

**National Electric Power Regulatory Authority
Upfront Tariff (Approval & Procedure) Regulations, 2011**

NOTIFICATION

Islamabad, the 11th August, 2011

S.R.O 757 (I)/2011:-- In exercise of the powers conferred by section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997) and sub-clause (a) of sub-section (3) of section 7 thereof, read with rule 3(2)(g) of NEPRA Tariff (Standards and Procedure) Rules, 1998, the National Electric Power Regulatory Authority, hereby notifies the following regulations to lay down the procedure for development and approval of upfront tariff.

PART 1

1. Short title and commencement.— (1) These regulations may be called the National Electric Power Regulatory Authority Up-front Tariff (Approval & Procedure) Regulations, 2011.

- (2) These regulations shall be applicable for the generation of electricity from Wind-power, Hydel-power (only up to 10 MW-run of canal), Coal and gas-based thermal generation only.
- (3) They shall come into force at once.

2. Definitions.— (1) In these regulations, unless there is anything repugnant in the subject or context, --

- (a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);
- (b) "applicant" means a person/entity applying for acceptance of an upfront tariff who is issued letter of intent/letter of support by any relevant agency for construction of a generation facility for delivery or sale of electric power to a Distribution Company, bulk power consumer or to the National Transmission and Despatch Company/Central Power Purchasing Agency;
- (c) "application" means an application made by an applicant conveying unconditional acceptance of upfront tariff along with the terms and

conditions as approved by the Authority from time to time;

- (d) "Authority" means the National Electric Power Regulatory Authority (NEPRA);
 - (e) "COD" means the actual Commercial Operation Date;
 - (f) "region" shall include the geographic area falling within the service and concessional territory of any Ex-WAPDA Distribution Company or Karachi Electric Supply Company Limited (KESCL);
 - (g) "registrar" means a person designated by the Authority to register and record receipt of communications and petitions filed with the Authority and to perform such duties as may be assigned by the Authority from time to time;
 - (h) "relevant agency" means any agency or body set up or established by the Federal Government or any Provincial Government as one window facilitator for setting up the electricity generation facility;
 - (i) "Rules" means NEPRA Tariff (Standards and Procedure) Rules, 1998; and
 - (j) "Upfront tariff" means a tariff developed, declared, determined, or approved by the Authority on a petition moved by any relevant agency or in exercise of suo-moto powers by the Authority.
- (2) Words and expressions used but not defined in these regulations shall have the same meaning as in the Act and Rules and Regulations framed thereunder.

PART II

PROCESS TO DEVELOP UPFRONT TARIFF

3. Development Process. — (1) The Authority may at any time, upon a petition filed by a relevant agency or on its own develop, declare, determine or approve the upfront tariff pursuant to and in accordance with the procedure laid down in the Rules. The Authority may also declare any tariff already determined or approved by it to be an upfront tariff for different types of fuels, technologies, capacities and regions etc.

(2) Upon initiation of the process under regulation 3, the Authority may approve and determine the upfront tariff as requested or may amend it in the light of the guidelines laid down in Part IV of these regulations; provided that before determining or approving the upfront tariff, the Authority shall seek participation from the stakeholders and other interested persons and shall also hold a public hearing.

(3) The decision of the Authority regarding determination or approval of the upfront tariff shall be intimated to the Federal Government for notification in the official gazette pursuant to section 31(4) of the Act.

PART III

PROCEDURE TO OPT FOR UPFRONT TARIFF

4. Acceptance/Approval.-- (1) Once the upfront tariff is determined/approved by the Authority in accordance with regulation 3, any applicant, interested therein may file an application before the Authority to opt for an upfront tariff.

(2) The application shall be filed with the Registrar as per format specified in **Schedule-I** to these regulations.

(3) The application shall be submitted in triplicate; duly signed and verified along with the authorization/Board Resolution/Power of Attorney. The format of affidavit is prescribed in **Schedule-II** to these regulations. The application shall also be accompanied with:

- i) non-refundable application fee for the consideration and processing of the application, as determined by the Authority from time to time in accordance with the **Schedule-III** to these regulations;
- ii) a copy of the certificate of incorporation and details of the sponsors of the generation facility;
- iii) Memorandum & Articles of Association highlighting "generation of electricity" as one of the businesses of the generation facility;
- iv) letter of intent/letter of support issued by the relevant agency;
- v) consent of power purchaser, i.e., Central Power Purchasing Agency (CPPA), any Distribution Company or bulk power consumer for procurement of the electricity;
- vi) a description of the proposed generation facility and its site;
- vii) Attested copy of authorization allowing the filing of application;
- viii) Copy of the generation licence or an application thereof in accordance with the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999; and
- ix) the information over a format prescribed and set forth in **Schedule-IV** to these regulations.

(4) The Registrar shall ensure that the application is submitted in accordance with these regulations, and upon satisfaction thereof, the registrar shall forthwith:

- (a) allot a registration number to the application; and
- (b) present the application before the Authority for its consideration.

(5) In case of an incomplete application, the Registrar shall ask the applicant to furnish the required information. The application shall be deemed to be filed only when all the required information is provided by the applicant.

(6) The Registrar shall present the application for consideration of the Authority within three (03) working days of the filing thereof.

(7) The decision of the Authority on an application to opt for the upfront tariff shall be conveyed to the applicant within ten working days of filing of the application and it shall also be intimated to the Federal Government for notification in the official gazette pursuant to section 31(4) of the Act.

(8) The Authority may reject the application in case any particulars furnished with the application are deficient or found to be false or materially inaccurate, provided that, before declining the application, the Authority shall give an opportunity of hearing to the applicant.

PART IV

GUIDELINES & STANDARDS

5. The upfront tariff shall be technology specific, fuel specific, site/region specific with different financing options (local, foreign or mixed) etc.
6. While approving the upfront tariff, due regard will be given to:-
 - a. The tariffs already determined or approved for similar site/region, technology or fuel etc;
 - b. Type of technology such as Wind Turbines, Combined Cycle Gas Turbine, Steam Turbine or Reciprocating engine etc.
 - c. Number of units and size (MW)
 - d. Installed capacity, auxiliary consumption, net capacity etc

7. The upfront tariff determined/approved by the Authority shall remain applicable for such period as may be determined/specified by the Authority.
8. The upfront tariff shall be given for the brand new machinery only.
9. The upfront tariff shall commence on the COD and shall remain effective for the tariff control period as specified by the Authority.
10. The terms and conditions of upfront tariff determined/approved by the Authority shall form part of upfront tariff and once accepted shall not be subject to modification or adjustments except for the adjustments/indexations allowed at the time of approval of the application.



Syed Safer Hussain
Registrar

SCHEDULE-I
[Regulation 4(2)]
APPLICATION

The Registrar
National Electric Power Regulatory Authority (NEPRA)
2nd Floor, OPF Building,
Sector G-5/2,
Islamabad

Subject:- **UNCONDITIONAL ACCEPTANCE OF UPFRONT TARIFF**

I, [NAME], [DESIGNATION], being the duly Authorized representative of [NAME OF APPLICANT COMPANY] by virtue of [BOARD RESOLUTION/POWER OF ATTORNEY dated _____], hereby convey my unconditional acceptance of the Upfront Tariff for [Combined Cycle Power Plants / Reciprocating Engines Technology / Wind Power Plants] with assumptions and conditions as approved by National Electric Power Regulatory Authority (NEPRA) vide its determination dated _____ and request for Authority's approval.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of National Electric Power Regulatory Authority (NEPRA) Upfront Tariff (Approval Procedure) Regulations, 2011, and undertake to abide by the terms and provisions of above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

A [Bank Draft/Pay Order] in the sum of Rupees [_____], being the non-refundable application processing fee calculated in accordance with Schedule-II to National Electric Power Regulatory Authority Upfront Tariff (Approval Procedure) Regulations, 2011, is also attached herewith.

I hereby further request the Authority to accede to my request for acceptance of the Upfront Tariff for [Combined Cycle Power Plants / Reciprocating Engines Technology / Wind Power Plants] with assumptions and conditions as approved by NEPRA vide its determination dated _____.

Date: _____

Signature: _____

[Name, designation]: _____

Designation: _____

Company Seal

SCHEDULE-II

[Regulation 4(3)]

Specimen of Affidavit

**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY
AUTHORITY**

AFFIDAVIT

I, [name of the person] S/o [] CNIC No. [] [designation], [name of the company] hereby solemnly affirm and declare on oath that the contents of the accompanying application for unconditional acceptance of upfront tariff [dated] including all attached documents-in-support are true and correct to the best of my knowledge and belief and that nothing has been concealed.

DEPONENT

Signature: _____

Name : _____

Dated: _____

Seal & Signature of the Oath Commissioner

SCHEDULE-III
[Regulation 4(3)(i)]

APPLICATION PROCESSING FEE FOR UPFRONT TARIFF

Generation Capacity	Fees (Rupees)
Upto 10 MW	50,000
11 to 100 MW	100,000
Above 100 MW	200,000

SCHEDULE-IV
[Regulation 4(3) (x)]

Wind Power Generation Facility - Information Summary

1. Name of Applicant :
2. Registered Office :
3. Business Office :
4. Project Location :
5. Plant Details (Optional) :
 - a. Manufacturer :
 - b. Make & Model :
 - c. Plant Capacity (MW) :
 - d. Technology :
 - e. Unit Size (MW) :
 - f. Number of Units :
6. Expected Date of Financial Close :
7. Expected COD :

SCHEDULE-IV

[Regulation 4(3) (x)]

Thermal Power Generation Facility - Information Summary

1. Name of Applicant :
2. Registered Office :
3. Business Office :
4. Project Location :
5. Plant Details (Optional) :
 - a. Manufacturer :
 - b. Make & Model :
 - c. Technology :
 - d. Plant Configuration :
 - e. Plant Capacity (MW) Gross ISO :
 - f. Plant Capacity (MW) Gross at Mean Site Conditions :
 - g. Details of Auxiliary Load (MW) :
 - h. Plant Capacity (MW) Net at Mean Site Conditions :
 - i. Fuel :
 - j. Net Thermal Efficiency at full load :
6. Reference Site Conditions (Optional) :
 - a. Electricity Load :
 - b. Ambient dry bulb temperature :
 - c. Relative humidity (%) :
 - d. Atmospheric pressure (mbar) :
 - e. Power Factor at Generator Terminal :
 - f. Grid Frequency :
 - g. Evaporation Cooler :
 - h. HRSG Blow down :
 - i. Hours of CCPP degradation :
7. Expected Date of Financial Close :
8. Expected COD :

SCHEDULE – IV
[Regulation 4(3) (x)]
Hydropower Generation Facility-Information Summary

1. Name of Applicant :
2. Registered Office :
3. Business Office :
4. Project Location :
5. Plant Details (Optional) :
 - a. Manufacturer :
 - b. Make & Model :
 - c. Plant Capacity MW :
 - d. Technology :
 - e. Unit Size MW :
 - f. Number of Units :
6. Reference site conditions (Optional)
 - a. Design Net Head m :
 - b. Net rated discharge m^3/sec :
 - c. Gross annual electrical out MW :
 - d. Auxiliary Consumption MW :
 - e. Net annual energy production MWh :
 - f. Net annual plant capacity factor % :
7. Expected Date of Financial Close :
8. Expected Date of Commercial Operation (COD) :