

[AS PASSED BY THE SENATE]

A

BILL

to amend the Private Power and Infrastructure Board Act, 2012

WHEREAS, in the interest of smooth functioning of the power sector of Pakistan and in order to enable processing of public sector power projects through Private Power and Infrastructure Board under the applicable power policies, it has become expedient to amend certain provisions of the Private Power and Infrastructure Board Act, 2012;

It is hereby enacted as follows:-

1. Short title and commencement.-(1) This Act may be called the Private Power and Infrastructure Board (Amendment) Act, 2016.

(2) It shall come into force at once.

2. Amendment of section 2, Act VI of 2012.- In the Private Power and Infrastructure Board Act, 2012 (VI of 2012), hereinafter referred to as the said Act, in section 2, -

(i) in clause (f), the comma and words ", other than the Federal Government or any enterprise owned or controlled by the Federal Government" shall be omitted; and

(ii) the existing clause (j), clause (k), clause (l) and clause (m) shall be renumbered as clause (k), clause(l), clause(m) and clause(n), respectively, and after clause (i) the following new clause shall be inserted, namely:-

“(j) “Public Sector Power Projects” means power generation, transmission or distribution facilities constructed or to be constructed, owned, managed or controlled by the Federal Government, a Provincial government, a local authority or any entity owned or controlled by any such Government or authority where such facilities are specifically sanctioned by Federal Government to be established under the applicable power policies to be processed by Private Power and Infrastructure Board;”.

3. **Amendment of section 5, Act VI of 2012.**- In the said Act, in section 5, in sub-section (2),-

- (i) in clause (e), after the word "partnership" the words and comma "or for public sector power projects," shall be inserted; and
- (ii) in clause (f), the word "their" shall be omitted and for the word "parties" the word "persons" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

1. In order to eliminate power shortages in the country the Government of Pakistan (GoP) have taken many initiatives for addition in the generation capacity. As part of fast track strategy to reduce implementation time, the Federal and Provincial Governments are planning to setup power projects in public sector. In order to implement and operate these public sector projects in an efficient and commercial manner these will be implemented through independent companies owned by the Federal and Provincial Governments. This will facilitate timely and efficient implementation of the projects on commercial basis in accordance with robust and tested projects development structure and security package agreements.

2. Private Power and Infrastructure Board (the "**PPIB**"), a body corporate, was established pursuant to the PPIB Act 2012 (Act VI of 2012) (the "**PPIB Act**") with the functions and powers to implement power policies, the development and implementation of power projects and related infrastructure in private sector and public private partnership and to promote and encourage, facilitate private sector investment in the power sector and to safeguard the investment already made therein and to provide one window facility to investors.

3. Since the projects are being implemented through independent special purpose companies, both the Provincial and Federal Governments are desirous that the incentives, concessions and facilitation by PPIB should also be provided to these companies under the applicable policies similar to other Independent Power Producers (**IPPs**). However, PPIB under PPIB Act is mandated to process only private sector and public-private power projects, hence the Cabinet Committee on Energy (CCOE) directed to make necessary amendments in PPIB law to facilitate the public sector projects as well.

4. Accordingly, amendments were proposed through the draft Ordinance in order to enable PPIB to process Public Sector Projects for provision of efficient, affordable and sustainable electricity to the citizens of Pakistan. Thereafter the Ordinance was promulgated by the President of Islamic Republic of Pakistan.

**KHAWAJA MUHAMMAD ASIF
MINISTER FOR WATER AND POWER**