



National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Office Building, G-5/1, Attaturk Avenue (East), Islamabad
Phone: 051-9206500, Fax: 051-2600026
Website: www.nepra.org.pk, Email: registrar@nepra.org.pk

OFFICE OF THE REGISTRAR

No. NEPRA/R/SAT-I/TRF-WPT-2015/ 5014-5035

April 3, 2015

Subject: **DEVELOPMENT AND DETERMINATION OF UPFRONT TARIFF
FOR WIND POWER GENERATION PROJECTS**

Since, the most recent upfront tariff for wind power generation projects, determined on April 24, 2013 and reviewed on May 2, 2014, has expired, therefore, the Authority in exercise of its powers conferred under the NEPRA Act, rules and regulations has decided to determine a fresh upfront tariff for generation of electricity from wind power. Notice of hearing along with draft upfront tariff proposal and salient features of the proposed upfront tariff has been published in daily newspapers on April 3, 2015 (*copy attached*) inviting comments/intervention requests (if any) from stakeholders, interested/affected persons and from the general public.

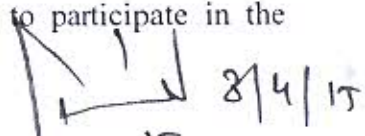
2. The hearing in the subject matter is going to be held according to the date, time and venue as mentioned below:

Date : 16th April 2015 (Thursday)
Time : 11:00 a.m.
Venue : NEPRA Tower, Ataturk Avenue, G-5/1, Islamabad

3. In case you wish to become a party to the proceedings and participate in the proposed upfront tariff setting process in a more wholesome manner, you may do so by filing an intervention request latest by April 13, 2015. Copy of format for intervention request and the contents of an affidavit (to be attached with the Intervention Request) are sent herewith for information and guidance regarding the mode and manner in which you can participate in the proceedings.

4. Given your representative status, you may like to express your views and comments on the subject matter on behalf of your members/clients and file replies or communication in support or in opposition of the proposed upfront tariff to assist the Authority in arriving at a just and informed decision. Please submit your comments, if any, on the subject matter latest by April 10, 2015.

5. Please intimate the name of person(s) who is/are authorized to participate in the hearing.


(Ifrikhar Ali Khan)
Deputy Registrar

Attachment:

1. Copy of Advertisement of Notice of Hearing
2. Sample format for Intervention Request
3. Contents of Affidavit

1.	President The Federation of Pakistan Chamber of Commerce and Industry (FPCCI), Federation House, Main Clifton Karachi - 5675600	2.	Chairman Public Sector Utility, Sub-Committee Karachi Chamber of Commerce & Industries (KCCI) Aiwan-e-Tijarat Road, Shahrah-e-Liaquat Karachi-2
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3.	President Islamabad Chamber of Commerce & Industry G-8/1, Islamabad	4.	President Hyderabad Chamber of Commerce & Industry 488, Chamber Road, Saddar, Hvderabad
5.	President Lahore Chamber of Commerce & Industry 11, Shahrah-e-Awan-e-Tijarat, Lahore	6.	President Senior Citizen Foundation of Pakistan 5-P, Markaz G-7, Sitara Market, Islamabad
7.	Chairman All Pakistan Textile Mills Association, APTMA House, 44-A, Lalazar P.O. Box 5446 Moulvi Tamizuddin Khan Road, Karachi	8.	Chairman S.I.T.E. Association of Industry H-16, S.I.T.E., Karachi
9.	Chief Executive Officer Small & Medium Enterprises Development Authority, 6th Floor, LDA Plaza, Egerton Road, Lahore	10.	Executive Director, Transparency International-Pakistan, 5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII, D.H.A., Karachi.
11.	Chairman National Accountability Bureau, Attaturk Avenue G-5/2, Islamabad	12.	Director General Hydrocarbon Development Institute of Pakistan Plot No. 20, Sector H-9, Islamabad
13.	Managing Director, Heavy Mechanical Complex (Pvt.) Ltd., Taxila	14.	General Manager, Karachi Shipyard and Engineering Works Ltd., West Wharf, Dockyard Road, Karachi- 74000
15.	Director General Pakistan Environmental Protection Agency House No. 311, Main Margalla Road, F- 11/3, Islamabad	16.	Chairman Pakistan Engineering Council Attaturk Avenue (East), G-5/2, Islamabad
17.	M/s SHEHRI 206-G, Block - 2, P.E.C.H.S, Karachi - 75400	18.	President Consumer Rights Commission of Pakistan H. No. 13, Street 1, G-6/3, Islamabad
19.	President Institute of Electrical & Electronics Engineers of Pakistan (IEEEEP), 4 - Lawrence Road, Lahore	20.	President The Institute of Engineers Pakistan, IEP Roundabout, Engineering Centre, Gulberg - III, Lahore - 54660
21.	Chairman The Pakistan Steel Melters Association, 45-S, Gulberg Centre, 84-D/1, Main Boulevard, Gulberg-III, Lahore	22.	Chief Executive Officer, Descon Headquarter, Building No. 04, 18 KM, Ferozpur Road, Lahore 54760

CONTENTS OF AFFIDAVIT

The affidavit to be submitted with any petition or communication where in any statement of fact or opinion is made by the petitioner or the communicator, shall be drawn up in the first person stating the full name, age, occupation and address of the deponent and the capacity in which he is signing and indicating that the statement made therein is true to the best of the knowledge of the deponent, information received by the deponent and belief of the deponent, and shall be signed and sworn before a person lawfully authorized to take and receive affidavit, provided that, a communication filed during the course of a hearing may be affirmed in person before the Authority by the person filing the same.

Where any statement in an affidavit given as per paragraph above is stated to be true according to the information received by the deponent, the affidavit shall also disclose the source of such information.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

INTERVENTION REQUEST

**DEVELOPMENT AND DETERMINATION OF UPFRONT TARIFF FOR
WIND POWER GENERATION PROJECTS**

Name/Address	
Manner in which the intervener is likely to be affected by any determination in the proceeding.	(*)
Contention / Grounds of making the formal request	(*)
Relief Sought (if any).	(*)
Brief of evidence (if any)	(*)
Comments.	(*)
	(*)

(*) Add additional Supplements if required

Date: _____

Signature

- To be accompanied with:
1. An affidavit on stamped paper (sample attached), sworn before an authorized officer.
 2. Intervention Request Fee



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

NOTICE OF HEARING

DEVELOPMENT AND DETERMINATION OF UPFRONT TARIFF FOR WIND POWER GENERATION PROJECTS

All the stakeholders, interested/affected persons and the general public are hereby notified that since most recent upfront tariff for wind power generation projects, determined on April 24, 2013 has expired, therefore, NEPRA in exercise of its powers under section 7 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and rule 3 (1) of the NEPRA (Tariff Standards and Procedure) Rules, 1998 read with regulation 3 of the NEPRA Upfront Tariff (Approval & Procedure) Regulations, 2011 has decided to determine a fresh upfront tariff for generation of electricity from wind power. Accordingly a draft upfront tariff proposal has been developed on the basis of data available with NEPRA.

SALENT FEATURES OF THE PROPOSED UPFRONT TARIFF ARE AS UNDER:-

1. The year wise proposed tariff is as follows:

Years	With 100% local debt		With 100% foreign debt	
	Tariff (Rs. /kWh.)	Tariff (US cents /kWh.)	Tariff (Rs. /kWh.)	Tariff (US cents /kWh.)
1 to 10	13.2283	13.0328	10.8772	10.7165
11 to 20	5.3350	5.2562	5.1798	5.1032
Levelized	11.0319	10.8688	9.2918	9.1545

Note: The final upfront tariff will be determined and approved in the light of NEPRA Upfront Tariff (Approval & Procedure) Regulations, 2011. Upfront tariff based on mixed loan (foreign plus local) will be computed in accordance with the proposed loan composition of the relevant wind power generation company, according to the same mechanism, with due alteration of details, as was allowed in the previously determined upfront tariff for wind power generation projects.

2. For the computation of the tabulated above proposed tariff, project cost of USD 1.97 million per MW (foreign financing) and USD 2.08 million per MW (local financing) has been considered and the annual net plant capacity factor has been taken as 38.44%.

3. The above tariff will be limited to the extent of net annual energy generation supplied to the power purchaser up to 38.44% net annual plant capacity factor. Net annual generation supplied to the power purchaser in a year, in excess of 38.44% net annual plant capacity factor will be charged at the following tariffs:

Plant capacity factor	% of the prevalent tariff
Above 38.44% to 39.44%	75%
Above 39.44% to 40.44%	50%
Above 40.44% to 41.44%	25%
Above 41.44% to 42.44%	20%
Above 42.44%	10%

4. Only wind power generation companies meeting the following conditions will be eligible to avail this tariff:

- Companies recommended by the relevant agency for the grant of upfront tariff.
 - Companies whose proposed plant and machinery is new and of international standards.
 - Companies with installed capacity of up to 250 MW.
 - Companies having a certificate from the power purchaser regarding availability of power evacuation arrangement/capacity for absorption of power supplied into the national grid.
5. Tariff components, i.e. O&M cost, Return on Equity, Principal repayments, Interest and Insurance will be allowed indexation/adjustment as per the mechanism given in the previously determined upfront tariff for wind power generation projects.

6. The reference numbers for the upfront tariff indicated in paragraph 1 above are:

PKR / US Dollar Parity	101.50
US CPI (all urban consumers for January 2015)	233.707
3 months KIBOR	8.22%
3 months LIBOR	0.2706%

7. The power purchaser will not take the wind risk; relevant wind power generation company will be required to account for this risk.

8. This upfront tariff can be opted within 12 months of its determination by the Authority.

9. The targeted maximum construction period after financial close is 18 months.

10. The decision to opt for upfront tariff once exercised will be irrevocable.

11. Duties imposed up to COO on the wind power generation company, not being of refundable nature, will be allowed as a pass through cost upon production of verifiable documentary evidence.

12. The up-front tariff granted to any wind power generation company will no longer remain applicable/valid on the occurrence of any of the following events:

- If a generation license is declined to that wind power generation company;
- If financial close is not achieved by that wind power generation company by September 30, 2016 or within 12 months of the grant of upfront tariff whichever is earlier;

13. This upfront tariff will be applicable for a period of twenty years from the commencement of commercial operations.

14. Pre-COO sale of electricity will be allowed to the power producer, as per the mechanism given in the previously determined upfront tariff for wind power generation projects.

15. Any interested person who desires to participate in the proceedings may file an intervention request within ten days from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case. The intervention request shall be signed, verified and supported by means of an affidavit in the same manner as in the case of the petition.

16. Any person may also file comments in the matter within seven days of the publication and the Authority, if deemed fit, may permit participation of such person into the proceedings and may also consider those comments in the final determination.

17. All stakeholders and interested / affected persons are also informed that in order to arrive at a just and informed decision, the Authority has decided to hold a hearing in the subject matter according to the date, time and venue as mentioned below:

Date: 16 April, 2015 (Thursday)
Time: 11:00 a.m.
Venue: NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad

18. All communications should be addressed to:

Registrar NEPRA

NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad

Phone: 011-2013200 Email: registrar@nepra.org.pk

Note: Publication of this notice of hearing is not to be construed as an approval of the Authority in the instant case

The News 3-4-15