

**Minutes of the 9th Board Meeting of the National Energy
Efficiency and Conservation Authority (NEECA)**

The 9th meeting of National Energy Efficiency and Conservation Authority (NEECA) Board was held on 13th January, 2023 at 02:30 P.M. in the Committee Room of Ministry of Science and Technology, Islamabad, under the Chairmanship of the Secretary, Ministry of Science and Technology, Mr. Ghulam Muhammad Memon/Vice-Chairman, NEECA Board.

2. The Chairman, NEECA Board welcomed the participants of the 9th meeting of NEECA.
3. Managing Director NEECA Dr. Sardar Mohazzam/Secretary of NEECA Board initiated the agenda of the 9th Board Meeting with the permission of the Chair, after recitation and round of introduction from all the members

Item No.1: Confirmation of the Minutes of the 8th Meeting of the NEECA Board held on 31st August 2022

It was apprised to the Board that the Minutes/Decisions of the 8th Board meeting were circulated to all the Members of the BOD, and no comments/inputs were received from the Members. The Chair opened the floor for the members to register any comments, however, the Board unanimously endorsed the minutes/decisions of the 8th Board meeting.

Decision:

The Board confirmed the minutes/ decisions of its 8th meeting held on 31st August 2022.


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**Item No. 2: Amendments in NEECA Pakistan Energy Label Regulations for Fans 2021
(Approved by NEECA Board in its 6th meeting on 31st January, 2022)**

MD NEECA, Secretary of the Board informed the Board members that NEECA has developed integrated process for registration of fans under NEECA regulations within the existing process of PSQCA. The necessary amendments in the previously approved NEECA Pakistan Energy Label Regulations for Fans 2021 have been made to achieve ease of doing business for industries and were discussed in the 10th meeting of the Technical Committee of the NEECA Board.

It was submitted that the Technical Committee of the NEECA Board, in majority, reflected major concerns and disagreement with the amendments related to the subject regulations especially they stressed to ensure mandatory labeling regime for all MEPS Complaint Appliances. The Secretary MoST said that the voluntary labelling regime may be helpful in rallying compliance towards MEPS by fan manufacturers if NEECA focuses on creating demand through awareness campaigns. Further, he said that it is important to take fan industry into confidence and NEECA shall not make the labelling regime mandatory until deadline of 30th June 2023 by cabinet.

DG Environment, MoCC highlighted that the voluntary regime for fans is already in place and before getting into mandatory regime there should be awareness campaign. He further suggested that the registration fee may be rationalized after discussion with Fan Industry, however, the mandatory labeling regime will create market for energy efficient products.

The MD, Sindh Energy Efficiency and Conservation Agency (SEECA) emphasized that the technical committee recommendations for mandatory labelling regime for all appliances (Fans, LEDs, Motors, Refrigerators' and Air-Conditioners) should be enforced. Also, Mandatory Labeling Regime for MEPS Complaint gas appliances should be initiated and enforced. This will be in compliance with the recent Cabinet Decisions on Energy Conservation Roadmap.

Chief Energy, MoPD&SI reiterated that the Technical Committee decisions for Appliance Mandatory Labelling should be enforced taking into the consideration benefit of consumers and energy sector. Although, the manufacturers should be taken on-board but they generally don't comply. Awareness campaign is important but without availability of the labelled Appliances in the market(shops) the awareness campaign will fail, as consumers will not be able to find and purchase because of their non-availability. Further, he observed government's awareness campaign to create demand for efficient fans will be not effective unless there is a commitment for mandatory labelling regime by the manufacturers.

Senior JS Finance division emphasized that Finance Division is discouraging to give grant money to the Autonomous bodies (NEECA). Therefore, NEECA should generate its own revenue for financial sustainability by charging reasonable fee collected from these different regimes and engaging in different activities.

NEECA Representative informed the Board that they have included the Labelled Fans in the provincial MRS (Market Rate System) list for compliance within all public procurement by Government of Punjab which resulted in a significant market creation of efficient fans. MD NEECA, added that all of the voluntary labels from NEECA were purchased by twenty (20) fan manufactures which they have used for the bulk orders for government contracts. However,

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no/negligible label has been purchased for the fans sold in the market under the voluntary regime.

The Board principally approved the Mandatory Labelling Regime. Chairman directed that that NEECA shall engage industry for mandatory labelling to get their consensus on the fee structure and inform the Board. Also, engage with LEDs, Motors, Refrigerators and Air-Conditioners manufacturers to develop consensus on the fee structure.

Decision:

- a. The Board, in principle, agreed for the mandatory labelling regime for all Energy Appliances (Fans, LEDs, Motors, Refrigerators and Air-Conditioners) and directed NEECA to engage with industries to take them onboard for the mandatory labelling regime and finalize the fee structure and present in the next Board Meeting.
- b. The Board directed that NEECA shall communicate to all provincial chief secretaries including GB and AJK, for the inclusion of all MEPS compliant Energy Labelled Appliances in their MRS Lists. Similarly, the Federal and Provincial PPRA(s) should make necessary amendments in their procurement rules to ensure mandatory procurement of MEPS Compliant Energy Labelled Appliances.


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Item No.3: Revision of Energy Conservation Building Code of Pakistan (Energy Provisions-2011)

MD NEECA briefed the Board members that Under sections 10 (p) & (q) of the NEECA Act 2016, it is the Federal Government which is competent to prescribe and amend the energy conservation building codes for efficient use of energy and its conservation in the building or building complex. It is also provided in the provision to section 10 (q) to amend the energy conservation building codes to suit the regional and local climatic conditions. Similarly, the provincial governments may, after approval of proposal to the effect therefore from Board in the consultation with Authority can notify as of section 13(a) of NEECA Act 2016, amend the energy conservation building codes to suit the regional and local climatic conditions and may, but rules made by it, specify and notify energy conservation building codes with respect to use of energy in the buildings.

Prior to enactment of the NEECA Act, 2016, Pakistan Engineering Council (PEC) and ENERCON (Former NEECA) developed and notified Building Code of Pakistan (Energy Provisions-2011). As per the directions of the Cabinet, Revision of these Codes and their enforcement through inclusion in the buildings by-laws should be complied. NEECA being the focal statutory authority is revising the Energy Conservation Building Code of Pakistan (Energy Provisions-2011) and in this regard has received nominations for the formulation of a Task Force to update / revise Energy Conservation Building Code of Pakistan (Energy Provisions-2011). The members of task force are from different departments including "Engineering University Faculty from Civil & Architecture Departments, Pakistan Engineering Council (PEC), CDA, PEECA, SEECA, PGBC, PCATP, PEDO, Ministry of Housing and Works, Ministry of Climate Change, and Private Contractors", with educational background and expertise in Building & Energy Sector Codes.

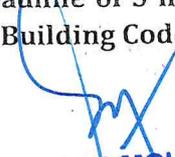
The agenda was presented in the 10th Technical Committee Meeting of the NEECA Board and was endorsed to be put up to Board for the Revision / Update of Energy Conservation Building Code of Pakistan (Energy Provisions-2011) and formulation of a Task Force.

Additional Secretary Petroleum emphasized that in these revision, special consideration should be given to buildings gas installations, as in the future there will be more reliance on the imported LNG which will be expensive for all sectors of economy. Similarly, the Mandatory Labeling for MEPS complaint gas appliances should be developed and started.

Chairman agreed with the suggestion and directed that the Revisions / Updates in the code should be completed three-months timeline while incorporating all necessary aspects of electricity and gas sector.

Decision:

- a) **The Board approved the Revision/Updates of Energy Conservation Building Code of Pakistan (Energy Provisions-2011) and formulation of a Task Force.**
- b) **The Board set the deadline of 3 months to complete the Revision/Updates of Energy Conservation Building Code of Pakistan (Energy Provision-2011).**


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Item No.4: Regulations for Certification and Accreditation of Energy Auditors and Managers and Rules for Energy Audits

MD NEECA submitted that the following rules, regulations, and guidelines have been developed with the technical assistance of Climate Technology Centre and Network (CTCN) and UNEP:

- a) Regulations for Certification Procedures for Energy Managers
- b) Regulations for Accreditation of Energy Auditors
- c) Rules to Conduct Energy Audits

The above-mentioned Rules, Regulations, and their Guidelines will form the foundation for operationalization of recently Board's approved NEEC policy measures especially related to energy audits, assessments, and management. The implementation of these regulations, in shape of an initial launch of a National Certification and Accreditation Scheme, will result in local capacity building as well as create a sustainable supply of technical human resource for energy audits in the country. The Technical Committee also reviewed the subject regulations and rules, during the first round of its 10th meeting held on 6th December 2022, and endorsed the same for submission to the Board for approval.

Joint Secretary, Finance Division inquired if there is any provision in the NEECA Act in this regard, MD NEECA responded that in the light of Section 7 sub-section (x) of the NEEC Act 2016, aforementioned rules and regulations were prepared. The fee structure was also discussed, and it was agreed, additionally Board approved that management can flexibly adjust the fee structure. Further, the question was raised if NEECA certified Energy Managers and Auditors will be able to secure the job in the international markets as Pakistan's trainings/certification through TEVTA and others are not accepted globally. MD NEECA responded that there is on-going discussion with LEEDs and other international bodies for harmonization of the certification, as these certifications are acceptable internationally. Once harmonized NEECA certification will be as good as LEEDs or others.

Chairman of Board while approving the agenda item also directed on the suggestion of the Senior joint Secretary Power Division that names of the regulations should be concise and short.

Decision:

The Board approved:

- a) **Regulations for Certification Procedures for Energy Managers**
- b) **Regulations for Accreditation of Energy Auditors**
- c) **Rules to Conduct Energy Audits**


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Item No.5: Approval of the Revised Budget 2022-2023 and Deliberation on the Recommendations of Finance and Risk Management (F&RM) Committee endorsed by the Human Resource and Remuneration (HR&R) Committee of NEECA Board

MD NEECA presented the budget for 2022-23 and briefed the members about deliberation in the Finance and Risk Management (F&RM) Committee of NEECA Board. Board while approving the budget, noted that the employee related expenses require a serious review of the HR strategy of NEECA given that the major share of the total employee related expenditure (ERE) goes to Executive positions which is above 40 percent.

The Board was informed that Finance Division has allocated 200 budget Million PKR against budget demand of 350 Million PKR submitted by NEECA. The budget allocated is not enough for employees related expenditure (ERE) against Phase-1 positions. There is no fund available for activities related to Energy Efficiency and Conservation in the country. Therefore, the Authority mandate to perform its assigned task due to budgetary constraints cannot be achieved.

The Board inquired about the sanctioned HR strength of the NEECA, on which MD informed that a total of 255 Positions were approved by Board which includes:

- NEECA Executive Grade (Director Generals (6), Internal Auditor (1), and Registrar (1)), Executive Directors (5)),
- NEECA Professional Grade Positions (142), and
- NEECA Staff Grade positions (100))

Overall, the hiring against these 255 positions were divided into 4 Phases. It was apprised that 42 positions were sanctioned under Phase-I hiring and, so far, 16 positions have been filled out of which 3 are NEECA executive grades (NEG)-1 and remaining are from NEECA professional grades (NPG-1, 4, and 5).

The Board observed that NEECA is a small organization with immensely top-heavy executive structure. It is recommended that organization of this size can easily operate with Director level officer as many other organizations in the country are operating with that structure. Board directed MD NEECA to review the HR Structure and rationalize the organogram. Similarly, the hierarchy of NEECA should be reviewed as the existing structure is top heavy which consumes major budget of Employees Related Expenses (ERE).

The Board decided to abolish NEECA Executive Grade (NEG) 1 and 2 positions. Representative from OGRA emphasized that professional tier i.e. NEECA Professional Grade (NPG) Position should be strengthened with proper succession planning for future growth.

The Board inquired MD NEECA about the performance evaluation of the NEG-1 Positions of "Director Generals". MD NEECA apprised that as per NEECA regulations the performance was evaluated as per NEECA Service Regulations. However, performance of all three Director Generals was unsatisfactory.

The Board deliberated on the performance evaluation of probationary period of the following NEECA Executive Grade (NEG-1) "Director Generals" officers:

Serial No.	Name	Designation	Directorate
1.	Mr. Muhammad Fahad Khan	Director General	Human Resources & Support Services

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2.	Mr. Munir Ahmad	Director General	Policy, Planning, Innovation and Research
3.	Dr. Muhammad Shaheen	Director General	Energy Information and Futuristics

The above-mentioned officers were appointed in NEECA with a probation period of one year as per regulation 16(3) of NEECA Service Regulations. Considering the fact that the performance of all the three officers mentioned above remained unsatisfactory during their probation period. Therefore, the Board has unanimously decided to terminate all three above mentioned officers with immediate effect.

With the abolishment of the NEECA Executive Grade (NEG)1 and 2 positions. The Board directed to revise the organogram while developing equivalence against the NEECA Professional Grade (NPG) positions with the other government organizations. Further, it was directed that the revised organogram with proper rationalization should be presented to the Board. However, the hiring against the NPG approved positions shall be completed.

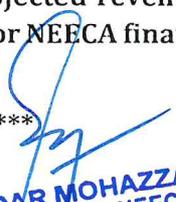
Chairman of the Board directed that 10 years financial projections against expected cost centers and revenue streams be prepared and presented to Board to ensure financial sustainability of NEECA. The policies, plans and programs available in the NEECA Act and NEEC Policy 2023 should provide the basis for these projections.

Decision:

- a) The Board approved the Revised Budget 2022 - 23 as per the recommendations of F&RM Committee of Board
- b) The Board, unanimously decided to terminate the following NEG-1 (Director Generals) Officers for the reason that their performance in probation period has been unsatisfactory:

Serial No.	Name	Designation	Directorate
1.	Mr. Muhammad Fahad Khan	Director General	Human Resources & Support Services
2.	Mr. Munir Ahmad	Director General	Policy, Planning, Innovation and Research
3.	Dr. Muhammad Shaheen	Director General	Energy Information and Futuristics

- c) Further, The Board abolished the Director General (NEG-1) Positions from NEECA Human Resource Regulations.
- d) The Board directed to revise NEECA Human Resource Regulations along with the Organogram and present to the Board.
- e) The Board directed to prepare the projected revenues and expenses for the next 10 years through different interventions for NEECA financial sustainability and present to the Board.


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