

## **Minutes of the 11<sup>th</sup> Board Meeting of the National Energy Efficiency and Conservation Authority (NEECA)**

The 11<sup>th</sup> meeting of the National Energy Efficiency and Conservation Authority (NEECA) Board was held on Wednesday, 17<sup>th</sup> January 2024 at 1400 Hrs in the Committee Room of the Ministry of Energy (Power Division) 2nd Floor A-Block Pak Secretariat Islamabad, under the Chairmanship of the Federal Minister for Energy Mr. Muhammad Ali/Chairman, NEECA Board.

2. The Chairman, NEECA Board welcomed the Board members and appreciated their continued support for operationalization of energy efficiency and conservation agenda in the country. Subsequently, the Chairman opened the floor for the proceedings of the 11<sup>th</sup> Meeting of the NEECA Board.

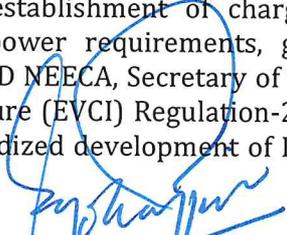
3. After Recitation from Holy Quran and a round of introduction, Managing Director NEECA, Dr. Sardar Mohazzam/Secretary of NEECA Board briefed the members on the key achievements of NEECA in the foregoing year primarily National EE&C Action Plan 2023-2030, Energy Conservation Building Codes, Pakistan Energy Label Regulations, national MoUs/collaborations, and various awareness campaigns on energy conservation. The members were also apprised on the planned tasks and initiatives for 2024.

4. MD NEECA initiated the six point agenda of the 11<sup>th</sup> Board Meeting with the permission of the Chair and informed the members that today's agenda has been grouped under two components i.e. Technical and Operating matters. The proceedings on each agenda item are minuted as under:

### **Item No. 1: Approval of Electric Vehicle (EV) Charging Infrastructure Regulation 2023**

MD NEECA, Secretary of the Board informed the Board members that Government of Pakistan has formulated Electric Vehicle Policy in 2019 with an EV penetration target of 30% of the new sales by 2030 and mandated NEECA for standardization and compliance of charging infrastructure in Pakistan. It was submitted that standardization and compliance of EV charging infrastructure framework will directly support the adoption of 30% EVs in the Country by 2030 which will result in savings of 5.37 MTOE of energy and 16.66 MTCO<sub>2e</sub> reduction in the GHG emissions. However, EV Policy is not very detailed on different aspects of EV market and only indicates the incentive regimes in shape of subsidies on import of EVs, their parts and charging equipment; priority locations of charging infrastructure; and registration categories of EVs.

2. It was submitted that there is a critical need for developing clear implementation strategies/roadmap and mechanisms for key components of the EV Policy 2019 such as Standard Operating Procedures (SOPs) for establishment of charging stations, battery swap stations, identifications of charging hosts, power requirements, grid planning, tariff regimes, pricing mechanisms and Safety Standards. MD NEECA, Secretary of the Board said that NEECA has drafted Electric Vehicle Charging Infrastructure (EVCI) Regulation-2023 covering the said crucial areas to facilitate the sustainable and standardized development of EV Charging Infrastructure in Pakistan.

  
**DR. SARDAR MOHAZZAM**  
Managing Director, NEECA  
Ministry of Energy (Power Division)  
Government of Pakistan  
Islamabad

He said that with-out an effective governing framework for charging stations, the EVs acceptance in the country will be adversely impacted due to consumer dissatisfaction and could also lead to challenges involving the electricity distribution system of DISCOs in the country.

3. The Board members were apprised on extensive national stakeholder consultations conducted by NEECA on these regulations and the review of the Technical Committee of NEECA Board. MD NEECA also apprised the Board on the active role of NEECA in tariff determination/pricing mechanism exercise for EV Charging by NEPRA.

4. The Chairman and Vice Chairman NEECA Board noted that there is a need to review the proposed EVCI regulations vis-à-vis NEPRA regulations before further deliberation on the approval of the same. It was suggested that a Board meeting may be convened as early as next week to extensively review the EVCI Regulations. All the while, the Board, unanimously, agreed that there is a need for EVCI regulations in the country.

**Decision:**

**The agenda item was deferred till the next Board meeting with a direction to present a comparative analysis of draft EVCI Regulations 2023 and NEPRA EV Regulations.**

**Item No. 2: For Information of the Board (Ulema Declaration on EE&C, Project Design on Fan Replacement Program, and Expansion of Existing PRS with PEL Regulations 2023)**

MD NEECA, Secretary of the Board gave a briefing to the Board members on three major technical initiatives of NEECA endorsed by the Technical Committee of the Board which included:

- a) Ulema's Declaration on EE&C and Booklet from Religious Perspective
- b) Concept Note/Project Design Brief on Fan Replacement Program
- c) Development and Expansion of Existing Web Portal for Registration of Manufacturers and their Products to comply with Minimum Energy Performance Standards (MEPS) and Pakistan Energy Label (PEL) Regulations 2023

2. The Board acknowledged the efforts of NEECA and appreciated the Ulema Declaration on EE&C and expansion of PRS for all electric appliances under the approved PEL Regulations 2023. It was submitted that a country-wide awareness campaigns with madaris and ulema will be executed to promote Ulema Declaration on energy conservation and ensure that the declaration is implemented.

3. The Chairman NEECA Board noted that there is a need to secure implementation of fan replacement program in the country as early as possible. The Chairman of the NEECA Board directed that NEECA shall take lead in developing an implementation plan for the Fan Replacement Program and present to the Board all the while defining the actions required from all the concerned stakeholders to roll out this program. The Vice-Chairman NEECA Board directed that a comprehensive socio-economic analysis including cash flow analysis shall be conducted and presented to the Board.

4. MD NEECA said that various donor agencies like KfW, ADB, GIZ, The World Bank, and friendly governments in the gulf have been reached out and discussions are at various stages. MD NEECA also informed the Board members that the Fan replacement program is also being considered by EAD for exploring financing options. Vice Chairman NEECA Board said that Ministry of Energy (Power

**DR. SARDAR MOHAZZAM**  
Managing Director, NEECA  
Ministry of Energy (Power Division)  
Government of Pakistan  
Islamabad

Division) in principle approves the program which should be conveyed to EAD and directed that NEECA should identify investment risks associated with the implementation of this program. Chairman OGRA suggested that NEECA shall expedite the implementation of PEL Regulations 2023 and Ministry of Energy (Power Division) shall advise Law Division to expedite the legal vetting of these regulations.

**Decision(s):**

- a) **The Board endorsed the awareness campaign with Madaris & Ulema. However, the Board advised to present the strategy along with financial lay out in next Board meeting.**
- b) **The Board, in principle, appreciated and endorsed the Concept Note on Fan Replacement Program and directed NEECA to formulate an Implementation Plan for the Fan Replacement Program along with a the Cash Flow analyses over program lifecycle.**
- c) **The Board endorsed the development and expansion of the existing web portal for registration of Manufacturers. However, Board advised to present the financial layout, if any, in next Board Meeting.**

**Item No. 3      Approval of Budget for FY 2023-2024**

The Board was informed that the Finance Division has allocated 230 Million PKR for FY 2023-2024 under the heads of Employee Related Expenditure (ERE) and Operating Expenditure against the budget demand of 350 Million PKR submitted by NEECA where, out of the 230 Million PKR, 130 Million PKR were allocated under the head of ERE and 100 Million PKR were allocated under the head of Operating Expenses. It was submitted that this severely rationalized budget allocation resulted in constraints to finance the implementation of the priority EE&C action areas/tasks for FY 2023-2024 assigned under the approved National EE&C Action Plan 2023-2030.

2. The Board was informed that NEECA proposed re-appropriation of funds under ERE (105 Million PKR) and Operating expenses (125 Million PKR) were submitted to the Finance & Risk Management (F&RM) Committee during its 5<sup>th</sup> meeting held on 8<sup>th</sup> December 2023. The Board was informed that the F&RM Committee stressed that the major thrust of the allocation shall be towards the revenue generating EE&C interventions and the F&RM Committee approved the Annual Budget FY 2023-24 with proposed re-appropriation and allocation under ERE and Operating Heads fulfilling all ERE related obligations for FY 2023-24.

3. The Chairman NEECA Board asked whether new HR capacities are being taken on board in the proposed Annual Budget FY 2023-2024 and was informed that various NEECA Professional Grade (NPG) Positions, in continuity to Phase-I hiring, are being filled on open merit as per the Gazette Notified NEECA Service Regulations 2021 after approval from Election Commission of Pakistan.

**Decision:**

**The Board approved the Finance Division's allocated Budget for FY 2023-2024 without any re-appropriation. Further, proposals related to re-appropriation of 25 Million PKR from ERE to Operating expense, 15 % salary increment, and 15% fixed annual salary increment shall be approved by the Finance Division before consideration by the Board.**

**DR. SARDAR MOHAZZAM**  
*Managing Director, NEECA*  
*Ministry of Energy (Power Division)*  
*Government of Pakistan*  
*Islamabad*

**Item No. 4 Approval for the Hiring of NEECA Staff Grade (NSG) Positions**

The MD NEECA/Secretary of the Board submitted that NEECA is currently utilizing the support services of the EX-ENERCON staff (BPS-3 to BPS-19: Drivers, Naib Qasid, LDC, Assistant, APS, and Sr. PS). It was informed that there are only two driver positions within the Ex-ENERCON support staff and these positions will be vacant in the first quarter of the 2024 on account of superannuation. It was also submitted that the Finance Division has imposed a complete ban on appointment of staff on Contingent /Daily Wage basis thus the organization can not avail this option as a stop-gap measure.

2. The Board was informed that the hiring of the NEECA Professional Grade (NPG) Cadre and NEECA Staff (NSG) Grade Cadre have been approved by the Board in its 3<sup>rd</sup> Meeting with a direction to fill sanctioned positions in four phases as the operations of the organization expand overtime. It was submitted that the HR & R Committee in its 12<sup>th</sup> meeting has endorsed the hiring of two "Drivers" in NSG-05, due to the imminent retirement of ENERCON drivers in the first quarter of 2024. The Chairman of the Board noted that, initially, support staff capacities are being replaced on account of retirement and additional capacities of Drivers are not being hired.

**Decision:**

**The Board approved the hiring of two (2) drivers, under NEECA Staff Grade (NSG) Cadre Positions, in place of two retired drivers in accordance with the applicable hiring rules of GoP.**

**Item No. 5 Approval of Draft NEECA Policies related to Green Climate Fund (GCF) Accreditation for Direct Access Facility**

MD NEECA/Secretary of the Board informed that Ministry of Climate Change & Environmental Coordination (MoCC & EC) was requested for the provision of Letter of Nomination for initiation of accreditation process of Fund of the Authority (Energy Conservation Fund- ECF) with Green Climate Fund (GCF). GCF Board-Pakistan which is the National Designated Agency (NDA) took up the matter in its meeting held on 7th November, 2023. It was apprised that GCF Board Pakistan had sanctioned their unwavering support by giving principal approval for issuance of required letter to ECF and, also, directed that GCF will accreditate NEECA as Direct Access Facility being the custodian of the affairs of the ECF.

2. MD NEECA submitted that GCF Accreditation of NEECA & ECF will help the country in bridging the financing gap for the energy efficiency/Climate mitigation investments in Pakistan. The inflow of the climate finance through GCF/and other multilaterals will be channeled to forge partnerships with SBP, mainstream commercial banking sector, etc. and create various credit products esp. Industry to improve adoption of energy efficient technologies. This accreditation will not only broaden the scope of the existing financing schemes by reaching previously untapped market segments and users but will also assist in strengthening the capacity of key stakeholders and raising market awareness on climate change risks and the benefits of clean and efficient energy transition.

3. It was submitted that various internal organizational policies need to be adopted/implemented for successful due-diligence check by GCF. The Board was informed that few

subjects such as Code of Ethics, HR Policies, etc. are already covered in the Gazette notified NEECA Service Regulations 2021. However, new policies on required subjects such as Environment, Gender & Equal Opportunity, Data Protection, Anti-Bribery, Fraud, Money Laundering, Conflict of Interest, etc. have been drafted by the organization and being submitted to the forum for approval, which will be amended by the management from time to time.

4. Further, it was submitted that GCF is mandated to support developing countries raise and realize their Nationally Determined Contributions (NDC) ambitions towards sustainable low GHG emissions. The Board was informed that Energy Sector is the major contributor towards Pakistan NDCs, therefore, there is critical need to develop carbon market and its trading mechanism with respect to Pakistan's energy sector. The Chairman, NEECA Board directed that NEECA should take lead on this aspect.

5. The Secretary (Power Division)/Vice Chairman NEECA Board appreciated the efforts and welcomed the steps taken by NEECA for GCF Accreditation.

**Decision (s):**

- a) **The Board approved the accreditation of NEECA/ECF with Green Climate Fund (GCF) subject to no financial liability or additional budget requirement.**
- b) **All draft policies shall be placed before the Board after vetting of Establishment, Law, Cabinet, and Finance Divisions.**
- c) **The Board directed that NEECA shall take lead on the carbon market creation and its trading mechanism for the energy sector after due consultation with Ministry of Climate Change.**

**Item No. 6: Approval for Signing of MoU with Asian Institute of Technology (AIT) and International Water Management Institute (IWMI) for NEECA's Professional Capacity Building**

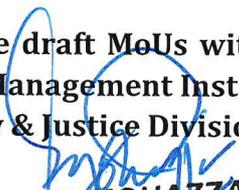
The Board was informed that, in view of the latest uptake of EE&C agenda in the country's energy sector landscape, various distinguished international institutions have reached out to enable a mutually beneficial learning cooperation with NEECA. It was also submitted that prestigious institutions like AIT and IWMI have confirmed their intent to sign non-binding MoUs with the NEECA/ECF to strengthen and increase collaborative implementation of professional development and capacity building programs.

2. MD NEECA submitted that forging these learning partnerships with AIT and IWMI will immensely help NEECA in delivery of its targets as per the National EE&C Action Plan 2023-2030 and support in cultivating latest knowledge base and experiences across various sectoral areas of the demand side energy management in the country.

3. The Secretary (Power Division)/Vice-Chairman NEECA Board directed that proper procedure must be adhered for signing of these international MoUs and that NEECA shall consult with Law Division before moving the summary to Cabinet for approval of these MoUs.

**Decision:**

**The Board directed to place the draft MoUs with the Asian Institute of Technology (AIT) and International Water Management Institute (IWMI) after vetting of Finance, Establishment, Cabinet, and Law & Justice Divisions.**

  
**DR. SARDAR MOHAZZAM**  
Managing Director, NEECA  
Ministry of Energy (Power Division)  
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