



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

**Registrar**

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No. NEPRA/R/LAG-305/

7866

May 23, 2017

Mr. Khawaja Bilal Hussain  
Company Director,  
Siddiqsons Energy Limited,  
27<sup>th</sup> Floor, Ocean Tower, G-3, Block-9, Scheme # 5,  
Main Clifton Road, Karachi.  
Ph : 92-21-35166571-5

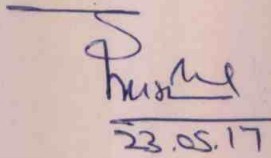
Subject: **Modification in Generation Licence No: IGSPL/65/2015**  
**Licence Application No. LAG-305**  
**SIDDIQSONS ENERGY LIMITED (SEL)**

Reference: *SEL's letter No. SDSEL/DIR/000123, received on October, 27, 2016)*

Enclosed please find herewith Determination of the Authority in the matter of Licensee Proposed Modification filed by Siddiqsons Energy Limited (SEL).

Encl: As above



  
23.05.17  
(Syed Safer Hussain)

**National Electric Power Regulatory Authority**  
**NEPRA**

**Determination of the Authority**  
**Regarding Licensee Proposed Modification in the Generation**  
**Licence of Siddiqsons Energy Limited**

The Authority granted a generation licence (No. IGSP/65/2015 dated September 14, 2015) to Siddiqsons Energy Limited (hereinafter referred to as "SEL") for a 350.0 MW imported coal based power plant proposed to be located at Port Qasim, Karachi, in the Province of Sindh.

2. SEL communicated a Licensee Proposed Modification (LPM) in its generation licence on October 27, 2016, under Regulation-10(2) of the NEPRA Licensing Application and Modification Procedure Regulations, 1999 (hereinafter referred to as "the Licensing Regulations"). The communicated LPM envisaged change of fuel of the generation facility from imported coal to local coal (Thar Coal) and change of COD of the project from December 31, 2018 to June 30, 2020.
3. The Registrar published the communicated LPM on November 11, 2016 in one Urdu ("Dunya") and one English ("Times") daily newspapers, to inform the general public about the communicated LPM and inviting their comments. Moreover, separate letters were also sent to stakeholders including government ministries, their attached departments and representative organizations on November 14, 2016 to seek their views/comments for assistance of the Authority.
4. In response, the Authority received comments from five (05) stakeholders. These included Anwar Kamal Law Associates, Ministry of Petroleum & Natural Resources, Board of Investment, Alternative Energy Development Board and Ministry of Water & Power. However, before finalization of the LPM, SEL submitted an addendum to the communicated LPM on February 20, 2017 regarding change of location of the project from Port Qasim to Thar Coal Mines, Block-II, change in capacity, change in technology and other allied changes.





The proposed amendments in the LPM were submitted for consideration of the Authority.

5. The Authority considered the matter and observed that with the change of location of the project, fundamentals of the project have changed. The aforementioned change in the location requires new feasibility study, grid interconnection study, environmental study, allocation of land and such other matters. Fuel, location/land, interconnection arrangement, technical limits/specification, capacity, environment and other relevant matters are the important factors to be considered at the time of grant of generation licence. The Authority may refuse to grant a generation licence if aforementioned requisites are not suitable on environmental grounds or do not satisfy the least cost option criteria as envisaged in Rule-3 of the NEPRA Licensing (Generation) Rules, 2000.

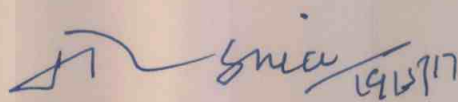
6. The Authority granted a generation licence to SEL for setting up a generation facility for imported coal at Port Qasim after considering and satisfying with the aforementioned requisite information and least cost option criteria under the law. Now, SEL has filed LPM which has changed all the parameters of generation facility. It is a new generation facility altogether and requires a fresh consideration of the Authority with respect to each factor mentioned above, under a new generation licence application.

7. The Authority has further observed that while considering a case for LPM in terms of sub-regulation-5(2)(b) of Regulation-10 of the Licensing Regulations, the Authority has to take into account that such requested modification does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the Act or the rules or regulations made pursuant to the Act. Information submitted by SEL in its communicated LPM reveals that fundamentals of the generation facility have changed and as discussed above, SEL under the law is required to file a new application along with requisite documents/information in support for consideration of the Authority. Therefore, modifications communicated by SEL do not warrant justification on the basis of aforementioned milestone envisaged in the Licensing Regulations. Hence, the request of SEL cannot be considered under the scope of LPM.

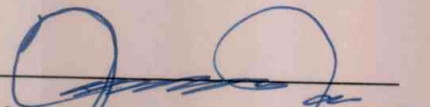


8. In view of foregoing, the Authority is of the view that earlier generation licence of SEL is not valid for the generation facility at Thar Coal Mines and SEL is required to file afresh application for grant of generation licence for its proposed generation facility at Thar Coal Mines, Block-II. Hence, LPM filed by SEL is hereby rejected.

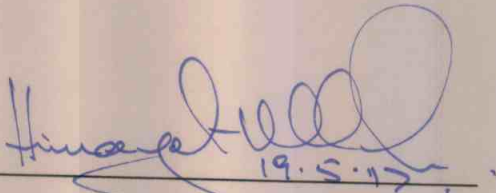
**Authority**



Maj. Rtd. Haroon Rashid  
(Member)



Syed Masood-Ul-Hassan Naqvi  
(Member)



Himayat Ullah Khan  
(Member)

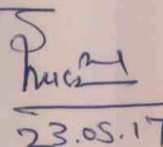


Saif Ullah Chattha  
(Member)



Tariq Saddozai  
(Chairman)



  
23.05.17