

REPUBLIC OF CAMEROON

Peace – Work – Fatherland

NATIONAL ASSEMBLY

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(November 2011)

LAW

GOVERNING THE ELECTRICITY SECTOR IN CAMEROON

The National Assembly deliberated and adopted at its
Plenary Sitting held on Tuesday 15 November 2011
Bill No. 896/PJL/AN set out as follows:

PART I
GENERAL PROVISIONS

SECTION 1.- (1) This law governs the electricity sector with a view to ensuring its modernization and development.

(2) It shall apply to the generation from any primary or secondary energy source, the transmission, distribution, supply, importation, exportation and sale of electricity by any corporate entity or individual in Cameroon.

In this regard, the law:

- lays down the conditions for storing water for electricity generation, the generation, transmission, distribution, importation, exportation and sale of electricity;
- establishes the basis for fair competition in the electricity sector so as to enhance its economic efficiency;
- lays down the procedures for checking the fulfilment of specific obligations incumbent upon operators engaged in non-competitive activities;
- specifies the rules governing environmental protection in the electricity sector;
- lays down the rules governing the protection of consumers' interests in terms of prices, conditions of supply and safety of the services;
- guarantees the continuity and quality of services.

SECTION 2.- Electricity shall be considered by nature a movable property, which is consumable and replaceable.

SECTION 3.- (1) The storage of water for the generation of electricity, the generation, transmission, distribution, importation and exportation of electricity with a view to selling energy to the public shall constitute a public utility service.

(2) The objective of the electricity utility service shall be to guarantee electricity supply throughout the national territory in line with the general interest. It shall contribute to the autonomy and reliability of

supply, optimal management and development of national resources, the management of energy demand, competitiveness of the economy and mastery of future technological options, as well as rational energy use.

It shall contribute to social cohesion, the fight against exclusion, balanced regional development in line with environmental protection, research and technological progress, as well as defence and public safety.

The electricity utility service shall be managed in accordance with the principles of equality, continuity and adaptability, and under the best conditions of safety, quality, cost, price and economic, social and energy efficiency.

(3) The electricity utility service shall be organized by the State.

SECTION 4.- Installations for the distribution of signals, State security installations and energy research facilities shall not fall within the ambit of this law.

SECTION 5.- For the purposes of this law and subsequent regulations, the following definitions shall apply :

self-producer: person producing electricity exclusively for its own use and not engaged in its transmission or distribution in the area where it is located, save in the case where transmission is intended for its own use;

competent authority: corporate body governed by public law and empowered to conclude, sign or issue the legal instruments required for carrying out the activities mentioned hereunder;

granting authority: corporate body governed by public law and empowered to sign concession contracts between the State and a corporate body governed by public or private law;

local authority: representative of a regional or local authority;

authorization : legal instrument issued by the competent authority which allows the carrying out of an activity in the electricity sector and establishes that the operator fulfils the conditions and obligations under this law and its implementing instruments;

hydroelectric power station: installation on a stream or river which uses water power to generate electricity;

concession: agreement signed exclusively between the State and an operator allowing the latter to use clearly-defined State Land for the purpose of generating, transmitting and distributing electricity on the basis of specifications;

concessions to generate and transmit electricity for industrial purposes: concessions respectively for the generation and transmission of electricity that allow for the development and operation of electricity generation and transmission activities between electricity generation and industrial sites and/or between generation sites and interconnection sub-stations to transmission grids, by any firm operating an industrial production activity, with a view to meeting its industrial needs;

eligible customer: customer that is free to buy electricity from the supplier of its choice;

conciliation: procedure followed by the Regulator for the amicable settlement of conflicts between electricity sector operators and their customers;

control: all the operations or actions carried out to verify the compliance of activities, appliances, equipment, installations or procedures with the instruments and standards in force;

alternating current: electric current that regularly and periodically changes direction at a frequency of 50 Hertz;

direct current: electric current that is time-independent;

declaration: an administrative formality fulfilled with the competent authority to carry out certain activities provided for hereunder;

distributor: any natural person or corporate body setting up and/or operating low or medium voltage electricity networks and selling and/or supplying electricity to users;

distribution; setting up and operating medium and low voltage electricity networks with a view to selling energy to the public;

energy efficiency: all technical or managerial measures aimed at optimizing the energy output of installations according to the principle of least-cost production;

electricity: energy generated from primary sources (rivers, lakes or tides), mineral raw materials (coal, oil, nuclear substances, geothermal

and other resources, or renewable energy sources (solar rays, wind, biomass etc);

low voltage electricity: voltage below 1 000 volts in alternating current and below 1 500 volts in direct current;

high voltage electricity (HV): voltage ranging between 30 000 volts and 225 000 volts;

medium voltage electricity: voltage ranging between 1 000 volts and 30 000 volts in alternating current and between 1 500 volts and 30 000 volts in direct current;

extra high voltage electricity (EHV): voltage above 225 000 volts;

marine energy: energy carried by ocean waves, currents, tides, offshore wind, or ocean temperature or salinity gradients;

biomass energy: energy produced by burning organic matter in a fluid to produce steam used to power turbines;

wind energy: mechanical energy of large masses of air in the atmosphere;

geothermal energy: mechanical energy produced from thermal underground sources;

photovoltaic solar energy: energy obtained from the conversion of sunlight into electricity by the photovoltaic effect of photosensitive semi-conductors;

solar thermal energy: thermal energy produced by the effect of sunlight on a fluid resulting in the production of steam used to power turbines;

exportation: sale of electricity produced in Cameroon to a public or private body for sale or use on a foreign market;

electricity supplier: natural person or corporate body authorized to sell electricity to an intermediate or final user;

supply: making electricity available to users at the delivery point;

distribution network operator: a natural person or corporate body responsible for operation, maintenance and, where necessary, development of the distribution network in a given area;

transmission network operator: corporate body responsible for the operation, maintenance and, where necessary, development of the national transmission network, its interconnection with other networks, as well as the management of energy flow;

bulk user: an end-point industrial or commercial vendor or buyer of extra high, high and medium voltage electricity who is authorized to buy electricity directly from the conveyor, producer or seller.

importation: buying electricity from a public or private body in a foreign country for sale on the national territory;

Installation: all the electrical equipment used to generate, transmit or distribute electricity:

- a building or land used for electricity supply lines;
- equipment which enables electricity to be supplied to users at the point of delivery;

domestic electricity installations: any electric cables, line, instrument or apparatus located downstream from the electricity distributor's delivery point characterized:

- in low voltage: by output terminal from meter(s) or calibrated and sealed fuses or sealed circuit breakers, if placed after the meter;
- in medium and high voltage: by solar collectors before the entrance to the user's transformer substation or the cable end box in the case of underground networks, including collectors or boxes.

renovated domestic electrical installations: installations whose elements have been entirely or partly removed and replaced;

interconnections: equipment used to link up electricity networks;

licence: contract or administrative title granted by a competent authority to a qualified operator who has been selected as an independent operator selling extra high, high voltage and medium voltage electricity as well as import and export activities totally or partially intended for distributors or bulk users;

private electricity line: a transmission line for extra high, high, medium or low voltage electricity for the exclusive use of its owner, and installed in a private property and complying with the rights thereof;

electrical equipment: any equipment used to mount an electrical installation or that can be plugged into it;

energy control: all the measures and actions carried out to ensure the judicious use of energy and development of renewable energy sources;

least cost: necessary and realistic amount of financial cost incurred during an activity in the electricity sector;

dealer: natural person or corporate body authorized to supply electricity purchased from producers or from the market to users;

operator: any natural person or corporate body governed by Cameroonian law who has the right to engage in an activity in the electricity sector;

delivery point: any apparatus or instrument used to effectively convey electricity from the distributor to the consumers, from producer to transporters and bulk users, and from transporters to distributors and bulk users;

interconnection station: location of all interconnection equipment or installations;

producer: a natural person or corporate body that is authorized to operate an installation designed to generate electricity from any source of energy and sells and supplies its product to third parties;

production: generation of electricity from any source;

decentralized production: electricity production unit designed to meet the electricity needs of users located far from interconnected networks and unable to be connected thereto in the medium term;

normal profitability: cash compensation paid on the operator's equity capital committed on the licence it holds in the sector, under normal conditions of use, recognized as such by the Electricity Sector Regulator;

transmission network: a system of conductors consisting of extra high and high voltage electrical transmission lines and current transforming stations between extra high and high voltage or high and medium voltage, for the purpose of supplying high or medium voltage electricity to delivery points;

electrical grid: all the generation, transmission and distribution structures that help transport electricity from production sources to delivery points;

auxiliary services: services required in the electricity transmission and distribution system;

electric power utility: any activity involving the generation, transmission, distribution, exportation or importation of electricity, storage of water for the generation of electricity not intended for the exclusive use of the producer concerned;

primary energy resources: resources which exist in their natural state on the territory of the Republic of Cameroon or are imported, and which can either be used directly as fuel, such as organic matter (petroleum, crude oil, schist, coal, peat, biomass, fuel gas, uranium), converted into other forms of energy, used as nuclear energy, or be obtained from renewable sources of energy (water, solar energy, wind tide and geothermal energy), or residue of human activity;

renewable energy resources: sources of energy that exist naturally and are permanently renewed by nature;

secondary sources of energy: sources obtained from the conversion of primary sources by a process of transformation, with loss of part of the original power content;

standards and norms: the technical, statistical and dynamic conditions required under this law and its implementation instruments for the products, plants and equipment used in the electricity sector;

interconnected system: the set of transmission and distribution systems linked up by one or several interconnectors;

transmission: the transportation of extra high and high voltage electricity for supply to distributors, exporters, bulk users or for own purposes;

conveyor: corporate body that is holder of a licence to transmit electricity and in charge of the operation, maintenance, and where necessary, the development of the transmission concession and of its interconnection with other networks;

user: a natural person or corporate body connected to a distribution network in order to receive a supply of electricity at the delivery point;

sale: supplying electricity for valuable consideration.

PART II
ELECTRIC POWER UTILITY AND SAFETY MEASURES

SECTION 6. - (1) Concession contracts, licences and authorizations provided for hereunder shall define the extent of public utility obligations.

(2) The State may compensate all financial expenses incurred subsequent to the fulfilment of public utility obligations not provided for in the concession contracts, licences and authorizations and which compel operators to apply rates lower than the actual cost of production.

SECTION 7.- (1) In the event of a sudden crisis or shortage in the electricity market, or of a serious threat to the safety of persons, installations or the national network, government services shall take the required safety, requisition, restrictive and containment measures.

(2) The measures taken pursuant to Subsection (1) above may not irreversibly affect the normal conditions for the production and transmission of electricity on the domestic market. Such measures should be in proportion of what is strictly necessary to solve the problems that led to their implementation.

SECTION 8.- The construction of electricity structures in protected natural zones such as reserves and parks shall be done only following an authorization granted by the authority in charge of environmental protection, in accordance with the laws and regulations in force.

SECTION 9.- The environmental impact evaluation of activities in the electricity sector that require an authorization, a licence or a concession shall be carried out, at the expense of the operator. The Electricity Sector Regulatory Board shall ensure compliance with the laws and regulations on environmental protection.

SECTION 10.- In terms of environmental safety and protection of people and property, electrical installations, appliances and equipment shall be governed by the provisions of the law on hazardous, unhealthy and inconvenient establishments or, where applicable, by the urban planning and construction regulations in force.

PART III
LEGAL FRAMEWORK FOR ELECTRICITY SECTOR ACTIVITIES

SECTION 11.- (1) Activities in the electricity sector shall be placed under one of the following legal schedules:

- the concession;
- the licence;
- the authorization;
- the declaration;
- the free scheme.

(2) The activities provided for under Subsection (1) above shall entail the payment of royalties the rate, collection and distribution of which shall be defined by statutory instruments.

(3) The Ministry in charge of electricity shall grant concessions and licences. The Electricity Sector Regulatory Board shall be competent in all the other cases provided for in Subsection (1) above.

SECTION 12.- The generation and transmission of electricity for industrial purposes shall be subject to the legal regimes of concessions to generate and transmit electricity for industrial purposes and shall be governed by this law.

CHAPTER I

CONCESSION

I – COMMON PROVISIONS ON CONCESSIONS

SECTION 13.- (1) The following activities shall be subject to the concession regime, save otherwise provided by this law:

- water storage on public land for electricity production;
- generation of hydroelectric power in particular on public land;
- operation of the transmission network;
- electricity transmission;
- electricity distribution.

(2) Concession agreements shall determine the duration and condition of suspension, expiry and revision, renewal and cancellation of the contract by the granting authority, as well as the settlement of disputes.

(3) The renewal of concession shall be done in accordance with the procedure laid down by regulation.

SECTION 14.- (1) The owners of hydroelectricity power stations as well as operators of electricity transmission networks, transmission and distribution shall be selected through a call for tenders following the procedure laid down by regulation.

(2) However, where necessary and under certain conditions laid down by regulation, the storage of water for the generation of electricity, in particular hydroelectric production, the operation of the transmission network, transmission and supply may, in special cases, be granted without any call for tenders.

II – SPECIAL PROVISIONS ON WATER STORAGE CONCESSIONS FOR ELECTRICITY GENERATION

SECTION 15.- (1) Water storage concessions shall define the conditions for operating and managing storage installations as well as the water stored in storage dams intended mainly for hydroelectric power producers. They shall also define the rights and obligations of the holder of a licence to store water for electricity generation.

(2) The use of the water stored by the holder of a licence to store water for the generation of electricity shall be subject to the payment of a fee whose amount as well as conditions of collection and distribution shall be laid down by regulation.

SECTION 16.- Holders of licences to store water for electricity generation shall be subject to special obligations in the public interest, namely :

- optimization of water resource management ; and
- supply of water to users in keeping with the principle of non-discrimination.

SECTION 17.- The conditions for the management of basin water stored for electricity generation on the national territory shall be laid down by regulation.

SECTION 18.- (1) The provisions of this section shall not apply to water storage which is incidental to generation within the framework of a generation licence.

(2) The characteristics and conditions for the use of such storage shall be laid down by regulation.

III – SPECIFIC PROVISIONS ON GENERATION CONCESSIONS

SECTION 19.- Generation concessions shall define the conditions for operating specific installations designed to generate energy from any source and sell or supply such electricity to third parties. They shall also define the producer's rights and obligations within the framework of his activity.

SECTION 20.- (1) Producers shall be subject to specific obligations in the public interest, in particular that of supplying electricity to distributors or bulk users in an uninterrupted manner, except in cases of force majeure and other cases stipulated hereunder.

(2) It shall be incumbent upon the Ministry in charge of electricity to assess the cases of force majeure referred to in Subsection (1) above.

IV – SPECIFIC PROVISIONS ON CONCESSIONS FOR TRANSMISSION AND OPERATION OF THE TRANSMISSION NETWORK

SECTION 21.- A transmission concession may be concluded between the State and the transmission operator for a transmission network over a given area after appropriate studies.

SECTION 22.- The concession for the management of the transmission network shall be concluded between the State and the transmission network operator-manager throughout the national territory. It shall define the rights and obligations of the transmission network operator-manager

SECTION 23.- A public liability company, a transmission network organization abbreviated "TNO", is hereby established. Its missions, organization and functioning shall be laid down by decree of the President of the Republic.

SECTION 24.- The holder of a concession to operate a transmission network shall forward to the Ministry in charge of electricity and the Electricity Sector Regulatory Board, for publication, an annual estimate of the generation, transmission and distribution capacities of the network. He shall determine the needs for interconnection with other networks, the potential transmission capacities and the demand for electricity. The Ministry in charge of electricity shall determine the duration of the period covering this activity.

SECTION 25.- The holder of a concession to operate a transmission network shall abide by the confidentiality of the commercial information forwarded to him within the framework of his activities.

V – PROVISIONS APPLICABLE TO CONCESSIONS FOR DISTRIBUTION AND OPERATION OF DISTRIBUTION NETWORKS

SECTION 26.- Electricity distribution concessions shall determine the conditions for the exclusive distribution of electricity in the area for which such concessions are granted. They shall also determine the rights and obligations of the distributor within the framework of his activities.

SECTION 27.- The concession to operate distribution networks shall be concluded between the State and distribution network operators throughout the national territory. It shall define the rights and obligations of distribution network operators.

SECTION 28.- Distribution network operators shall be subject to specific obligations in the public interest, in particular that of supplying electricity to any natural or corporate body in the area for which the concession is granted, according to the conditions set out in the specifications.

CHAPTER II **THE LICENCE SCHEDULE**

SECTION 29.- Licences shall be awarded for:

- the independent production of electricity;
- the sale of extra high, high and medium voltage electric power;
- the import and export of electricity.

SECTION 30.- The Electricity Sector Regulatory Board shall receive and process applications for licences relating to the activities referred to in Section 29 above and shall forward such applications to the Ministry in charge of electricity.

SECTION 31.- Independent electricity producers shall produce and sell electricity to distributors or to bulk users, in accordance with the provisions of Section 29 above and Section 34 below of this Law.

SECTION 32.- Electricity importers and exporters shall carry out their activities in accordance with the provisions of this law, its implementing

instruments and the international commitments of the Republic of Cameroon.

SECTION 33.- The operators shall state, in the application relating to each import, the destination of the imported electricity depending on whether it is for sale on the national market, or in transit for export purposes.

SECTION 34.- Licences to sell extra high, high and medium voltage electricity power, as well as those for the independent production, import and export of electricity shall be granted only to operators who fulfil the technical requirements and provide adequate financial guarantees to carry out their activities.

SECTION 35.- Electricity which exceeds the needs of the domestic market shall, after the granting of the licence referred to in Section 29 above, be free to go to any destination and to be sold abroad under the most favourable conditions in accordance with the international commitments of the Republic of Cameroon.

SECTION 36.- The Government may, as and when necessary, suspend the import and export of electricity, particularly under exceptional circumstance.

CHAPTER III **REGULATIONS RELATING TO AUTHORIZATIONS, DECLARATIONS** **AND THE FREEDOM TO INSTALL ELECTRICITY LINES**

I- AUTHORIZATION REGIME

SECTION 37.- The following shall fall under the authorization schedule under conditions laid down by statutory instruments:

- private production installations of more than 1MW;
- setting up and operating electricity distribution installations with a view to directly or indirectly supplying power of not more than 100 KW;
- installation of private electricity lines along or across a highway or running horizontally at distances of less than 10 m from an existing electric, telephone or telegraph line situated on public property.

SECTION 38.- The authorization may be granted only where there is no public electricity service due to the lack or shortage of electricity generation, transmission and distribution means in the area concerned.

II- DECLARATION REGIME

SECTION 39.- Where the output of installations for personal production of electricity is more than 100KW and less than 1 MW, the owner of such installations shall be bound to make a declaration to the Electricity Sector Regulatory Board before operating the said installations.

III- FREE REGIME

SECTION 40.- (1) Installation of private electricity lines shall be done without restriction where the facilities are entirely located on private property, provided such lines shall not run along or go across a highway, and that the wires shall at no point run horizontally at less than ten (10) metres from an existing electric, telephone or telegraph line situated on public property.

(2) Installation of private electric lines must meet the required norms and standards.

SECTION 41.- The setting up and operation of installations for personal production of electricity other than in hydroelectric power stations whose output is not more than 100 KW shall not be subject to any legal or administrative procedure. Such installations shall be considered as domestic installations and subject to the provisions of Section 75 and seq. below.

SECTION 42.- Any production activity intended for suppliers, other than those provided for in this chapter shall, except as otherwise provided in this law, be carried out after obtaining a concession or licence.

SECTION 43.- All the activities referred to in this part shall be subject, without prejudice to the declarations required by any of the bodies concerned, to a declaration for statistical purposes made to the Electricity Sector Regulatory Board under the conditions laid down by statutory instruments.

CHAPTER IV
PROVISIONS RELATING TO HOLDERS OF CONCESSIONS, LICENCES,
AUTHORIZATIONS OR DECLARATIONS

SECTION 44.- (1) Concessions, licences, authorizations and declarations of intent to set up installations, granted in accordance with this law, shall be personal and non-transferable, except expressly authorized by the Electricity Sector Regulatory Board. They shall be published in the gazette for legal notices, with the specifications, if any, appended thereto.

(2) Where the holder of a concession, licence, authorization or declaration of intent to set up an installation granted in accordance with this law fails to fulfil the requirements laid down in this law, the Board may notify such holder to comply with the requirements.

(3) Where the holder of a concession, licence, authorization or declaration fails to comply with the notification served to him, the Board may pronounce against him one of the penalties provided for in Section 97 (2) of this law.

SECTION 45.- (1) The Ministry in charge of electricity or the Board, as the case may be, may annul the concessions, licences, authorizations or declarations and pronounce a forfeiture against any operator in the event of a decision to dissolve the enterprise before due date, a court order to liquidate the enterprise, whether or not the said order included an authorization to carry on with its activities, or in the event of a bankruptcy decision.

(2) The operator shall be bound to inform the Board of any changes made in respect of the shareholders, the registered capital or the management of the enterprise.

(3) In the event of any change in the circumstances that prevail at the time of the granting of the concession, licence or authorization deemed to be against public interest, such concession, licence or authorization may be annulled by the administration in charge of electricity or the Board, as the case may be.

CHAPTER V
SPECIFIC PROVISIONS ON THE PRODUCTION AND TRANSMISSION OF
ELECTRICITY FOR INDUSTRIAL PURPOSES AND FOR THE
MANAGEMENT OF SURPLUS ELECTRICITY

I- GENERAL PROVISIONS

SECTION 46.- (1) Any company carrying out industrial production activities may develop and carry out activities to generate and transmit electricity between production and industrial sites and/or between production sites and interconnection stations to transmission networks to satisfy its industrial requirements.

(2) The surplus electricity produced that is not used for its industrial needs shall be governed by the provisions of Section 57 of this law.

(3) The management of the surplus electricity referred to in Subsection (2) above shall be subject to public utility obligations.

SECTION 47.- (1) The production of electricity by an industrial producer for use primarily in its industrial plants and, where applicable, the transmission of electricity from its production and industrial sites and/or between its production sites and transmission network interconnection stations shall be carried out under separate concessions for the generation and transmission of electricity for industrial purposes.

(2) Activities carried out under one of the concessions referred to in Subsection (1) above shall not be public utility activities.

II – COMMON PROVISIONS ON CONCESSIONS FOR THE GENERATION
AND
TRANSMISSION OF ELECTRICITY FOR INDUSTRIAL PURPOSES

SECTION 48.- The competent authority may, for industrial projects considered to be of strategic importance to the national economy, decide that the granting of concessions for the generation and transmission of electricity for industrial purposes shall be done without a call for tenders under conditions laid down by regulation.

SECTION 49.- (1) The initial duration of concessions for the generation and transmission of electricity for industrial purposes referred to in Section 47 above shall be compatible with requirements for returns on investment.

(2) They shall be renewed at the behest of holders under the conditions in force, except where the holders of such concessions notify the State of their decision not to renew the concession no later than two (2) years before expiry of the concession.

(3) The concession agreements may be revoked or withdrawn by the State before their expiry only for gross negligence by the holder, established by the Electricity Sector Regulatory Board.

(4) The holder of a concession or licence may, prior to the expiry of the concession, renounce its concession. The draft renunciation must be notified to the Electricity Sector Regulatory Board no later than six (6) months before the proposed date of the renunciation. The Board shall rule on the termination within three (3) months from the date of notification. The amount of compensation due under this agreement shall be fixed on the basis of the grounds for renunciation and the consequences assessed by the Electricity Sector Regulatory Board. The termination shall become effective upon payment of taxes, customs duties and other fees and penalties payable by the concession holder.

SECTION 50.- The concession for the generation and transmission of electricity for industrial purposes referred to in Section 47 above shall be subject to payment of the fees provided for hereunder.

SECTION 51.- (1) Where concessions for the generation and transmission of electricity for industrial purposes prevail as concerns occupation of public land in the area for which they are granted, the concessions shall be deemed to be authorization to occupy the land for their duration and possible renewal. The holder of the concessions shall have ownership right over the structures, buildings and installations constructed, except otherwise specified by the concession contract, under the conditions and limits defined by the terms of the concession contract.

(2) To carry out transmission activities, the holder of a concession to transmit electricity for industrial purposes shall obtain rights, within a right-of-way delimited in the concession, to occupy and use land in accordance with the purpose of the concession, to freely access the installations that fall under transmission lines and to freely use them, to carry out all works necessary for the exercise of transmission activities, upon the payment of taxes, duties and levies provided for by law in force and to undertake any other development necessary for the exercise of this activity.

SECTION 52.- (1) The concessions for the generation and transmission of electricity for industrial purposes referred to in Section 47 above, as well as the rights and obligations attached thereto may be assigned to companies over which the holder exercises control or is a member of his corporate group, after approval by the Electricity Sector Regulatory Board.

(2) The respective concessions for the generation and transmission of electricity for industrial purposes referred to in Section 47 above, as well as the rights and obligations attached thereto may be assigned to third parties as collateral or security on behalf of third parties to finance or refinance the construction of any buildings, structures and installations and to undertake the activities concerned, upon the approval of the Electricity Sector Regulatory Board which shall make its decision on the project within one (1) month of reception of all the appropriate documents.

(3) The assignment to third parties of the concessions and licences, as well as the rights and obligations attached thereto shall be subject to the prior approval of the Electricity Sector Regulatory Board, to which the proposed assignment must be notified within four (4) months before the proposed date of its implementation. The Board shall rule on the proposed assignment within three (3) months of notification. The rejection of a proposed assignment shall be reasoned.

(4) The assignment, provision of securities or transfer of rights shall, except otherwise specified in the assignment, transfer or security deed, entail automatically the full and complete transfer to the new holder of the concession of the rights and obligations attached thereto as well as buildings, structures and installations of any kind relating thereto, upon the approval of the Electricity Sector Regulatory Board.

SECTION 53.- The execution of works relating to concessions to generate and transmit electricity for industrial purposes and the related equipment and installations shall be preceded, where applicable, by a declaration of public utility.

III – SPECIFIC PROVISIONS ON THE PRODUCTION AND TRANSMISSION OF ELECTRICITY FOR INDUSTRIAL PURPOSES

SECTION 54.- The construction, operation and maintenance of electricity transmission lines shall, as applicable, be authorized or controlled by the State in accordance with the specifications of the respective concessions for the generation and transmission of electricity for industrial purposes.

SECTION 55.- (1) The holder of a concession to generate or transmit electricity for industrial purposes must comply with the good practices and Cameroonian regulations in force, in particular the technical and safety standards relating to the protection of the environment and the population.

(2) Where some of the power generated is intended for public service, the holder of a concession to generate or transmit electricity for industrial purposes must go through a competitive bidding procedure for the construction of the transmission or generation facilities under the supervision of the Electricity Sector Regulatory Agency.

SECTION 56.- (1) Third parties shall have the right to access existing transmission lines under the concession to transmit electricity for industrial purposes provided they are connected to the national transmission network, on condition that:

- access by third parties is feasible in terms of the reliability, safety and capacity of transmission lines;
- access by third parties does not disrupt the concession holder's transmission activities;
- the concession holder receives a fee to cover the cost of the connection and maintenance of transmission lines and to offer the concession holder normal profit for the service rendered. The profit shall be ascertained by the Electricity Sector Regulatory Board on the proposal of the concession holder.

(2) The conditions of access to transmission lines by third parties shall be laid down by regulation.

IV – SPECIFIC PROVISIONS ON THE MANAGEMENT OF SURPLUS ELECTRICITY

SECTION 57.- (1) The holder of a concession to generate electricity for industrial purposes shall place an agreed quantity of the electricity generated in keeping with his concession at the disposal of the transmission network operator-manager for supply to public or private buyers.

(2) The price of the electricity so placed at the disposal of the transmission network operator-manager shall be approved by the Electricity Sector Regulatory Agency, on a service cost basis.

PART IV
RURAL ELECTRIFICATION, RENEWABLE ENERGY AND
ENERGY EFFICIENCY

CHAPTER 1
RURAL ELECTRIFICATION

SECTION 58.- (1) The State shall ensure the promotion and development of rural electrification nationwide.

(2) Local authorities shall contribute, as and when necessary, towards the implementation of the rural electrification policy under conditions laid down by regulation.

(3) They shall be bound to comply with the provisions of this law.

SECTION 59.- (1) Rural electrification shall be carried out through connection to the interconnected network, or by distributed generation.

(2) Within the framework of decentralized rural electrification and in view of constraints related to environmental protection, priority shall be given to distributed generation from renewable energy sources, except in the event of scarcity, high cost or deficiency thereof.

(3) The surplus electricity generated from renewable energy sources may be purchased by the transmission system operator or by any local distributor under the conditions laid down by regulation.

SECTION 60.- (1) Within the context of rural electrification and the limits stipulated by decree, the generation, especially of hydroelectric stations with a capacity of 5 MW or less, the supply and sale of electricity shall be by virtue of a simple authorization of the Electricity Sector Regulatory Board. No special requirements for tender notices or advertisement shall be imposed. Such activities shall be carried on in compliance with the rules of safety and environmental protection.

(2) The decree referred to in Subsection (1) above shall lay down the conditions under which independent producers may sell their surplus electricity to users in rural areas.

SECTION 61.- (1) Notwithstanding the provisions of Sections 11 and 24 of this law, the direct or indirect supply of electricity of 1 MW or less for use in rural areas shall be subject to an authorization granted by the Electricity Sector Regulatory Board, in accordance with conditions laid down by decree.

(2) Such authorizations may in no case infringe on the acquired rights of concessionaires as stipulated in their concession contracts.

SECTION 62.- The missions, organization and functioning of the agency in charge of promoting rural electrification shall be defined by decree of the President of the Republic.

CHAPTER II **RENEWABLE ENERGY AND ENERGY EFFICIENCY**

I - RENEWABLE ENERGY

SECTION 63.- The following shall be considered as renewable energy:

- solar, thermal and photovoltaic energy;
- wind energy;
- less than or equal to 5MW river hydroelectric energy;
- biomass energy;
- geothermal energy;
- marine energy.

SECTION 64.- Renewable energy shall help meet the energy requirements of consumers and contribute to environmental protection and securement of energy supply.

SECTION 65.- (1) The State shall ensure the promotion and development of renewable energy.

(2) The aim of the development of renewable energy shall be to introduce and promote renewable energy processing sub-sectors.

(3) The terms, conditions and mechanisms for research, development, production of equipment at local level and financing of projects shall be laid down by regulation.

(4) The State shall fix the tax benefits for the products, goods and services intended for renewable energy exploitation.

SECTION 66.- (1) Any electricity utility operator shall be bound to connect to the network any operation generating electricity from renewable energy sources to who so demands. Connection fees shall be borne by the applicant.

(2) The conditions, volume and price for the purchase of energy by a public utility operator shall be fixed by decree.

SECTION 67.- An agency responsible for the promotion and development of renewable energy may be established as and when necessary.

II – ELECTRIC ENERGY EFFICIENCY

SECTION 68.- The judicious use of electric power shall concern the optimization of energy consumption at different levels of energy production and transformation and final consumption in industry, transportation, commercial and residential sectors.

SECTION 69.- The implementation of electric energy efficiency shall be based on obligations, conditions and resources, in particular the standards and requirements for energy efficiency, energy efficiency control, compulsory and periodic energy audits, incentives to improve the understanding of the energy system and user awareness.

SECTION 70.- (1) The organization of activities to control electric energy as well as the conditions for the implementation of the National Energy Control Programme shall be governed by regulation. They shall fall under the competence of the Ministry in charge of energy.

(2) The Electricity Sector Regulatory Board shall be responsible for the implementation of the National Energy Control Programme.

PART V **REGULATION AND CONTROL**

I – THE MINISTRY IN CHARGE OF ELECTRICITY

SECTION 71.- The Ministry in charge of electricity shall implement and monitor government policy in the electricity sector in view of technological developments in this sector, development needs and priorities defined by the Government in this domain. It shall be responsible for the general planning, commissioning of strategic studies in the sector and signing of concessions and licences; approval of operators' investment programmes and tariff policies in the electricity sector.

CHAPTER II
THE ELECTRICITY SECTOR REGULATORY BOARD

SECTION 72.- The Electricity Sector Regulatory Agency shall regulate, control and monitor users and operators in the electricity sector.

In this regard, the Agency shall among others:

- ensure compliance with the laws and regulations governing the electricity sector and the concession, licensing and authorization contracts as well as any other type of contract adopted within that framework ;
- ensure that access to networks is provided under objective, transparent and non-discriminatory conditions ;
- protect the interests and rights of consumers with regard to the price, supply and quality of electric power ;
- ensure fair and healthy competition in the electricity sector ;
- implement, follow up and oversee the pricing system instituted in compliance with methods and procedures laid down by the Administration in charge of the electricity sector ;
- issue authorizations ;
- study applications for the licences and concessions ;
- arbitrate disputes between electricity sector operators, upon referral by the parties ;
- participate in any other public interest mission that may be assigned to it by the Government on behalf of the State in the electricity sector.

(2) The agency referred to in sub-section (1) above shall be under the technical oversight of the ministry in charge of electricity and under the financial oversight of the ministry in charge of finance.

(3) The organization and functioning of the Agency shall be laid down by decree of the President of the Republic.

SECTION 73.- The resources of the Agency shall be derived from :

- part of the licences fees provided hereunder;
- part of the proceeds from the fines provided hereunder ;
- gifts and legacies ;
- any other resources that may be allocated to it.

SECTION 74.- The Board and its employees shall be bound to respect the confidentiality of commercial information conveyed to them, upon

pain of being sued for damages before courts or any other authority provided for by this law.

CHAPTER III

DOMESTIC ELECTRICAL INSTALLATIONS AND EQUIPMENT

SECTION 75.- An approved standards compliance audit of domestic electrical installations and equipment to protect users of electricity and property against potential hazards is hereby established.

SECTION 76.- (1) The compliance audit of domestic electrical installations and equipment shall be carried out by the Ministry in charge of electricity or under its control, by companies under Cameroonian law, approved to that end by it, on the recommendation of the Electricity Sector Regulatory Board.

(2) The audit conditions and fees as well as approval conditions shall be specified by order of the Minister in charge of electricity.

SECTION 77.- The functions of manufacturer, importer, vendor in electrical equipment, electrical installer and electricity distributor shall be incompatible with those of controller of domestic electrical installations and electrical equipment.

SECTION 78.- The standards and technical requirements applicable within this framework shall be defined by a joint order of the Minister in charge of electricity and the Minister in charge of standardization.

SECTION 79.- (1) Any electricity distributor shall, before turning on a new or repaired installation, request for a certificate of compliance of the installation with the regulations and safety standards in force.

(2) Any manufacturer and importer of electrical equipment shall, before placing it at the disposal of the retailer, ensure that a certificate of compliance of the equipment with the standards in force is issued by the approved audit firm.

(3) Each vendor must assure the importer or manufacturer that the equipment he is placing at the disposal of users is consistent with current standards and has a compliance certificate.

SECTION 80.- (1) Notwithstanding the contractual terms binding the distributor for the supply of electricity, the user whose electric installation does not comply with the safety standards in force or refuses to comply with such standards shall be suspended from the supply of electricity until he produces a compliance certificate in due form.

(2) Suspension from the supply of electricity shall be ordered by the Minister in charge of electricity or his representative with territorial jurisdiction where prior notification produced no effect after six (6) months.

SECTION 81.- (1) Any manufacturer, importer or vendor whose equipment has no compliance certificate shall have his equipment withdrawn from the market at his expense.

(2) The withdrawal shall be ordered by a joint order of the Minister in charge of electricity and the Minister in charge of trade.

PART VI **PRICING RULES**

SECTION 82.- (1) Pricing principles in the electricity sector shall be defined by the Ministry in charge of electricity, on the recommendation of the Electricity Sector Regulatory Board, or by the latter, as the case may be, within the framework of concession contracts, licences and authorizations of private or public operators.

(2) The concession contracts, licences and authorizations shall lay down the rules for the periodic modification of rates.

In any case, the rule for modifying rates shall be revised every five (5) years or, exceptionally, before the expiry of that period in the event of drastic change in operating conditions or because of events which significantly modify the economic, financial or technical environment in which the concession agreements and licences were concluded or granted.

(3) In any case, the rates shall be revised by the Board on the basis of principles that would enable the operator to make a reasonable profit under normal operating conditions.

SECTION 83.- Any practices undermining fair competition on the electricity market shall be punishable in accordance with the provisions of the law governing competition.

SECTION 84.- (1) The rates applied between producers and suppliers, on the one hand and a bulk user, on the other hand, shall be freely fixed under their contractual relations while remaining subject to the requirement to deliver cost structures corresponding to the Electricity Sector Regulatory Board thirty (30) days after their introduction. If irregularities are found, particularly in terms of cost transfers or cross-subsidies, the Electricity Sector Regulatory Board shall make an

adjustment with a cash penalty of between 50% and 200% of the irregularity.

(2) Each producer shall initially submit his price allocation form to the Electricity Sector Regulatory Board for approval.

(3) Where the producer is a supplier to the dealer or distributor, all contracts, including those concluded with the distributors or bulk users referred to in Subsection (1) above shall be submitted to the Board which shall have a time-limit of thirty (30) days to make possible reservations and, if need be, challenge the execution of the contracts.

PART VII

DISPUTE SETTLEMENT MECHANISMS

SECTION 85.- (1) The Board may, within the framework of a conciliation procedure, be seized by any natural person or corporate body, any professional organization or users association to resolve conflicts between users, on the one hand, and operators, on the other hand.

(2) In the event of conciliation, the Board shall prepare a conciliation report noting the settlement conditions. This report shall be signed by the two (2) parties and the Board. It shall be submitted to the President of the court of competent jurisdiction to become executory.

(3) Conditions for settling disputes within the framework of the conciliation procedure between professional organizations, users and users associations on the one hand, and operators on the other hand, shall be defined by the Electricity Sector Regulatory Board.

SECTION 86.- (1) As an arbitration body, the Board may be seized by any operator to settle disputes between operators.

(2) Conditions for settling disputes between operators shall be defined by the Electricity Sector Regulatory Board, in accordance with the provisions of the Uniform Act relating to the arbitration law.

SECTION 87.- Matters dating more than five (5) years back may not be brought before the Board unless action relating to the investigation, establishment or punishment thereof had been instituted prior to that period.

SECTION 88.- The Board shall make known its decisions, subject to secrets protected by the law. It shall notify the parties thereof.

PART VIII
RIGHT OF WAY AND PASSAGE

SECTION 89.- Within the framework of their general interest mission, and to carry out their activities, operators that have been granted concessions or are holders of licences duly established in accordance with the provisions of this law, shall have right of way on public roads and on portions of collective estates and settlement areas as well as on surface and underground parts of non-built-on estates, save otherwise provided by the laws and regulations in force.

SECTION 90.- (1) The operators referred to under Section 89 above shall have certain prerogatives including:

- the right to occupy public or private property of the State as well as of regional and local authorities;
- the right to create rights of way and passages for public use;
- the protection of all property allotted to their activity.

(2) The rights enumerated in Subsection (1) above and their respective restrictions shall be determined and laid down in the instrument granting the concession or licence, in conformity with the provisions of this law and of land laws.

SECTION 91.- In all cases, the expenses and compensation costs accruing to any public or private interests and arising from the application of the provisions of Sections 89 and 90 above shall be borne by the concessionnaire or licensee.

SECTION 92.- The execution of works provided for in Section 90 above must follow prior notification directly to concerned parties. This shall not entail dispossession.

SECTION 93.- The laying of cables or supports on an open and non-built-on estate shall not restrict the owners right to enclose or build thereon. In this case, three (3) months prior to the commencement of works, the owner must notify the concessionnaire or licensee by registered mail. The latter shall be bound to move the structures at his expense.

PART IX
ELECTRICITY SECTOR DEVELOPMENT FUND

SECTION 94.- (1) An Electricity Sector Development Fund hereinafter responsible for the development of the electricity sector may be established as and when necessary. The Minister in charge of the electricity sector is the authorizing officer for all the expenses relating to the development fund.

(2) The missions, organization and functioning of the Fund shall be determined by decree of the President of the Republic.

PART X
OFFENCES AND ADMINISTRATIVE SANCTIONS

SECTION 95.- The following shall be deemed offences under this law:

- carrying out activities in the electricity sector without the legal coverage;
- non-respect of the obligations stipulated by any of the schedules provided for in Section 11 above;
- non-payment of levies owed;
- failure to provide, within a time-limit fixed by the Electricity Sector Regulatory Board, information and data requested by it or by the authority in charge of electricity in accordance with this law and its implementing instruments;
- late payment of fees owed;
- non-compliance with the standards and norms stipulated by the implementing instruments.

SECTION 96.- (1) Without prejudice to the prerogatives of the Legal Department and judicial police officers with general competence, sworn officials commissioned by the Board shall be responsible for identifying, establishing and instituting legal proceedings against offenders in matters of electricity. These officials shall be sworn in before the competent court of law at the request of the Board, under conditions stipulated by decree.

(2) They may, at their request, be assisted by the forces of law and order in the performance of their duties, and especially in the identification and questioning of suspects.

SECTION 97.- (1) Where the offence is duly established, without prejudice to penal sanctions applicable in accordance with the legislation in force, and provided that a prior notice has been issued, operators governed by this law shall be liable to the following administrative sanctions:

- penalties corresponding to the loss of income suffered by the national community or to overcharge by the operator including an additional charge between 20 and 100%;
- withdrawal of the concession, licence or authorizations;
- suspension of right to operate.

(2) Without prejudice to the application of the sanctions provided for in Subsection (1) above, and where the default is not deemed to be a penal offence, the Board may impose on the defaulter any of the following fines:

- a) Failure to declare: 100 000 to 500 000 CFA F;
- b) Failure to obtain an authorization: 500 000 to 5 000 000 CFA F;
- c) Failure to standardize domestic electrical equipment:
 - Users: 100 000 to 500 000 CFA F;
 - Equipment suppliers: 500 000 to 2 500 000 CFA F;
 - Equipment manufacturer: 2 500 000 to 5 000 000 CFA F.
- d) Failure to provide contractual information or requested by the Ministry in charge of electricity or the Board within the contractual period or period stipulated by the latter:
 - Flat rate of 100 000 to 5 000 000 CFA F;
 - 100 000 CFA F per calendar day of delay.
- e) Hindering the execution of works on a concession or authorization and hindering maintenance work on installations or use of the right of way by an operator of easements: 100 000 to 5 000 000 CFA F;

f) Hindering inspection by sworn officials:

- Operator under the declaration schedule: 100 000 to 250 000 CFA F;
- Operator under the authorization schedule: 250 000 to 500 000 CFA F;
- Operator under the licence schedule: 500 000 to 5 000 000 CFA F;
- Operator under the concession schedule: 5 000 000 to 10 000 000 CFA F;
- Owner of a low voltage domestic equipment: 100 000 CFA F;
- Owner of a medium voltage domestic equipment: 500 000 CFA F;
- Owner of a high voltage domestic equipment: 1 000 000 CFA F;
- Owner of an extra high voltage domestic equipment: 2 000 000 CFA F;
- Importer, manufacturer or seller of electrical equipment: 500 000 to 5 000 000 CFA F;

g) Non-payment of fees within the time prescribed by the regulations in force: 5 000 000 CFA F per day of delay.

(3) The breach of the provisions of the Penal Code shall be punished in accordance with it.

(4) The method of collection and sharing of the above fines shall be defined by regulation.

SECTION 98.- In case of a serious and direct breach of the laws and regulations governing the electricity sector, the Ministry in charge of electricity may, in accordance with the regulations in force, enforce precautionary measures to safeguard the continuance of the public service, after the prior opinion of the Board.

PART XI **TRANSITIONAL PROVISIONS**

SECTION 99.- (1) The decision to update concessions, licences and authorizations which are still valid on the date of enactment of this law shall be mutually agreed between the Administration in charge of electricity or the Electricity Sector Regulatory Agency, as the case may be, and holders of concessions, licenses and authorizations.

(2) Until such compliance, which may not exceed a period of 12 (twelve) months with effect from the date of enactment of this law, the concessions, licences and authorizations referred to in subsection (1) above shall remain valid.

SECTION 100.- Owners of domestic electrical installations and equipment that do not comply with the provisions of this law shall have three (3) years, renewable once, to comply.

PART XII
MISCELLANEOUS AND FINAL PROVISIONS

SECTION 101.- Within a period of no more than five (5) years as set in the administrative title, any power generation site awarded to an operator and not developed may, after a notice has remained without effect for six (6) months, be handed to the State after an audit by the Electricity Sector Regulatory Agency, according to conditions laid down by regulation.

SECTION 102.- Statutory instruments shall determine the respective functions of the administration in charge of electricity and the Electricity Sector Regulatory Agency.

SECTION 103.- This law, which repeals all the provisions of Law No. 98/022 of 24 December 1998 governing the electricity sector, shall be registered, published according to the procedure of urgency, and inserted in the Official Gazette in English and French./-

YAOUNDE,

CAVAYE YEGUIE DJIBRIL
PRESIDENT OF THE NATIONAL ASSEMBLY