

**IN THE THIRD MEETING OF THE
FOURTH SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH
REPUBLIC**



**REPORT OF THE SELECT
COMMITTEE ON THE BUI POWER
AUTHORITY (AMENDMENT) BILL,
2020**

3RD NOVEMBER, 2020

Acc No: 2005 G1

Class No: BR/BPACA/20

**IN THE THIRD MEETING OF THE FOURTH SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH REPUBLIC**

**REPORT OF THE SELECT COMMITTEE ON MINES AND ENERGY ON BUI
POWER AUTHORITY (AMENDMENT) BILL, 2020**

1.0 INTRODUCTION

- 1.1 The Bui Power Authority (Amendment) Bill, 2020 was laid in Parliament on Friday, 30th October, 2020 by the Hon. Deputy Minister for Energy, Mr. Joseph Cudjoe on behalf of the Hon. Minister for Energy, Mr. John Peter Amewu pursuant to Article 106 of the 1992 Constitution.
- 1.2 The Bill was thereafter referred by the Rt. Hon. Speaker to the Select Committee on Mines and Energy for consideration and in accordance with Article 106 (4) of the 1992 Constitution and Order 188 of the Standing Orders of Parliament.

2.0 DELIBERATIONS

- 2.1 The Committee met on Tuesday, 3rd November and considered the Bill. In attendance at the meeting were the Hon. Deputy Minister for Energy, Mr. Joseph Cudjoe and technical team comprising Officials from the Ministry, Bui Power Authority and Energy Commission.
- 2.2 The Committee expresses its appreciation to the Hon. Deputy Minister and his Technical Team for attending the meeting and providing clarifications to the amendments.

3.0 REFERENCE DOCUMENTS

- 3.1 The Committee made reference to the under-listed legislations during its deliberations:
- i. The 1992 Constitution of the Republic of Ghana,
 - ii. The Standing Orders of Parliament,
 - iii. The Bui Power Authority Act, 2007 (Act 740),
 - iv. The Renewable Energy Act, 2011 (Act 834), and
 - v. The Atomic Energy Commission Act, 2000 (Act 558).

4.0 BACKGROUND

- 4.1 In 2007, the Government of Ghana established the Bui Power Authority through the enactment of the Bui Power Authority Act, 2007 (Act 740). The Act 740 mandates the Authority to develop a hydroelectric power project on the Black Volta River at Bui and any potential hydroelectric power site on the Black Volta River.

- 4.2 In recent times, Bui Power Authority has demonstrated enough institutional capacity in the area of renewable energy.
- 4.3 The Authority, for instance, under the instruction of the Ministry of Energy successfully executed hydropower initiatives on the Western River of the Republic of Ghana, the Tsatsadu Micro Hydro Project and the 250 MW Solar Project at the Bui enclave ready to be connected to the national grid in phases.
- 4.4 Section 53 of the Renewable Energy Act, 2011 (Act 832) provides that until such a time that the Renewable Authority is established, the Renewable Energy Directorate under the Ministry of Energy shall be responsible for executing, management and oversight of renewable energy initiatives in the country.
- 4.5 Additionally, Bui Power Authority has been questioned by Auditors on several occasions, regarding the huge expenditures in an area which falls outside the scope of its mandate.
- 4.6 The continuous investment and development of renewable energy by the Authority is therefore unlawful.
- 4.7 Accordingly, the Ministry of Energy has laid this Bill before Parliament to address the anomaly and to also give legal backing for the Authority to execute and manage on behalf of the State, certain renewable energy projects and any other clean energy alternatives for the purpose of generating electric power.

5.0 OBJECT OF THE BILL

- 5.1 The purpose of the Bill is to amend the Bui Power Authority Act, 2007 (Act 740) to empower the Bui Power Authority to develop renewable energy and other clean energy alternatives in the country.

6.0 SUMMARY OF PROVISIONS

- 6.1 Clause 1 of the Bill seeks to amend the Long Title of Act 740 to reflect the proposed new mandate of the Authority.
- 6.2 Clause 2 of the Bill seeks to amend Section 11 of Act 740 by deleting the phrase “the Electricity Company of Ghana or any public utility licensed under the Energy Commission Act 997 (Act 541)” and to empower the Minister responsible for Energy to task the Authority to undertake renewable energy projects and any other clean energy alternatives to generate electric power.

6.3 Clause 3 of the Bill further seeks to amend Section 30 of Act 740 to provide for the definition of “clean energy alternatives”.

7.0 OBSERVATIONS

7.1 Legal backing to expanding the Mandate of the Authority

7.1.1 The Committee was informed that the Government of Ghana through the Ministry of Energy has in the past three years mandated the Bui Power Authority to spearhead the development of the renewable energy sector because of the sound technical and financial capacity the Authority has acquired since the commencement of its operations.

7.1.2 To this end, the Government of Ghana through the Ministry of Energy has directed the Authority to establish the Owner/Operator Company for Ghana’s Nuclear Energy Programme, and be a major shareholder of the Nuclear Power Ghana Limited (NPG), together with Volta River Authority and the Ghana Atomic Energy Commission.

7.1.3 These additional responsibilities were observed not within the scope of the existing mandate of the Authority prescribed under the Act 740. The proposed amendments would therefore address the anomaly by offering a legal backing to the Authority to support the Government in the pursuit of its objective of developing the renewable energy sector and other clean energy alternative sources.

7.2 Removal of Power Off-taker Restrictions

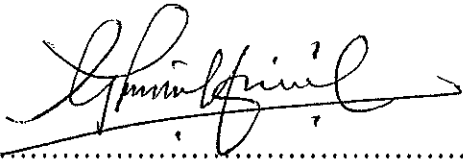
7.2.1 The Committee further noted that power off-taker arrangement provided for under the Act 740 which commits the Authority to sell its power generated solely to the Electricity Company of Ghana (ECG) is being amended under the proposed Law to enable the Authority execute power purchase agreement directly with other utility companies or consumers.

7.2.2 Amending the Act 740 would enable the Authority to engage other utilities or consumers to address the potential idle capacity issues in circumstances where ECG is unable to off-take all the power generated. The current proposed arrangement would also introduce competition in power supply market which will, ultimately result in an increased revenue accrued to the Authority.

8.0 CONCLUSION

- 8.1 The Committee has extensively deliberated on the policy objective of the bill and is of the view that its enactment into law would position the Authority to attract private investment in promoting the development of the renewable energy projects and other clean energy alternatives for the purpose of generating electric power to support the industrialisation agenda of the country.
- 8.2 The Committee, accordingly, recommends to the House to adopt its report and pass the Bui Power Authority (Amendment) Bill, 2020 into law in accordance with Article 106 of the 1992 Constitution.

Respectfully submitted.



.....
HON. EMMANUEL AKWASI GYAMFI
CHAIRMAN, SELECT COMMITTEE
ON MINES AND ENERGY



.....
JOANA A. S. ADJEI (MRS)
CLERK TO THE COMMITTEE

3RD NOVEMBER, 2020