXCO/18/20 on updating the remarks column be applied to the report of the EXCO.
- ii) Of the 13 (Thirteen) resolutions, 10 (Ten) were completed, and three were not.
- iii) With regard to resolutions that did not require action, the matters arising report needed not to report the same to the Council.

RECOMMENDATION:

APPROVED and adopted the Report on the status of the matters arising from the 17th Executive Council held on 30th May 2019 at the Pride Inn Paradise Hotel – Kenya.

MIN 10. EXCO/18/20: PORTFOLIO COMMITTEES REPORTS;

10.1. EXCO/18/20: LEGAL PORTFOLIO COMMITTEE

The legal portfolio committee presented the report of the 1st Special legal Portfolio Committee and the 36th Legal Portfolio Committee meetings.

OBSERVED as follows;

- i) Somali land was not an independent country, and as such, further collaboration with the hinterland should be reviewed. A criterion should be developed to determine the collaborating entities that EREA would work with such as who, when and should ensure that any of the member NRI's has not blacklisted the proposed individual(s).
- ii) The LPC should comprehensively review EREA Constitution, 2013 to ensure that it captured the required amendments comprehensively as well as ensure that the Constitution does not have provisions that are obsolete as it is dated 2013.
- iii) The report covered the status of implementation of the LPC action plan for the FY 2019/20.
- iv) The purpose of the peer review activity is a tool to improve the regulatory governance of each member NRI.
- v) The LPC has made progress in the implementation of their resolutions and should be commended for covering several essential tasks. The EREA Logo registration in respective NRI's should be completed expeditiously.
- vi) The Secretariat informed the LPC that it had incorporated the LPC input into the Lead Economist Work Plan from the 35th LPC in Mombasa-Kenya into the Lead Economist Annual Work Plan.
- vii) The Secretariat reported to the LPC that it had affected the resolution made by the 17th EXCO to change the EREA Bank Account name to be in tandem with the EREA Registration Certificate.
- viii) The Secretariat reported to the LPC that the extension of the secondment contract of employment of the Lead Economist EREA was drafted by the LPC and duly executed. The secondment contract of employment of the Lead

Economist EREA is due to expire on 31st December 2019 and following the end of that term to 31st June 2020.

- ix) The NRIs, save for AREEN and PAU had submitted their comments to the draft EREA staff regulation's and Human Resource's Manual was submitted to the 4th SPHRC and would be submitted to the 18th EXCO.
- x) ZURA, AREEN and EPRA had not registered their logo due to long registration timelines but should register their logos by the end of June 2020.
- xi) That the standard template for Memorandum of Understanding drafted by the LPC was in use and used to draft the Memorandum of Understanding between EWURA and EREA.
- xii) The standard template for EREA contracts of employment as adopted by the 17th EXCO had since been used by the EREA LPC to draft the employment contract for the Executive Secretary of EREA.

RECOMMENDATION:

The EXCO;

- i) Approved the 2nd amendment to the EREA Constitution, 2013 should be submitted to the 12th GA for approval subject to; amendment of the wording of the proposed amendment by renaming the committee from oil and gas to petroleum portfolio committee to ensure that it cuts across the entire petroleum value chain.
- ii) Approved the conduct of peer reviews by the Secretariat for every NRI hosting EREA activities.
- iii) Agreed that the LPC should develop a framework/criterion for collaboration and cooperation with relevant associations/bodies, including East African Community (EAC).
- iv) Agreed that the LPC should confirm that the Financial Service Manual as submitted to the CFA included the comments of all the Portfolio Committees and the Secretariat should submit all.

- v) Approved the draft Terms of Reference for the EREA NRI Coordinators key of which was the NRI coordinators should ensure that the EREA activities are mainstreamed in the respective NRI workplans
- vi) Approved the standard EREA terms of reference for the Secretariat Bureau subject to TORs providing for the Chairpersons of the Economic Portfolio Committee and Legal Portfolio Committee to be a part of the Secretariat Bureau.
- vii) Approved the Secretariat to implement an online document sharing platform such as drobox to be used in future EREA meetings with effect from June 2020.

10.2. EXCO/18/20: TECHNICAL PORTFOLIO COMMITTEE

The Technical Portfolio Committee (TPC) presented its report of the 35th TPC Meeting held in Kampala – Uganda.

OBSERVED:

- i) The subsidy requirement for end-user tariffs was only available in Tanzania.

- ii) The national access rate of Uganda stood at 51 % (27 % off-grid and 24 % On-grid) following the review of the definition of access.
- iii) The TPC should specifically review the extent to which regulation was affecting electricity connections.
- iv) The Uganda electricity connection policy was a direct subsidy for electricity connections for the no-pole and one-pole electricity connection.
- v) There were indirect subsidies in the ESI of the EA countries due to the subsidisation of the last mile connection.
- vi) Noted that the TPC would specifically identify the technological, financial and operations challenge's and develop a common implementation protocol for the viability of net metering.
- vii) The electricity statistics report be updated to include the date of the report, the generation mix percentages and accuracy of the figures presented.
- viii) NRIs needed to work with their utilities to put in place measures to ensure that the reliability indicators (SAIDI, SAIFI, Losses, Connectivity Rate etc.) on their electricity systems were at internationally acceptable levels.
- ix) On the generation mix, the report should indicate the available energy and not the installed capacity.
- x) NRIs should enhance the regulatory environment to encourage the use of cleaner sources of energy in rural areas at affordable process.
- xi) NRIs should enhance the Petroleum Retail Stations Regulation / Rules in stakeholder review and processes.
- xii) The accession of the PAU required the adjustment of the TPC work plan within the remaining period of the FY 2019/20.
- xiii) The Thematic working group for the Petroleum Pricing regulations develop a draft report for the Petroleum Pricing regulations. Regulations on pricing were

available in Tanzania, Kenya and Rwanda and the other East African Countries did not have regulations.

RECOMMENDATION

- i) Took note and approved the report of the 35th Technical Portfolio Committee
- ii) Agreed that the TPC should finalise the review of the NRI's Grid Code and interconnection procedures and submit them to the EXCO in the next Financial Year. Aspects which can be reviewed in the Grid Code could be forwarded to the next EXCO in June 2020.
- iii) Approved that the PAU would update the various datasheets for Petroleum touching on Uganda by 31st March 2020.
- iv) Agreed that the TPC should update the LPG statistics alongside the other petroleum statistics.
- v) Approved the templates for upstream petroleum information sharing for local content, monitoring, exploration and production planning, and petroleum production development, which template should also include the price for LPG.
- vi) Agreed that the TPC work plan should be adjusted to accommodate the upstream activities on documentation of available legal framework tools, technology transfer, and availability of upstream petroleum data.
- vii) Agreed that the TPC should prioritise the study on motor outboards and bring out challenges for rural areas.

10.3. EXCO/18/20: ECONOMIC PORTFOLIO COMMITTEE

The Economic Portfolio Committee (EPC) submitted the report of its 35th meeting held in Kampala – Uganda.

OBSERVED as follows;

- i) The EPC had proposed to engage a consultant for the review and harmonisation of methods of determination of regulated asset base in EA Countries.
- ii) The peer review of NRIs to be funded by external parties would require under the ESREM project.
- iii) The Secretariat would collaborate with the ESREM project to conduct the peer review for the next NRI to be peer-reviewed.
- iv) ESREM would be conducting a peer review for the AREEN.
- v) The EPC would finalise the study of the capacity gaps of regulatory governance, regulatory substance and regulatory outcomes.
- vi) Proposed to suggest to the AFDB to conduct a regulatory impact assessment for the petroleum sector.

RECOMMENDATION

- i) Agreed that before the engagement of a consultant, the EPC should carry out a comparison on how each NRI was determining the Regulated Asset Base and conduct a baseline assessment detailing specific challenge.
- ii) Agreed that the draft terms of reference for peer review exercise be harmonised in the LPC report to capture activities that can be conducted amongst EREA members and via an external Consultant. Secretariat to ensure the harmonisation of LPC, EPC and of reports the external consultant that was part of the team carrying out the peer review of ZURA.
- iii) Agreed that Burundi should submit the missing data on electricity demand and supply balance by 31st March 2020
- iv) Approved to upload the statistics on the trading of power to the EREA website by the 1st week of April 2020.

MIN 11. EXCO/18/20: EXCO SUB-COMMITTEES REPORTS;

11.1. EXCO/18/20: Report of EXCO Committee on Finance and Administration (CFA)

11.2. EXCO/18/20: Report of EXCO's Strategic Planning and Human Resources Committee (SPHRC)

MIN 12. EXCO/18/20: Meeting venue

RURA informed the meeting that they were in receipt of the request to host the next EREA meetings and will confirm readiness after internal consultations. They further informed the committee that they foresee challenges in receiving a budget allocation to enable hosting of EREA activities as their financial year is already ongoing.

AREEN confirmed readiness to host the next EREA meetings if RURA may not be in a position to host.

MIN 13. EXCO/18/20: Any Other Business

The EXCO commended and honoured the efforts of Eng. Charles Omujuni who will be exiting EWURA through retirement and by extension EREA for his dedicated service to the Association.

Signed this 6th March 2020 in Arusha-Tanzania

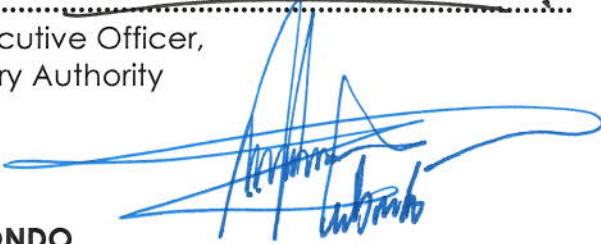
(1) **Eng. Godfrey H. Chibulunje**.....
Chairperson, Director General
Energy and Water Utilities Regulatory Authority

(2) **Mr. Haji Kali Haji**.....
Deputy Chairperson, Director General,
Zanzibar Utilities Regulatory Authority

(3) **Mr. Balthazar Nganikiye**.....
Member, Director General,
Authority for Regulation of Water and Energy Sectors (AREEN)

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(4) ~~Mr. Pavel B. Oimeke~~..... Mutyug's
Member, Director General,
Energy and Petroleum Regulatory Authority


(5) **Eng. Ziria Tibalwa**.....
Member, Chief Executive Officer,
Electricity Regulatory Authority


(6) **Mr. Ernest N.T. RUBONDO**.....
Member, Executive Director,
The Petroleum Authority of Uganda (PAU)


(7) **Mr. Patrick Nyirishema**.....
Member, Director General,
Rwanda Utilities Regulatory Agency,

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