

## THE ELECTRICITY (AMENDMENT) ACT, 2022

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**THE ELECTRICITY (AMENDMENT) ACT, 2022**

**An Act to amend the Electricity Act to provide for a staggered term of office for the members of the authority; to provide for additional functions of the authority; to increase the funding to the authority from 0.3 to 0.7 percent of the revenue received from generated electric energy; to provide for the procedure under which licensees shall transfer generation assets to the Government; to prescribe the circumstances under which a holder of a generation licence may supply electricity to persons other than a bulk supplier; to empower the authority to impose administrative fines and penalties; to provide for the membership of the Electricity Disputes Tribunal; to provide deterrent penalties for offences and to provide for related matters.**

DATE OF ASSENT:

*Date of Commencement:*

BE IT ENACTED by Parliament as follows:

**1. Amendment of Electricity Act Cap. 145.**

The Electricity Act, in this Act referred to as the principal Act, is amended in section 2—

- (a) by inserting immediately after the word “export”, the word “and”; and
- (b) by repealing the words “and distribution” appearing after the word “import”.

**2. Amendment of section 3 of principal Act.**

Section 3 of the principal Act is amended in subsection (l) by repealing the words “but does not include any telegraph or telephone line”.

**3. Amendment of section 5 of principal Act.**

Section 5 of the principal Act is amended by inserting immediately after subsection (4), the following—

- (4a) A member appointed under this section shall have a minimum qualification of a university degree.
- (4b) At least one third of the members of the authority shall be women.”

**4. Amendment of section 7 of principal Act.**

Section 7 of the principal Act is amended by substituting for subsection (1), the following—

“(1) A member appointed to the authority shall hold office for a term of five years and is eligible for re-appointment, provided that the members appointed to the authority for the first term shall hold office as follows—

- (a) the chairperson and two members shall hold office for five years; and

- (b) the other two members shall hold office for four years.

## **5. Amendment of section 10 of principal Act.**

Section 10 of the principal Act is amended—

- “(a) in paragraph (g), by substituting for the words “transmission and distribution companies” the word “licensees”;
- (b) by repealing paragraph (l); and
- (c) by inserting immediately after paragraph (q), the following—
  - “(qa) to prescribe standardised feed in tariffs for renewable energy systems generating up to a maximum capacity of fifty megawatts or such other capacity as may be determined by the authority;
  - (qb) to undertake consultancies, research and studies; and
  - (qc) to advise the Minister on any matter relating to the electricity sector.”

## **6. Insertion of section 17A in principal Act.**

The principal Act is amended by inserting immediately after section 17, the following—

### **“17A. Energy policy and energy plan.**

- (1) The Minister shall, in consultation with the relevant stakeholders, develop and publish an energy policy and energy plan which shall be reviewed every five years.
- (2) The Minister shall prepare and publish a report on the implementation of the energy policy and energy plan within three months after the end of each financial year.

(3) The Minister shall, in consultation with the relevant stakeholders, develop, publish and review energy plans in respect of coal, renewable energy and electricity.

(4) The energy plans shall—

- (a) take into account the national energy policy;
- (b) serve as a guide for energy infrastructure investments;
- (c) take into account all viable energy supply options; and
- (d) guide the selection of the appropriate technology to meet energy demand.

(5) For purposes of this section, “energy” does not include oil and gas.”

#### **7. Amendment of section 22 of principal Act.**

Section 22 of the principal Act is amended—

- (a) in paragraph (c), by substituting for “0.3” the figure “0.7”; and
- (b) by inserting immediately after paragraph (e), the following—
  - “(f) income from services rendered by the authority.”

#### **8. Substitution of section 32 of principal Act.**

Section 32 of the principal Act is substituted for the following—

##### **“32. Authority may invite applications.**

Notwithstanding sections 29, 30 and 31, the authority may, through a fair, open and competitive process in accordance with procedures prescribed by the authority, in consultation with the

Minister, by regulations or any other law, invite applications for any licence under this Act.”

**9. Amendment of section 37 of principal Act.**

Section 37 of the principal Act is amended by inserting immediately after subsection (2), the following—

“(3) The authority may, in granting a licence under subsection (1), classify the licence taking into account the size and technology to be used or market segment to be served by the licensee.”

**10. 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 eight days after receipt of the decision of the authority, appeal to the tribunal.”

**11. Amendment of section 46 of principal Act.**

Section 46 of the principal Act is amended in subsection (5) by substituting for paragraph (b), the following—

“(b) “transfer of licence” includes the acquisition of control of the licence holder.”

**12. Amendment of section 50 of principal Act.**

Section 50 of the principal Act is amended in subsection (1) by substituting for the words “transmission lines”, the words “electric supply line”.

**13. Amendment of section 51 of principal Act.**

Section 51 of the principal Act is amended by substituting for subsection (1), the following—

“(1) A person shall not construct, own or operate a generating station of a capacity of or exceeding 0.5 mega watts or such other capacity as may be determined by the authority by regulations, without a generation licence.”

**14. Amendment of section 52 of principal Act.**

Section 52 of the principal Act is amended by substituting for subsection (3), the following—

“(3) The Minister shall, by regulations prescribe the procedure for the transfer to the Government of the hydropower plant, installations and property referred to in subsection (1).”

**15. Amendment of section 55 of principal Act.**

Section 55 of the principal Act is amended in subsection (1) by repealing paragraph (g).

**16. Amendment of section 56 of principal Act.**

Section 56 of the principal Act is amended—

- (a) by substituting for subsection (2), the following—

“(2) The terms and operating conditions of a bulk supplier shall be specified in the sales licence.”;

- (b) by inserting after subsection (2), the following—

“(3) Notwithstanding subsection (1), the authority may, by regulations, prescribe the terms under which a licensee may supply electricity in bulk to a holder of a distribution licence, transmission licence or directly to a specified class or category of customers.

(4) The terms prescribed in regulations made under subsection (3) shall not provide for undue preference to a specific class or category of customers.”

**17. Amendment of section 64 of principal Act.**

Section 64 of the principal Act is amended—

- (a) in the headnote, by substituting for the words “Rural Electrification Fund” the words “Electricity Development Fund”;
- (b) in subsection (1), by substituting for the words “Rural Electrification Fund” the words “Electricity Development Fund”;
- (c) in subsection (2), by repealing paragraph (c);
- (d) in subsection (3)(d), by substituting for the words, “rural electrification” the words, “development of the electricity supply industry”; and
- (e) by inserting immediately after subsection (3), the following—

“(3a) The Minister shall lay before Parliament, approved annual estimates of revenue and expenditure drawn from the fund in accordance with section 13 of the Public Finance Management Act, 2015.”

**18. Amendment of section 75 of principal Act.**

Section 75 of the principal Act is amended—

- (a) by substituting for subsection (7), the following—

“(7) The holder of a generation licence shall pay to the district local government in which the renewable energy generating station is situated, a royalty agreed upon by the licensee and the district local government.”;

- (b) by inserting immediately after subsection (7), the following—

“(7a) The authority shall, by regulations, prescribe the maximum royalties payable by generation licensees of renewable energy projects under subsection (7).”;

- (c) by inserting immediately after subsection (10), the following—

“(11) An application for a distribution licence shall include a net metering plan for all customer categories.

(12) The application shall be granted after satisfying the requirements of net metering as provided for in the regulations.”

**19. Amendment of section 81 of principal Act.**

Section 81 of the principal Act is amended by repealing subsection (5).

**20. Substitution of section 83 of principal Act.**

Section 83 of the principal Act is substituted for the following—

**“83. Offences relating to licences.**

A licensee who without lawful excuse fails to comply with any term or condition of the licence commits an offence and is liable, on conviction, to a fine not exceeding ten thousand currency points and in the case of a continuing contravention, to an additional fine of five hundred currency points for every day or part of a day during which the offence continues.”

**21. Insertion of sections 83A and 83B in principal Act.**

The principal Act is amended by inserting immediately after section 83, the following—

**“83A. Offences by body corporate.**

(1) Where an offence committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of a director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he or she, as well as the body corporate, commits that offence and is liable to be prosecuted and punished accordingly.

(2) An individual who commits an offence under subsection (1) is liable, on conviction, to a fine or imprisonment prescribed by the relevant section under this Act.”

**83B. Power of authority to impose a fine.**

(1) Where the authority is satisfied that a licensee—

- (a) has contravened or is contravening any term or condition of a licence; or
- (b) has failed or is failing to achieve any standard of performance prescribed under this Act, regulations or a licence,

the authority may impose on the licensee a fine not exceeding five thousand currency points.

(2) The authority shall, before imposing a fine under subsection (1), give notice to a licensee—

- (a) stating that it proposes to impose a fine and the amount of the fine proposed to be imposed;
- (b) setting out the condition or the standard of performance which the licensee has contravened;

- (c) specifying the acts or omissions which, in the opinion of the authority, constitute the contravention; and
  - (d) specifying the period within which representations or objections with respect to the proposed fine may be made.
- (3) The authority shall consider any representations made by a licensee before imposing a fine under this section.
- (4) Upon reaching a decision, the authority shall serve a notice on the licensee within seven days after the date of the decision stating—
- (a) that it has imposed a fine on the licensee and the amount of the fine;
  - (b) the relevant condition or the standard of performance contravened by the licensee;
  - (c) the specific act or omission which, in the opinion of the authority, constitutes the contravention; and
  - (d) the specific date by which the fine is required to be paid.
- (5) For the purposes of tariff calculation, the penalty imposed under this section shall not form part of the licensee's allowable regulated costs.
- (6) A licensee aggrieved by the decision of the authority, shall appeal to the tribunal within twenty eight days of receipt of the notice of the decision under subsection (4).”

**22. Amendment of section 85 of principal Act.**

Section 85 of the principal Act is amended by substituting for the words “five currency points or to imprisonment for a term not exceeding one year or both”, the words “twenty thousand currency points or imprisonment not exceeding ten years or both.”

**23. Insertion of section 85A in principal Act.**

The principal Act is amended by inserting immediately after section 85, the following—

**“85A. Interference with meters, works or public lamp.**

- (1) A person commits an offence who—
  - (a) cuts, removes, takes away or transfers any electric supply line, material, meter or public lamp from a tower, pole or any other installation or site where it may be stored or situated including during transportation, without the consent of the licensee or the owner;
  - (b) stores or otherwise keeps in his or her premises, any electric supply line, material, meter or public lamp without the consent of the licensee or owner;
  - (c) moves from one place to another any electric supply line, material, meter or public lamp without the consent of the licensee or owner;
  - (d) without authorisation connects any meter, indicator or apparatus with any electric supply line through which electricity is supplied by a licensee or disconnects a meter, indicator or apparatus from any electric line;
  - (e) without authorisation reconnects any meter, indicator or apparatus with any electric supply line or other works being the property of a licensee when the electric supply line has been cut or disconnected;

- (f) lays or causes to be laid or connects up any works for the purpose of communicating with any other works belonging to a licensee; or
- (g) damages any meter, indicator, or apparatus belonging to a licensee or alters the index of any meter, indicator or apparatus or prevents any meter, indicator or apparatus from duly registering.

(2) A person who commits an offence under subsection (1) is liable, on conviction, to a fine not exceeding fifty thousand currency points or imprisonment not exceeding twelve years or both.

(3) A person convicted of a subsequent offence under this section is liable to a fine not exceeding one hundred thousand currency points or imprisonment not exceeding fifteen years or both.

(4) A person who receives stolen electric supply lines or materials knowing or having reason to believe the same to be stolen property, commits an offence and is liable, on conviction, to a fine not exceeding fifty thousand currency points or imprisonment not exceeding fifteen years or both.”

#### **24. Amendment of section 86 of principal Act.**

Section 86 of the principal Act is amended by substituting for the words “thirty currency points or to imprisonment for a term not exceeding three years or both”, the words “twenty thousand currency points or imprisonment not exceeding ten years or both.”

#### **25. Insertion of section 86A in principal Act.**

The principal Act is amended by inserting immediately after section 86, the following—

**“86A. Theft of electricity.**

(1) A person who—

- (a) taps, makes or causes to be made any connection with overhead, underground or under water lines or cables or service wires or service facilities of a licensee;
- (b) tampers with a meter, installs or uses a current reversing transformer, loop connection or other device or method which interferes with accurate or proper registration, calibration or metering of electric current; or
- (c) damages or destroys an electricity meter, apparatus, equipment or wire or causes or allows any of them to be so damaged or destroyed as to interfere with the proper or accurate metering of electricity, to abstract, consume or use electricity,

commits an offence and is liable, on conviction, to a fine not exceeding twenty thousand currency points or imprisonment not exceeding ten years or both.

(2) Where the electricity abstracted, consumed, or used in an offence under subsection (1)—

- (a) does not exceed 10 kilowatts, the convicted person shall, in addition to a penalty imposed under subsection (1), be liable to pay ten times the cost of the abstracted, used or consumed load calculated at the prevailing tariff; and
- (b) exceeds 10 kilowatts, the convicted person shall, in addition to a penalty imposed under subsection (1), be liable to pay twenty times the cost of the abstracted, used or consumed load calculated at the prevailing tariff.”

**26. Substitution of section 89 of principal Act.**

Section 89 of the principal Act is substituted for the following—

**“89. General penalty.**

A person convicted of an offence under this Act for which no penalty is expressly provided is on conviction, liable to a fine not exceeding fifty thousand currency points or imprisonment not exceeding twelve years or both and in case of a continuing offence, to a fine not exceeding five hundred currency points for every day or part of a day during which the offence continues.”

**27. Amendment of section 93 of principal Act.**

Section 93 of the principal Act is amended—

- (a) by numbering the existing provision as subsection (1); and
- (b) by inserting immediately after subsection (1), the following—

“(2) The tribunal shall consist of a chairperson, a vice chairperson and five other members.”

**28. Amendment of section 101 of principal Act.**

Section 101 of the principal Act is amended by substituting for subsection (3), the following—

“(3) The Minister may, in consultation with the Judicial Service Commission, in the case of the chairperson and the vice chairperson, and in consultation with the Public Service Commission, in the case of the other members of the tribunal, remove from office the chairman, the vice chairman or a member of the tribunal who—

- (a) is unable to perform the functions of his or her office arising from infirmity of body or mind;

- (b) misbehaves or conducts himself or herself in a manner unbecoming of the office of member of the tribunal;
- (c) is incompetent;
- (d) becomes an undischarged bankrupt;
- (e) fails to disclose to the tribunal any interest in any contract or matter before the authority in accordance with section 102; or
- (f) is convicted of an offence and sentenced to imprisonment for six months or more by a competent court in Uganda or outside Uganda.”

**29. Amendment of section 104 of principal Act.**

Section 104 of the principal Act is amended by inserting immediately after subsection (1), the following—

- “(1a) Where the chairperson of the tribunal is unable to discharge his or her functions owing to absence, illness or any other cause, the vice chairperson shall discharge the functions of the chairperson until the chairperson resumes duty.
- (1b) Where there is a vacancy in the office of the chairperson of the tribunal by reason of death, resignation or otherwise, the vice chairperson shall act as the chairperson of the tribunal until a new chairperson is appointed.”

**30. Substitution of section 105 of principal Act.**

Section 105 of the principal Act is substituted for the following—

**“105. Constitution of tribunal for exercise of powers.**

- (1) The tribunal shall be constituted for a proceeding when three of the members are present.

(2) The chairperson shall preside at all sittings of the tribunal and in the absence of the chairperson, the vice chairperson shall preside.

(3) The chairperson of the tribunal may constitute the tribunal into panels with each panel consisting of at least three members.

(4) The powers of the tribunal may be exercised by a sitting of all the members of the tribunal or by a panel of the tribunal.

(5) Where a panel is constituted, the chairperson of the tribunal may, from time to time, by notification make provisions as to the distribution of the business of the tribunal amongst the panels and provide for the matters to be dealt with by each panel.

(6) The chairperson of the tribunal may, on his or her initiative or on application by a party, and if satisfied with the reasons for the request, transfer a case pending before one panel to another panel for disposal.”

**31. Insertion of sections 108A, 108B, 108C, 108D and 108E in principal Act.**

The principal Act is amended by inserting immediately after section 108, the following—

**“108A. Tribunal to open and operate bank accounts.**

(1) The tribunal shall, with the authority of the Accountant General, open and maintain bank accounts as are necessary for the performance of the functions of the tribunal.

(2) The bank accounts of the tribunal shall be operated in accordance with the Public Finance Management Act, 2015.

- (3) The Registrar shall ensure that—
- (a) all money received by or on behalf of the tribunal is banked as soon as practicable after being received; and
  - (b) no money is withdrawn from or paid out of any of the bank accounts of the tribunal without the authority of the chairperson.”

**108B. Estimates.**

(1) The tribunal shall, in accordance with the Public Finance Management Act, 2015 prepare and submit to the Minister and the Minister responsible for finance for approval, a budget containing the estimates of income and expenditure of the tribunal for the next financial year.

(2) The tribunal shall not incur any expenditure exceeding the budget without the written approval of the Minister responsible for finance.

**108C. Financial year of the tribunal.**

The financial year of the tribunal is the period of twelve months beginning on the 1<sup>st</sup> day of July in each year, and ending on the 30<sup>th</sup> day of June in the following year.

**108D. Accounts.**

The tribunal shall—

- (a) keep proper books of accounts and all records relating to the transactions and affairs of the tribunal;
- (b) within two months after the end of the financial year, prepare annual financial statements for the preceding financial year;

- (c) within two months after the end of each financial year, submit the annual accounts to the Auditor General; and
- (d) publish an annual report with its audited accounts within six months after the end of the financial year.

**108E. Audit.**

The Auditor General or an auditor appointed by the Auditor General shall, in each financial year, audit the accounts of the tribunal in accordance with the National Audit Act, 2008.”

**32. Amendment of section 111 of principal Act.**

Section 111 of the principal Act is amended by substituting for subsection (2), the following—

“(2) A decision of the tribunal or panel of a tribunal shall be binding if it is supported by a majority of the members.”

**33. Amendment of section 112 of principal Act.**

Section 112 of the principal Act is amended by substituting for subsection (3), the following—

“(3) The tribunal shall have a registry and such other staff appointed by the tribunal, in consultation with the Public Service Commission as may be necessary for the functioning of the registry.”

**34. Insertion of section 112A in principal Act.**

The principal Act is amended by inserting immediately after section 112, the following—

**“112A. Immunity from suit.**

No action, suit, prosecution or other proceeding may be brought or instituted personally against a person who is or was a member

of the tribunal or employee of the tribunal in respect of any act done or omitted to be done in good faith in the discharge of any function under this Act.”

**35. Insertion of section 118A in principal Act.**

The principal Act is amended by inserting immediately after section 118, the following—

**“118A. Procedure for dealing with complaints from consumer.**

(1) 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.

(3) The procedures referred to under subsection (2) shall be approved by the authority.

(4) A licensee shall publish the approved procedures in such a manner as the authority may require.

(5) The authority may direct the licensee to review its procedures or the manner in which it operates and make modifications to the procedures.

(6) The authority shall issue guidelines for better implementation of this section.”

**36. Substitution of section 119 of principal Act.**

Section 119 of the principal Act is substituted the following—

**“119. Power to make regulations.**

(1) 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) net metering;
  - (h) procedures for special committees appointed under section 13 of this Act;
  - (i) fees to be charged under this Act; and
  - (j) any other matter necessary or convenient for giving full effect to this Act.
- (2) Regulations made under subsection (1) may, in respect of any contravention of any of the regulations—
- (a) prescribe a penalty of a fine not exceeding four thousand currency points or imprisonment not exceeding eight years or both;
  - (b) in the case of a continuing contravention, prescribe an additional penalty not exceeding five hundred currency points in respect of each day on which the offence continues;
  - (c) prescribe a higher penalty not exceeding four thousand five hundred currency points or imprisonment not exceeding nine years or both in respect of a second or subsequent contravention;  
or

- (d) provide for forfeiture of anything used in the commission of the offence.

(3) The Minister shall lay regulations made under this section before Parliament for information.”

**37. Insertion of section 125A in principal Act.**

The principal Act is amended by inserting immediately after section 125, the following—

**“125A Shareholding of successor company and consequential amendment to the Public Enterprises Reform and Divestiture Act.**

The three successor companies; Uganda Electricity Generation Company Limited, the Uganda Electricity Transmission Company Limited and the Uganda Electricity Distribution Company Limited formed and registered under section 28 of the Public Enterprises Reform and Divestiture Act shall continue to exist subject to the following—

- (a) sections 24 and 28(3) of the Public Enterprises Reform and Divestiture Act shall cease to apply to the successor companies;
- (b) the shareholding of the successor company incorporated under section 125 shall be the Minister responsible for electricity as the majority shareholder and the Minister responsible for finance as the minority shareholder;
- (c) the board of directors and the secretary of every successor company incorporated under section 125 shall cooperate with the Minister in the transfer of shares under this section.”

**Cross References**

The Constitution.

National Audit Act, 2008, Act No. 7 of 2008.

Public Enterprises Reform and Divestiture Act, Cap. 98.

Public Finance Management Act, 2015, Act No. 3 of 2015.