

## Minutes of the 3<sup>rd</sup> Meeting of the Board of Directors (BoD) of National Energy Efficiency and Conservation Authority (NEECA)

The 3<sup>rd</sup> Meeting of the Board of Directors (BoD) of National Energy Efficiency and Conservation Authority (NEECA) was held on 2<sup>nd</sup> April 2021 at 1000Hrs in the Committee Room of Ministry of Energy (Power Division), 'A' Block Pak Secretariat Islamabad. Mr. Ali Raza Bhutta, Secretary Ministry of Energy (Power Division)/Chairman BoD of NEECA chaired the meeting. The list of participants is placed at Annex-I.

2. Secretary, Ministry of Energy (Power Division)/Chairman BoD welcomed the participants of the 3<sup>rd</sup> meeting of NEECA BoD and appreciated the members for their continued efforts during formative phase of NEECA.
3. The Chairman BoD noted that the Agenda of the 3<sup>rd</sup> BoD meeting is quite extensive and important matters should be prioritized due to time constraints of the BoD members. Moreover, it was also observed that no Board meeting has been conducted in the past one year and directed MD NEECA to organize monthly Board meetings for the next four (04) months to streamline the pending issues of NEECA.
4. After an initial discussion and introductory presentation made to the Board by Managing Director NEECA, the Administrative Matters (Agenda Items 11-15) as well as Agenda Item 06-"Energy Audits of Gas-based Captive Power Plants" from the Operational Matters were prioritized for discussion given the time constraint. Decisions were taken against each item which are given as under:

### Item No.1: Confirmation of the Minutes/Decisions of 2nd Meeting of the NEECA Board held on 2nd March, 2020

It was apprised to the Board that the Minutes/Decisions of the 2<sup>nd</sup> BoD meeting were circulated to all the Members of the BOD, and no comments/inputs were received from the Members.

#### **Decision:**

The BoD confirmed the Minutes/ Decisions of the 2<sup>nd</sup> BOD Meeting of NEECA.

  
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## NEECA's Administrative Matters

### Item No. 11: Approval of NEECA's Service Regulations 2021 and HR Structure

The Board was apprised that a comprehensive evidence based HR study was commissioned with the technical assistance of the World Bank Group (WBG) in light of the tasks assigned by the Board in 2<sup>nd</sup> Meeting of NEECA BoD held on 2<sup>nd</sup> March 2020. Also, it was informed that a meeting of the HR Sub-Committee of BOD was held on 20th January 2021 on the subject matter and their comments and observations were duly incorporated.

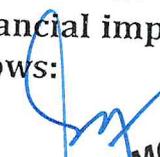
2. The Board was informed that the functional lines of the organization as per the NEECA ACT 2016 formed the basis of the said HR structure & associated components where a careful comparative review was conducted regarding existing HR structure/pays and allowances, and associated regulations of organizations such as NEPRA, OGRA, CPPAG, and PPIB. Following components of the proposed HR Structure were presented to the Board for endorsement and approval:

- a) NEECA Service Regulations 2021
- b) NEECA's Functional Lines/Areas as per NEECA ACT 2016
- c) Organizational HR Structure along with total number of Positions, Hiring/Recruitment Phases, and Financial Impact
- d) Market-based Salary Structure along with Employment Benefits for the Officers and Staff Cadres
- e) Job Descriptions of the N-1 Positions and Employee Performance Management System
- f) Liaison Mechanism for Provincially Designated Agencies
- g) Capacity and Training Need Assessment

#### Decisions:

- i. The Board approved the draft Service Regulations 2021, and also recommended that the approved Service Regulations 2021 should be legally vetted and in case of any change; resubmit to the board in the next meeting for approval.
- ii. The Board approved the proposed HR structure, number of positions, salary structure, job description of N-1 positions and hiring phases.
- iii. The Board directed that NEECA should initiate the hiring of Phase-I positions, 41 positions with an overall financial impact of PKR 204.7 Million for the FY 2021-2022, given as follows:

- 6 Positions of Director Generals

  
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- 1 Position of Internal Auditor
  - 1 Position of Registrar Energy Conservation Tribunal
  - 18 Positions of Directors
  - 5 Positions of Senior Assistant Directors
  - 10 Positions of Assistant Directors
- iv. The Board directed MD NEECA to present each of the next hiring phase to the Board members for approval prior to its initiation.

**Item No. 12: Formulation and Re-constitution of the (new and existing) sub-committees**

It was submitted to the Board that the following Sub-Committees of the Board of Directors of NEECA are required to be formulated/re-constituted to run the business of the organization in an efficient and transparent manner:

- a) Finance and Risk Management Committee
- b) Procurement Committee
- c) HR and Remuneration Committee
- d) Audit Committee
- e) Technical Committee

**Decisions:**

- i. The Board endorsed the formulation and reconstitution of new and existing sub-committees, respectively, and directed that proposed sub-committees should be composed as follows:

**a) Finance and Risk Management Committee:**

Secretary, Finance Division  
 Chairman, OGRA  
 Secretary, MoCC  
 Managing Director, NEECA

Chairman  
 Member  
 Member  
 Member/Secretary

**b) Procurement Committee:**

  
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Secretary, Mo I&P  
Secretary, Sindh Energy Department  
Secretary, Balochistan Energy Department  
Secretary, Punjab Energy Department  
Secretary, KP Energy Department  
Managing Director NEECA

Chairman  
Member  
Member  
Member  
Member  
Member/Secretary

**c) HR and Remuneration Committee:**

Secretary, Ministry of PD&SI  
Secretary, Ministry of Industries & Productions  
Secretary, Ministry of Climate Change  
Secretary, Finance Division  
Managing Director, NEECA

Chairman  
Member  
Member  
Member  
Member/Secretary

**d) Audit Committee:**

Chairman, OGRA  
Secretary, Punjab Energy Department  
Secretary, Petroleum Division  
Secretary, Finance Division  
Managing Director, NEECA

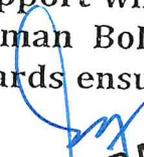
Chairman  
Member  
Member  
Member  
Member/Secretary

**e) Technical Committee:**

Secretary, Ministry of PD&SI  
Secretary, Mo S&T  
Secretary, Mo I&P  
Secretary, Ministry of Climate Change  
Secretary, Punjab Energy Department  
Secretary, Sindh Energy Department  
Secretary, Balochistan Energy Department  
Secretary, AJ&K Electricity Department  
Secretary, GB Electricity Department  
Managing Director, NEECA

Chairman  
Member  
Member  
Member  
Member  
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Member  
Member  
Member/Secretary

- ii. The Board directed that the Terms of Reference for each of the Sub-committee should be submitted to the Board members in the next BoD meeting where Secretariat support will be provided by NEECA. Further, it was directed by Chairman BoD that ToRs of the Sub-committees should be focused towards ensuring oversight of related

  
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policy matters and rules of business, and these ToRs should not adversely affect the procurement timelines.

**Item No. 13: Matter of Existing Defunct ENERCON Employees**

The Board was briefed on the current status of the existing defunct ENERCON employees where these employees have already conveyed their option to retain their status as were enjoyed in former ENERCON (civil servants) under the Clause 25 "Transitional" of the NEECA ACT 2016. Therefore, the ENERCON stands dissolved as per Clause 28 "Repeal" and all the employees of defunct ENERCON are not part of the NEECA.

**Decisions:**

- i) The BoD directed the existing HR Committee to convene at the earliest on this matter and forward the case of Ex-ENERCON employees with all the facts to the Establishment Division if these employees are civil servants.
- ii) Also, it was directed that Establishment Division must be requested to attend the existing HR Committee meeting so that the Establishment Division would remain informed about the decisions of the HR Committee of the NEECA BoD.
- iii) The BoD also directed the MD NEECA to propose the defunct ENERCON employees whose services NEECA deems worth retaining on deputations, after the decision is made in consultation with the Establishment Division.

**Item No. 14: Budget Allocation for hiring the Professional Staff for the proposed HR Structure (Salary Structure, Other Benefits, Hiring Phases and Operating Costs etc.)**

The Board was apprised of the meeting of the Finance Committee held on 26th January 2021 to consider the provision of adequate finances to NEECA and the phase-wise budget allocation for proposed HR Structure. The Board was informed that the funds for the Authority are crucial to perform its functions under the NEECA Act 2016, which was concurred by the Board Members.

2. Further, the Board was briefed that the Finance Committee endorsed/recommended the provision of Seed Money for NEECA to initiate its activities as per mandate of NEECA. The Finance Committee proposed the allocation of funds of Rs. One Billion through Finance Division as a grant in accordance with Section-9 (3) (a) (c) of

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NEECA Act-2016, which has already been approved by the Board of Directors, NEECA. The representative of the Secretary (Finance Division) in the NEECA Board apprised the Board Members that the Finance Division is already committed to allocate Seed Money as well as the NEECA Budget.

3. The Finance Committee considered the budget allocation for the HR and recommended the submission of budgetary allocation of PKR 693.70 Million to the NEECA Board for its endorsement and approval.

**Decisions:**

- i. The Board approved the budget allocation of PKR 204.7 Million against 41 positions under Phase-I of the hiring process during FY 2021-2022.
- ii. The Board directed that revised Budget Demand of NEECA reflecting the Phase-I HR Budget allocation for FY 2021-2022 on top of existing Budget Demand should be submitted to Finance Division at the earliest.

**Item No. 15: Participation Fee for BOD Members/Sub-committees**

The proposal of Finance Committee regarding the grant of participation fee of PKR 30,000 per meeting without taxes for the Board and Sub-Committee Members was submitted to the Board. However, Chairman BoD deliberated that NEECA is a resource constrained organization and knowing the fact that this organization is in its formative phase, the proposal is not justified at this moment.

**Decision:**

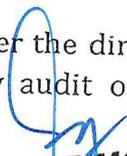
The Board deferred the matter until it has reviewed the financial statements of NEECA.

**NEECA's Operational Matters**

**The Agenda items regarding NEECA's operational matters as well as items for Board Information were deferred till next BoD Meeting. However, agenda Item No. 6 was deliberated by the Board.**

**Item No. 6: Energy Audits of Gas Based Captive Power Plants**

The Board was briefed that NEECA as per the directions of the Cabinet Committee on Energy (CCoE) has to conduct third-party audit of all such Captive Power Plants

  
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(Export/Non-Export) claiming to have co-generation facility within three (03) months. The Board was apprised that the list of all such Captive Power Units (Export/Non-Export) claiming to have co-generation facility and which already have submitted the declarations to SNGPL (151) and SSGC (194) has been compiled to initiate the process for the third-party audits and letters from NEECA have also been sent to all such these Cogeneration Units.

2. Further, it was informed that NEECA has already engaged three consultants/technical experts through the UNDP for conducting Energy Audits of Natural Gas based Captive Power Plants and their activities have been held up because of the stay order from the High Court of Sindh. The advertisement for the technical experts was posted on the UNDP website on 17th November, 2020. The UNDP procurement notice and CVs of the technical experts were also submitted to BoD for perusal. It was deliberated that top 45 Co-generation Units with highest gas consumption shall be assessed/validated as per the ToRs mentioned in the RFP document.

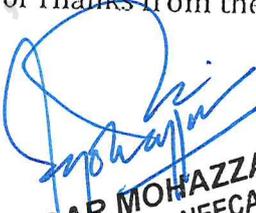
3. The Chairman BoD stressed that NEECA must meet the deadline of three months to complete the Energy Audits as committed by NEECA in the last Cabinet Committee on Energy (CCoE) meeting.

**Decision:**

**The Board approved the Audits of Captive Power Units (including Co-generation based Captive Units) and directed that this task must be completed on time and directed to comply with the decision of the Cabinet Committee on Energy (CCoE).**

The 3<sup>rd</sup> BoD meeting of NEECA was concluded with a Vote of Thanks from the Chair.

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