

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

CONTENTS

Preamble

Sections

- 1. Short title, extent and commencement.**
- 2. Definitions.**
- 3. Establishment of the Authority.**
- 4. Powers and Functions of the Authority.**
- 5. Decisions of the Authority.**
- 6. Authority Hearing.**
- 7. Budget, Finance and Audit.**
- 8. Grants.**
- 9. Funds.**
- 10. Expenditure to be charged on Sindh Electric Power Regulatory Authority Fund.**
- 11. Bank Accounts.**
- 12. Electric Power Policy and Plan.**
- 13. Captive Generation.**
- 14. Special Purpose Licence.**
- 15. Electric Power Supply Licence.**
- 16. Generation Licence.**
- 17. Distribution Licence.**
- 18. Microgrid Licence.**
- 19. Tariff.**
- 20. Investment and Power Acquisition Plan.**
- 21. Competitive Electricity Market.**
- 22. Licensees to be Companies.**
- 23. NEPRA Licences.**
- 24. Modification and Renewal of Licence.**
- 25. Assignment of licence prohibited.**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

- 26. Corporatization.**
- 27. Inquiry and Investigation by the Authority.**
- 28. Enforcement of orders of the Authority.**
- 29. Complaints.**
- 30. Alternate Dispute Resolution Mechanism.**
- 31. Powers to make rules.**
- 32. Powers to make regulations.**
- 33. Annual report.**
- 34. Information.**
- 35. Delegation of powers.**
- 36. Recruitment.**
- 37. Employee of the Authority to be public servants.**
- 38. Assistance from agencies and persons.**
- 39. Indemnity.**
- 40. Sums payable to the Authority to be recoverable as land revenue.**
- 41. Act to override other laws.**
- 42. Relationship to other laws.**
- 43. Power of the Authority to issue directives, circulars, guidelines, etc.**
- 44. Exclusivity.**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

4th JULY, 2023

AN ACT to provide for the regulation of electric power services within the Province of Sindh and matters connected therewith and incidental thereto;

WHEREAS it is expedient to provide for the regulation of electric power services within the Province of Sindh and matters connected therewith and incidental thereto; **Preamble.**

AND WHEREAS it is beneficial to ensure effective participation of Province of Sindh in the supply and distribution of electricity within the Province of Sindh through the Provincial Grid to ensure the development of the renewable and indigenous resources within the Province of Sindh at the cost-effective terms and conditions for the benefit of the consumers;

AND WHEREAS it is compulsive to ensure effective regulation and implementation of sovereign rights vested in the Province of Sindh conferred under Article 157 (2) read with of Entry No. 6 of Part II of Fourth Schedule of Constitution of the Islamic Republic of Pakistan, 1973;

AND WHEREAS it is needful to develop and regulate the bilateral contract market and other competitive market design in relation to the electric power services within the Province of Sindh;

AND WHEREAS it is necessary to ensure effective management, interface and coordination between the Provincial Government and Federal Government and its entities in accordance with requirements enshrined in Article 157 (2) (a) and Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973 for electric power bulk supply and transmission of electricity from national grid;

AND WHEREAS it is advantageous to support and encourage measures to effectively mitigate adverse climate change.

It is hereby enacted as follows:-

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

**CHAPTER-I
PRELIMINARY**

1. (1) This Act may be called the Sindh Regulation of Electric Power Services Act, 2023. **Short title, extent and commencement.**

 (2) It shall extend to the whole of Province of Sindh.

 (3) It shall come into force at once.
2. In this Act, unless the context otherwise requires – **Definitions.**
 - (i) "Administrator" means the Administrator appointed under sub-section (2) of section 27;
 - (ii) "affiliate" means a legal entity having common association or relationship with holding legal entity to the extent of majority or fifty-one percent control;
 - (iii) "applicable documents" means the rules, regulations, licence, registration, authorization, determination, any codes, manuals, directions, guidelines, orders, notifications, agreement or document issued or approved under this Act;
 - (iv) "Authority" means the Sindh Electric Power Regulatory Authority established under section 3;
 - (v) "bulk power consumer" means a consumer who purchases or receives electric power, at one premises, in an amount and voltage level or any other characteristics as the Authority may specify;
 - (vi) "captive power plant" means a generation company setup for own consumption and supply of electric power to affiliated entities;
 - (vii) "Chairman" means the Chairman of the Authority appointed by Government under this Act;

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

- (viii) "consumer" means a person who purchases or receives electric power for self-consumption and not for re-sale to others and includes residential, commercial, industrial, bulk power and agricultural consumers;
- (ix) "electric power distributor" means a person who has been granted a licence under this Act to undertake distribution of electricity;
- (x) "electric power generator" means a person who has been granted licence under this Act to undertake generation of electricity;
- (xi) "electric power services" means the services provided by a licensee, which includes generation, transmission, distribution, market development, system operations, sale, supply of electric power, and all other services incidental thereto;
- (xii) "electric power policy and plan" means the policy made and approved by Government for the development and promotion of electric power services within the Province;
- (xiii) "electric power supplier" means a person who has been granted a licence under this Act to undertake supply of electricity;
- (xiv) "Government" means the Government of Sindh;
- (xv) "licence" means a permission or authorization granted under this Act;
- (xvi) "licensee" means a person granted a licence under this Act;
- (xvii) "Member" means a member of the Authority appointed by Government under this Act;
- (xviii) "microgrid" means a small-scale decentralized electric power grid that can operate independently at a voltage not exceeding 11 kilovolts to generate, distribute and supply of electricity to the consumers and serving the load not

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

exceeding ten megawatt and developed in an unserved territory, not connected directly or indirectly to the provincial grid or national grid;

- (xix) "national grid" means the grid, interconnection, transmission facilities of the national grid company and include the generation facilities connected directly with national grid;
- (xx) "National Grid Company" means National Transmission and Despatch Company Limited, granted licensed by the NEPRA for the ownership, operation and maintenance of the national grid;
- (xxi) "NEPRA" means the National Electric Power Regulatory Authority established under the NEPRA Act;
- (xxii) "NEPRA Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997;
- (xxiii) "NEPRA Licensee" means a holder of a licence under and pursuant to the NEPRA Act;
- (xxiv) "open access" means an access to a transmission or distribution network of the licensee's system or its associated facilities for movement and delivery of electric power services on the terms and conditions as specified by the Authority;
- (xxv) "person" means a person formed or constituted as a legal person and shall include any company or association or body of individuals, whether incorporated or not;
- (xxvi) "prescribed" means. prescribed by rules or regulations made under this Act;
- (xxvii) "Provincial Grid" means the grid, interconnection, transmission facilities of the Provincial Grid Company and includes the generation facilities connected directly with provincial grid;

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

(xxviii) "Provincial Grid Company" means the Sindh Transmission and Despatch Company (Pvt.) Limited, granted licence by the NEPRA for the ownership, operation and maintenance of the Provincial Grid;

(xxix) "Province" means the Province of Sindh;

(xxx) "regulations" means regulations made under this Act;

(xxxi) "rules" means rules made under this Act;

(xxxii) "renewable energy" means electricity or energy produced or generated from a wind, solar, renewable, biomass, biogas, marine, solar photovoltaic, geothermal, waste to energy, hydrogen, energy storage, or hydroelectric power source and hybrid of any of above mature and or new technologies;

(xxxiii) "sale" means buying and selling of electric power services pursuant to terms and conditions determined by Authority under this Act;

(xxxiv) "Search Agency" mean an accredited and reputable search agency selected by Government to conduct the recruitment process for the Authority and recommend at minimum three candidates for each position to the selection committee for onward nomination of one candidate by the selection committee for appointment by Government;

(xxxv) "Selection Committee" means a committee constituted by Government for selection of one candidate for the nomination to Government for the appointment of Chairman and Members, comprising of atleast four members including Minister for Energy of Government as the Chairperson and, Vice Chancellor of an Engineering University, Vice Chancellor/Dean of faculty of Business Management Institute, Vice Chancellor/Dean of faculty of Law Institute, as the members, and any other member as co-opted by the Committee;

(xxxvi) "service territory" means the geographic, spatial or virtual

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

area specified in a licence within which the licensee is authorized to conduct electric power service(s) business:

(xxxvii) "specified" means anything specified through notification issued by Government or Authority, as the case may be;

(xxxviii) "supply" means the sale or delivery of electric power services by licensee in a specified service territory pursuant to this Act;

(xxxix) "use of system agreement" means the agreement for movement and delivery of electric power services on the terms and conditions as specified; and

(xl) "use of system charges" shall include all charges related to use of transmission or/and distribution or any other service charges for movement and delivery of electric power, as specified.

**CHAPTER-II
ESTABLISHMENT OF THE AUTHORITY**

3. (1) As soon as may be, after the commencement of this Act, Government shall, by notification in the official Gazette, establish an Authority to be known as the Sindh Electric Power Regulatory Authority, which shall be a body corporate, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire and hold property, both moveable and immovable, and to sue and be sued by its name. **Establishment of the Authority.**
- (2) The Authority shall comprise of the Chairman and three Members to be appointed in accordance with the provisions of this Act. The Members shall be designated as Member Technical and Development, Member Legal & Corporate and Member Finance & Policy.
- (3) The Chairman shall be appointed through selection committee for a period of four years and shall be eligible for re-appointment for one more term only.

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

(4) The Chairman shall preferably be from the private sector and shall be eligible for such remunerations and benefits, commensurate with market-based compensation package, as determined by Government. The Chairman must be a person known for his integrity and eminence having experience of not less than twelve years and qualified in any relevant field including law, business, engineering, finance, accounting or economics should have sound knowledge and work experience preferably in the field of electric power services business.

(5) The Chairman may resign from his office by writing in his hand addressed to Government or may be removed by Government from his office if, on an inquiry by the Inquiry Committee appointed by the Chief Minister, that he is found unable to perform the functions of his office or because of mental or physical disability or he is found guilty by a court of any serious crime of moral turpitude.

(6) The Members shall be domiciled in the Province of Sindh and preferably be from the private sector and shall be eligible for such remunerations and benefits, commensurate with market-based compensation package, as determined by Government. Member Technical & Development shall be a person holding an engineering degree in the fields of electricity, energy or power with a minimum of twelve years of related experience in the field of electrical and power services business. Member Legal & Corporate must be a person holding a degree in the field of law with corporate and commercial specialization and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate law. Member Finance & Policy must be a person holding a degree in the field of economics, finance or chartered accountancy and is a professional of known integrity and eminence with a minimum of twelve years of related experience in the field of corporate finance or chartered accountancy or electric power services business.

(7) A Member may resign from his office by writing in his hand addressed to the Government or may be removed from his office by the Government, if, on an inquiry by the Government, he is found unable to perform the functions of his office because of mental or physical disability or he is found guilty by a court of

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

any serious crime of moral turpitude.

(8) The Authority may create, sanction and approve posts, from time to time as specified through rules, the qualifications, experience and terms and conditions for appointment of the directors, advisors, consultants and other officers, employees and staff of the Authority.

(9) The Authority shall meet at such time and place and in such manner, as may be determined and specified by the Authority, through regulations or otherwise. Three Members including the Chairman shall constitute a quorum for meetings of the Authority requiring a decision by the Authority.

(10) No act or proceeding of the Authority shall be invalid by reason only of the existence of a vacancy in, or defect in, the constitution of the Authority.

(11) The powers and functions of the Authority as provided in the Act shall be exercised in the name of the Authority by the Authority, comprising of the Chairman and the Members. In performance of his functions under the Act, the Chairman shall act through the Members. In the absence of the Chairman, the Members may on interim basis appoint an acting Chairman from amongst the Members to discharge the functions of the Chairman as specified under the Act.

(12) The principal office of the Authority shall be in Karachi and it may set up offices at such place or places within or outside Province of Sindh as may be required.

(13) The Authority shall have the power to constitute as many committees, councils and associations, to achieve its goals, as it may deem fit.

(14) The Chairman or a Member shall not be appointed under sub-section (2) if he has attained the age of sixty five (65) years.

(15) The process of appointment of new Chairman or Member under subsection (2) shall be finalized ninety days prior to the outgoing incumbent Chairman or Member, as the case may be.

(16) The process of appointment shall be finalized within ninety

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

days in case of vacancy occurs due to the death, resignation or removal of the Chairman or Member. Government shall appoint a member' to work as an acting Chairman till the appointment of new Chairman within the prescribed time period.

(17) The Chairman and Members of the Authority shall be eligible for such remuneration and allowances as the Authority may, with approval of Government, determine. The remuneration and allowances of the Chairman and Members shall account for –

- (a) specialized nature of work to be performed by the Authority;
- (b) need to ensure the financial self-sufficiency of the Authority; and market based compensations.

4. (1) Subject to the provisions of this Act, the Authority may take such measures and exercise such powers and functions as may be required for performance of its objectives. **Powers and Functions of the Authority.**

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Authority shall have exclusive regulatory power and authority: -

- (a) to grant, issue, notify, extend, renew and cancel licenses for the electric power services;
- (b) to regulate the electric power services within the Province of Sindh;
- (c) to determine the terms and conditions of the supply including tariff, rates, charges;
- (d) to regulate the inter-province, transmission of electricity;
- (e) to develop, undertake and approve the electric power services without any financial limit;
- (f) to adjudicate upon disputes between the licensees;
- (g) to impose and collect fees, fines and penalties for the

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

purposes of this Act;

- (h) to specify provincial grid, transmission, distribution, market and supply codes having regard to national and international standards;
- (i) to specify and enforce the standards with respect to quality, services, continuity and reliability of electric power service licensees;
- (j) to issue guidelines, procedures and standards operating procedure for electric power service licensees;
- (k) to review its orders, decisions or determinations as specified;
- (l) to promote development of electricity market in accordance with the Electric Power Policy and Plan;
- (m) to discharge such other functions as may be assigned under this Act.

(3) The Authority shall have the general powers to-

- (a) specify and receive fees and charges for processing applications, fees for grant of licences and renewal thereof and deposit and disburse or utilize the same, if required;
- (b) open and operate bank accounts in local and foreign currencies permissible under the laws of Pakistan;
- (c) commence, conduct, continue and terminate litigation, arbitration or alternate dispute resolution mechanisms at whatever levels may be necessary or appropriate;
- (d) appoint technical, professional and other advisers, agents and consultants, including accountants, bankers, engineers, lawyers, valuers and other persons.

5. Decisions of the Authority. Subject to the compliance of quorum requirements, all orders, determinations and decisions of the Authority shall be taken in writing and reached through **Decisions of the Authority.**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

consensus or majority vote, as the case maybe and in case of a tie, the Chairman shall have a casting vote.

Provided that a member may participate in a meeting electronic platforms and such participation shall be deemed to have formed the quorum.

6. Unless otherwise expressly provided in this Act or any rule or regulation, any decision that the Authority has the power to make, may be 'made on its own motion or initiative after the holding of a meeting of the Authority, and without giving notice to the public, and without holding a hearing: **Authority Hearing.**

Provided that if it appears to the Authority that its decision relating to a regulated activity may directly and adversely affect the rights of a person, the Authority shall, prior to reaching the decision, give the person an opportunity of being heard, including presentation of evidence relevant to decision.

7. (1) The Authority shall, in respect of each financial year, prepare its own budget in accordance with the prescribed procedure. **Budget, Finance and Audit.**

(2) The budget statement, on single line basis, shall specifically state the estimated receipts and expenditure and the sums which are likely to be required from Government during the next financial year.

(3) The Authority shall maintain complete and accurate books of accounts of its receipts and expenditure.

(4) The accounts of the Authority shall be audited at the close of each financial year by a qualified firm of Chartered Accountants.

(5) The Authority shall produce such accounts, books and documents and furnish such explanations and information as the auditors may require for the purpose of audit by the external auditors.

(6) Copies of the Auditor's report on the accounts shall be provided to the Authority.

(7) The Chairman of the Authority shall be its Principal

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

Accounting Officer.

8. Government may, from time to time, place grants to the Authority to carry out the powers and functions under the Act. **Grants.**
9. There shall be constituted a non-lapsable fund to be called the Sindh Electric Power Regulatory Authority Fund which shall vest in the Authority and shall be utilized by the Authority to meet all expenses and charges properly incurred in connection with carrying out the purposes of this Act. The Fund shall be credited all sums received by the Authority. The Fund shall be financed by- **Funds.**
 - (a) fees, commissions, charges and other amounts received by the Authority;
 - (b) funds including grants provided by Government for payment of salaries, establishing infrastructure and running day-to-day business of the Authority as a single line budget;
 - (c) funds provided by the Federal, Provincial or Local Governments or any other body including grants;
 - (d) funds including grants from national and international bodies or organizations;
 - (e) loans from Government or Federal Government, as the case may be;
 - (f) loans, investments and foreign aid obtained by the Authority;
 - (g) funds raised through Public-Private Partnerships by the Authority;
 - (h) funds from bonds, sukuks and other forms of finances and investments on the basis of participation term certificates, musharika certificates, term finance certificates or any other financial or debt instruments or securities issued by the Authority; and

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

- (i) proceeds of any investments made by the Authority in utilizing any amount of Funds which is not required for immediate use.
10. (1) Sindh Electric Power Regulatory Authority Fund shall be expended for the purposes of-
- Expenditure to be charged on Sindh Electric Power Regulatory Authority Fund.**
- (a) paying any expenditure lawfully incurred by the Authority, including the remuneration or salary and allowances of the Chairman, Members, staff, employees, accountants, advisers, agents, consultants, lawyers, valuers and other experts appointed and employed by Authority, including provident fund contributions, superannuating allowances or gratuities and legal fees and costs and other fees and costs, if any;
- (b) electric power service development and operation cost;
- (c) paying for expenditure incurred on –
- (i) communication strategy conventional and digital, marketing and publicity;
- (ii) consultative workshops, capacity building, seminars and conferences;
- (iii) restructuring, organization, infrastructure and corporatization; and
- (d) purchasing or hiring equipment, machinery and any other materials, acquiring land and constructing buildings and carrying out any other work and undertakings by Authority in the performance of its functions or the exercise of its powers under this Act;
- (e) re-paying any financial accommodation received or moneys borrowed under or pursuant to or by virtue of this Act and the profit, mark-up or return due thereon;
- (f) expenditures incurred in relation to the objects and

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

functions of the Authority; and

- (g) paying any other expenses, costs or expenditure properly incurred or accepted by the Authority in the performance of its functions or the exercise of its powers under this Act.

(2) The Fund will be utilized for the purposes as specified above.

11. (1) The Authority may open and maintain bank accounts in local and foreign currency in any scheduled bank in Province of Sindh. **Bank Accounts.**

(2) Bank accounts of the Authority shall be opened with the prior approval of Principal Accounting Officer.

**CHAPTER-III
ELECTRIC POWER POLICY AND PLAN**

12. (1) Government shall, from time to time make and approve Electric Power Policy and Plan for development of electric power services and electricity market: **Electric Power Policy and Plan.**

Provided that in the development of policy and plan under this section, Government may seek such advice and assistance from the Authority as may be required.

(2) The Authority shall aid and advise Government on all or any of the following matters, namely:-

- (a) formulation of Electric Power Policy and Plan;
- (b) promotion of competition, efficiency and economy in electric power services;
- (c) promotion of investment in electric power services;
- (d) matters in relation to Article 157 and Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973;
- (e) any other matter referred to the Authority by Government relating to electric power services.

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

(3) Notwithstanding anything contained in this Act, the Government:

- (a) to the extent electricity is supplied to Province from the national grid, require supply to be made in bulk at the point of interconnection of national and provincial grids for transmission and distribution of electricity within the province;
- (b) subject to licence, granted under this Act, may construct power houses and grid stations and lay transmission lines for use within territory of the Province;
- (c) levy tax on sale, supply, consumption, use of electric power services within the Province;
- (d) subject to licence, granted under the Act, determine the tariff for distribution of electricity within the province.

**CHAPTER-IV
GRANT OF LICENCES FOR ELECTRIC POWER
SERVICES**

13. (1) There will be no requirement for a licence in respect of captive generation facilities for supply of electric power to the bulk power consumers and consumers of its affiliates; provided that the captive generation company shall be required to register in accordance with the regulations to be specified by the Authority. **Captive Generation.**
- (2) Notwithstanding any supply of electric power from the captive generation company to the provincial grid shall be a licensed activity.
- (3) Supply of electric power through the provincial grid or national grid shall be subject to the manner, procedure, terms and conditions and payment as prescribed by use of system agreement and use of system charges for availing open access and wheeling of electric power by the open access users.
14. The Authority may, in the public interest, grant a licence **Special Purpose**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

- authorizing the licensee to engage in the development, construction, ownership, maintenance and operation of specified electric power service business on the rates, charges, terms and conditions, performance standards as may be prescribed and specified by the Authority. **Licence.**
15. No person shall, unless licensed by the Authority under this Act, engage in supply of electric power to a consumer within a service territory, subject to the eligibility criteria, terms and conditions prescribed and specified by the Authority. **Electric Power Supply Licence.**
16. No person shall, unless licensed by the Authority under this Act, construct, own or operate a generation facility, subject to eligibility criteria, terms and conditions, prescribed and/or specified by the Authority. **Generation Licence.**
17. No person except the licensee shall engage in construction and operation of the distribution facility, subject to eligibility criteria, the terms and conditions, prescribed and specified by the Authority. **Distribution Licence.**
18. (1) No person except the licensee shall engage in distribution and supply of electricity to a consumer within a service territory, subject to the eligibility criteria, terms and conditions prescribed and specified by the Authority. **Microgrid Licence.**
- (2) A licensee shall be authorized to generate, distribute and supply of electricity to the consumers connected to the microgrid and to perform all activities incidental or ancillary thereto, including, without limitation, connection, metering, billing, collection and disconnection for payment default by a consumer.
- (3) The Authority shall grant a unified one licensee to one microgrid operator for the electric power services in its specified service territory to generate, distribute and supply of electricity up to megawatts as specified.
- (4) A licensee shall connect and supply electricity to any consumer within its service territory on a non-discriminatory basis, except where the requested supply will result in the licensee exceeding the limits of distribution system as specified or the new connection request is technically or financially not

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

viable; provided that the Authority may on receipt of a complaint by a person denied service conduct an inquiry and issue an order accordingly.

(5) A microgrid shall not be connected to the national grid or a provincial grid without permission of the Authority and after conducting a public hearing.

**CHAPTER-V
INVESTMENT AND TARIFF**

19. Notwithstanding anything contained in any other law, for the time being in force, the Authority shall determine, modify or revise the rates, charges and terms and conditions for the provision of electric power services in accordance with procedure specified by the Authority and such guidelines as may be issued by Government in order to give effect to the electric power policy and plan. **Tariff.**
20. (1) Investment and Power Acquisition Plan. (1) The Authority shall specify procedures and standards for the electric power services companies' investment and power acquisition plans. **Investment and Power Acquisition Plan.**
- (2) Any procedures specified by the Authority under this section shall advance the goal of competition for market participants and regulations for service providers.
- (3) Upon the Authority's approval of an investment plan or a power acquisition plan, the Authority shall, subject to such terms and conditions, including rates and charges of electric power, permit the market participants and service providers to enter into contracts for network investment and purchase of electric power.

**CHAPTER-VI
ELECTRICITY MARKET**

21. (1) The Authority shall in a specified manner may commence the competitive electricity market development, institutional reforms and implementation comprising of system operator, market operator, whereby generators, distributors, traders and suppliers of electricity will sale, supply and trade electric power among licensees and to the consumers on bilateral, real time, spot market **Competitive Electricity Market.**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

through an organized market mechanism, administration and settlement as approved and amended from time to time by the Authority.

(2) The suppliers, consumers and generators will have right for open access and wheeling of electric power through the transmission and distribution facilities of the transmission and distribution companies of the licensees and NEPRA licensees.

(3) The Authority may also allow the establishment of platforms and communication strategy for conduct of the prequalification and bidding process of the competitive auctions for electric power services and will make arrangements available for competitive auction of capacity and energy for providing services to licensees and the consumers.

(4) The Authority may establish power exchange, electronic platforms, electronic trading and electronic commerce for creation and operation of virtual and real time electricity markets with associated information and operation technologies development, system integrated operations and planning, market management system, smart meters, smart and micro grids and any other related information and communication technology interventions.

22. Unless, exempted by the Authority for reasons so determined, a licence shall not be granted to any person unless it is a company registered under the Companies Act, 2017. **Licensees to be Companies.**
23. (1) The licences granted by the NEPRA shall be deemed to be licences issued or granted under this Act. **NEPRA Licences.**
- (2) Notwithstanding the provisions of sub-section (1), the Authority may direct the licensee under the NEPRA Act to obtain a licence under this Act where the Authority is of the opinion that the grant of the licence is its exclusive power and function pursuant to the Act.
- (3) The NEPRA shall not issue any NEPRA licence to a person within the Province of Sindh with objects relating to the Province of Sindh without prior consultation with the Authority.
24. (1) If the Authority is of the opinion that it is in the public **Modification and**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

interest, it may, with the consent of the licensee, modify or amend the terms and conditions of any licence granted under this Act and in the absence of licensee's consent, the Authority shall conduct a public hearing whether the proposed modification or amendment is in the public interest and shall make a decision and issue determination consistent with the outcome to this hearing.

Renewal of Licence.

(2) The licence may be renewed or granted, after expiry of its period, upon the application of the licensee, subject to satisfactory performance of the licensee, compliance with the Act, the applicable documents and on such afresh terms and conditions as the Authority may deem appropriate for renewal or grant licence.

25. A licensee shall not, without the prior approval of the Authority, surrender, assign or transfer its licence to any person.

Assignment of licence prohibited.

26. The Authority may –

Corporatization.

- (a) undertake any joint venture or work in association with any person and may subscribe to the equities and acquire such other rights and obligations as may be necessary for such joint venture or association;
- (b) promote, form or sponsor any company or companies having objects of provision of electric power services and development and utilization of any resources of energy for supply business; and
- (c) subscribe for, take or otherwise acquire, hold and dispose of shares, bonds, debentures, commercial papers or other securities of any company promoted, formed or sponsored and assign rights, interests and title in property for restructuring or corporatization of the companies providing electric power services.

**CHAPTER-VII
INVESTIGATION AND ENFORCEMENT**

27. (1) The Authority may initiate an inquiry and or investigation for determination or ascertainment of any contravention of the application documents.

Inquiry and Investigation by the Authority.

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

(2) The Authority may appoint one or more officers as an Administrator to investigate, either on its own motion or on the basis of any information received, whether any contravention of any provision of applicable documents or anything specified by this Act has been committed; provided that inquiry and/or investigation of an Administrator shall be carried in such manner and procedure as may be specified by the Authority.

(3) Where an Administrator after concluding an inquiry and or investigation is satisfied that a contravention of any provision of applicable documents or anything specified by this Act has been committed, he may recommend to the Authority to undertake any of the following, in the manner and procedure specified by the Authority:-

- (a) impose a fine on or sanction any person responsible for such contravention;
- (b) suspend or cancel any licence issued by the Authority to any person responsible for such contravention; and
- (c) issue directions to any licensee to cease from doing any particular act.

(4) The findings of any inquiry or investigation report shall be placed before the Authority for its determination.

(5) The Authority shall specify the procedure for inquiry and investigation.

(6) Upon establishment of the contravention or breach of the applicable documents or any provision of this Act, the Authority may impose fines and penalties in accordance with the regulations.

- | | | |
|-----|--|--|
| 28. | Enforcement of orders of the Authority. The Authority's determinations shall be deemed to be decrees of a civil court under the Code of Civil Procedure, 1908 (Act V of 1908). | Enforcement of orders of the Authority. |
| 29. | Complaints. (1) Any interested or effected person may file a written complaint with the Authority against a licensee for | Complaints. |

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

contravention of any provision of this Act or applicable documents specified or issued thereunder.

(2) The Authority shall, on receipt of a complaint, before taking any action thereon, give notice to the licensee or any other person against whom such complaint has been made to show cause and provide such licensee or such other person an opportunity of being heard.

(3) The procedure for determination of complaints shall be framed through regulations.

**CHAPTER-VIII
MISCELLANEOUS**

- | | | |
|-----|--|--|
| 30. | The Authority shall specify a legally binding and enforceable alternate dispute resolution mechanism for the settlement of all disputes arising amongst and between the Authority and the licensees or between the licensees. | Alternate Dispute Resolution Mechanism. |
| 31. | Government may, by notification in the official Gazette, make rules on the matters as deemed necessary for implementation and to carry out the purposes of this Act. | Powers to make rules. |
| 32. | The Authority may, by notification in the official Gazette, make regulations not inconsistent with the provisions of the Act as deemed necessary for the performance of functions, implementation of and to carry out the purposes of this Act. | Powers to make regulations. |
| 33. | The Authority shall prepare and submit to Government, within four months of the expiry of each financial year, a report pertaining to conduct of its affairs for that year including anticipated developments for the following year, the financial statements, performance, investment plan and conduct of its functions and affairs for the relevant years. | Annual report. |
| 34. | The Authority may call for any information, required by it for carrying out the purposes of this Act, from any person involved directly or indirectly, in the provision of electric power services or any matter incidental or consequential thereto. Any such person shall be liable to provide the information called by the Authority, failing which he shall be liable to a penalty under this | Information. |

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

Act.

35. The Authority may delegate any of its powers and assign its functions subject to such conditions as it may deem fit to impose, to the Chairman, Member, Employee or any committee. **Delegation of powers.**
36. The Authority may, from time to time, create, sanction and approve posts and determine the need to employ and appoint such officers, members of its staff, advisers, consultants, experts and other employees, as it considers necessary for efficient and effective performance of its functions on such terms and conditions as may be prescribed or until so prescribed as may be determined by the Authority with the approval of Government: **Recruitment.**
- Provided that all appointments shall be made in accordance with the specified educational, technical or professional qualifications and experience as may be prescribed;
- Provided further that the regulations, orders, instructions for the time being in force governing all appointments and terms of service of employees of the Authority shall be contractual and non-statutory.
37. For the purposes of this Act, the Chairman, Members, directors and other officers, staff, advisers, consultants of the Authority shall be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code, 1860 (Act XLV of 1860). **Employee of the Authority to be public servants.**
38. Notwithstanding anything contained in any other law for the time being in force, the Authority may seek any assistance or information from any person including but not limited to, department, statutory body, corporation, agency of Government or local body which, in its opinion, concerns any matter relating to the functioning of the Authority and the requisite assistance or information, whatever the case may be, shall be provided to the Authority within the time frame stipulated by it. **Assistance from agencies and persons.**
39. No suit, prosecution or other legal proceedings including criminal proceedings shall lie against the Authority, the Chairman, Members, directors, officers, the employees, advisors and consultants of the Authority and its subsidiaries for anything done in good faith or intended to be done under this Act or any rule or **Indemnity.**

**THE SINDH REGULATION OF ELECTRIC POWER SERVICES ACT,
2023.
SINDH ACT NO. XVII OF 2023.**

regulation.

- | | | |
|-----|---|--|
| 40. | All sums payable to the Authority in accordance with the provisions of this Act and the rules or regulations shall be recoverable as arrears of land revenue. | Sums payable to the Authority to be recoverable as land revenue. |
| 41. | The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force. | Act to override other laws. |
| 42. | The provisions of this Act, rules and regulations made and licences issued thereunder shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation, for the time being in force and the Authority shall, subject to the provisions of this Act, be exclusively empowered to determine rates, charges and other terms and conditions for electric power services within the Province of Sindh. | Relationship to other laws. |
| 43. | The Authority shall have the power to issue such directives, codes, guidelines, circulars or notifications as are necessary to carry out the purposes of this Act and the rules and regulations made hereunder. | Power of the Authority to issue directives, circulars, guidelines, etc. |
| 44. | <p>(1) The sites for generation of electricity, including but not limited to wind corridors, wind farms, mines, gas reservoirs, solar parks, waste to energy, biomass renewable energy, irrigation canals within the Province of Sindh, are exclusively vested in the Government.</p> <p>(2) The sites may be developed by the Authority through the public sector, private sector and or on public private partnership basis, as prescribed.</p> | Exclusivity. |