THE SENATE

FEDERAL REPUBLIC OF NIGERIA

REPORT OF THE COMMITTEE ON POWER, STEEL DEVELOPMENT & METALLURGY ON A:

A BILL

"FOR AN ACT TO AMEND THE HYDRO-ELECTRIC POWER PRODUCING AREAS DEVELOPMENT COMMISSION (ESTABLISHMENT, ETC) ACT 2010"

ON

JULY 2017

REPORT OF THE SENATE COMMITTEE ON POWER, STEEL DEVELOPMENT AND METALLURGY ON A ***"BILL FOR AN ACT TO AMEND THE HYDRO-ELECTRIC POWER PRODUCING AREAS DEVELOPMENT COMMISSION (ESTABLISHMENT, ETC) ACT 2010".***

1.0 Introduction

The Hydro-electric Power Producing Areas Development Commission Act (Amendment), Bill 2016 was sponsored by ***Distinguished Senator David Umaru.*** The Bill was read the first time on Tuesday 20th October, 2015. On Wednesday, 26th October, 2016, the Senate deliberated on the general principles of the Bill and passed it for Second reading and referred same to the Senate Committee on Power, Steel Development and Metallurgy for further legislative action vide order of Reference dated 27th October, 2016.

In the Committee's view, the Bill, principally seeks to amend the Hydroelectric Power Producing Areas Development Commission Act by reducing from 30 per cent to 10 percent, being charge/ imposed on the total revenue generated from the operations of any company or authority, operating hydro-electric dams in any member State. It also seeks to validate and give legal backing to the 10 percent HYPPADEC charge, being deducted from companies operating since the commencement of the Principal Act.

2.0 Methodology

After the referral, the Committee held several meetings whereby it deliberated and agreed on the following modus operandi, in furtherance of this assignment:

i. To solicit for inputs from stakeholders on the proposed amendments;
ii. To Consult widely with critical stakeholders on the justifications and merits of the proposed amendments; and
iii. To consider any other matter incidental to, that would be of assistance, in the discharge of its assignment.

3.0 Committee Interactive Session

In line with the Resolution of the Committee, an interactive session was conducted on the Bill on Tuesday 13th June, 2017. Relevant stakeholders invited for the interactive session, attended and made their submissions/presentations. From the preponderance of the presentations made, all stakeholders were in support of the propose amendment to the Principal Act. For the avoidance of doubt, we wish to highlight briefly some of the presentations made during the session:

Firstly, that the introduction of the Bill is apt as it seeks to give validity and legal backing to the 10 percent currently imposed on revenues of hydroelectric power generating companies in the members States. This is important because the 30 percent prescribed in the Principal Act is unrealistic as it will not only pose a huge burden on the power generating companies but will adversely affects their performance.

Secondly, the Bill also seeks to address a major shortcoming in the Principal Act, which has been one of the contentions of the implementation of the Principal Act. Therefore, this amendment is desirous and timely for the full operation of the Commission.

Finally, it was canvassed that the passage of the Bill will put measures in place that will address the plight of communities in the HYPPADEC member States as they are expose to a lot of hazards.

4.0 Observations/Findings

Flowing from the objectives of the Bill and the presentations made, we hereby make the following observations and findings:

1. That the passage of the bill will no doubt give effects to the principal Act as it is currently rendered in operational as a result of the high deduction from the revenue of the power generating companies vis-à-vis the conflicting powers of HYPPADEC and other regulatory bodies;
2. That the passage of the Bill will streamline the channel of remitting the revenue by the generating company to the Commission as opposed to different government agencies, having custody of the remittance; and thereby effectively blocking leakage of hard government revenue.

3. That the funds/revenue, which will be received by the Commission after the passage of this Bill, can be effectively applied to ameliorate the environmental and socio-economic problems and other hazards that the host communities are exposed to due to the activities of hydro power generating companies.

5.0 Recommendation

Mr. President, Distinguished Colleagues, having successfully interacted with stakeholders on this bill and having carefully analyzed the import of the proposed legislation, taking into consideration our observations and findings, the Senate Committee on Power, Steel and Metallurgy hereby recommends as follows:

> ***"That the Senate do pass the Hydroelectric Power Producing Areas Development Commission Act 2010 (Amendment), Bill 2017, as amended."***

I SO MOVE.

Sen. Enyinnaya Abaribe
Chairman

ENDORSEMENT PAGE

S/NO	NAME	DESIGNATION	SIGNATURE
1	Senator Enyinnaya Abaribe	Chairman	
2	Senator Bukar Mustapha	V/Chairman	
3	Senator James E. Manager	Member	
4	Senator Senator Philip T. Aduda	Member	
5	Senator Mao A. Ohuabunwa	Member	
6	Senator Suleiman Hunkuyi Othman	Member	
7	Senator Aliyu Sabi Abdullahi	Member	
8	Senator Clifford Ordia	Member	
9	Senator Kyari Abubakar	Member	
10	Senator Adamu Aliero	Member	
11	Senator Tejuoso O. Adeyemi	Member	
12	Senator Mohammed Hassan	Member	
13	Senator Salau Ahmed Ogembe	Member	
14	Senator Duro Faseyi	Member	
1	Mr. Gideon Zemo	Committee Clerk	

REPORT OF THE SENATE COMMITTEE ON POWER, STEEL DEVELOPMENT AND METALLURGY ON A BILL FOR AN ACT TO AMEND THE HYDROELECTRIC POWER PRODUCING AREAS DEVELOPMENT COMMISSION (ESTABLISHMENT, ETC.) ACT 2010 TO MAKE PROVISION FOR THE REDUCTION OF PERCENTAGE ON REVENUE GENERATED BY ANY COMPANY OR AUTHORITY FROM THE OPERATIONS OF HYDROELECTRIC DAMS AND FOR RELATED MATTERS

CLAUSES	PROVISIONS OF THE PRINCIPAL ACT	PROVISIONS OF THE BILL	COMMITTEE'S RECOMMENDATION	REMARKS
1. Amendment of Hydroelectric Power Producing Areas (Establishment, Etc) Act 2010		1. The provisions of the Hydroelectric Power Producing Areas (Establishment, Etc) Act 2010 (hereinafter referred to as the "principal Act") is hereby amended as set out in this Bill.	**1. The Hydroelectric Power Producing Areas (Establishment, etc.) Act 2010 (hereafter referred to as the "Principal Act") is hereby amended as set out in this Bill -**	
	Part II Functions and Powers of the Commission, Etc	**Part II. Functions and Powers of the Commission, Etc.**	**Part II. Functions and Powers of the Commission, Etc.**	
2. Amendment of section 8.	**8.** (1) The Commission shall – (a) formulate policies and guidelines for the development of hydroelectric power producing areas	**8.** (1) – The Commission shall- (a) formulate policies and guidelines for the development of hydroelectric power producing areas:	2. (a) Section 8 subsection (1) of the principal Act is amended by substituting for paragraph (a) a new paragraph as follows: "(1) – The Commission shall- (a) formulate policies and guidelines for the development of hydroelectric power producing areas **without prejudice to the powers of the Minister to issue policy directives and the Nigerian Electricity Regulatory**	

			Commission's power to regulate the electricity supply industry under the Electric power Sector Reform act 2005".	
	(f) identify factors inhibiting the development of the hydroelectric power producing areas and assist states in formulation and implementation of policies to ensure sound and efficient management of the resources of the hydroelectric power producing areas.	(f) identify factors inhibiting the development of the hydroelectric power producing areas and assist states in formulation and implementation of policies to ensure sound and efficient management of the resources of the hydroelectric power producing areas.	(b) Section 8 of the principal Act is further amended in paragraph (f) by inserting immediately after the words "implementation of" the word **"measures".** (f) identify factors inhibiting the development of the hydroelectric power producing areas and assist states in formulation and implementation of **measures** to ensure sound and efficient management of the resources of the hydroelectric power producing areas.	
3. Amendment of section 14.	**Funds of the Commission** 14. Section 14 (2) (a). There shall be paid and credited to the fund established pursuant to subsection (1) of this section- (a) 30 percent of the total revenue generated by any company or authority from the operation of any hydroelectric dams in any member state of the Commission	**Funds of the Commission** Amendment of section 14 (2) (a) Section 14 (2) (a) of the Principal Act is amended by substituting for the words "30 percent" in line 1, the words "10 percent" Section (2) (a) There shall be paid and credited to the fund established pursuant to subsection (1) of this section –	**Funds of the Commission** Amendment of section 14 (2) (a) 3. Section 14 (2) (a) of the Principal Act is amended by substituting for the ***expression*** "30 percent" in line 1, the ***expression*** "10 percent".	

		(a) 10 percent of the total revenue generated by any company or authority from the operation of any hydroelectric dams in any member state of the Commission		
		Citation	**Citation**	
4.Citation		4. This Bill may be cited as the Hydroelectric Power Producing Areas Development Commission Act (Amendment) Bill 2010	4. This Bill may be cited as the Hydroelectric Power Producing Areas Development Commission (Establishment, etc) Act 2010 **(Amendment) Bill 2017.**	
		EXPLANATORY MEMORANDUM	**EXPLANATORY MEMORANDUM**	
		This Bill seeks to reduce from 30 percent to 10 percent, the charge deductible from the total revenue of Electricity Generation Companies (GENCOs) Electricity Distribution Companies (DISCOs) and other relevant entities operating hydroelectric dams in the hydroelectric power producing areas of the country	**This Bill seeks to reduce from 30 percent to 10 percent, the total revenue deductible from revenue generated by any company or authority from the operations of any hydroelectric dams, in any member state of the Commission.**	