

29 July 2021

The Registrar
National Electric Power Regulatory Authority (NEPRA)
NEPRA Tower Attaturk Avenue (East)
Sector G-5/1, Islamabad

Dear Sir,


**APPLICATION FOR LICENSEE PROPOSED MODIFICATION IN GENERATION LICENCE
NO. IGSPL/56/2015 OF ETIHAD POWER GENERATION LIMITED**

I, **Muhammad Shakil** s/o Chaudhry Muhammad Jamil having CNIC 35201-1537699-1, the duly authorized representative of Etihad Power Generation Limited (the “**Company**”) by virtue of a Board Resolution appended herewith, hereby apply to the National Electric Power Regulatory Authority (“**NEPRA**”) for the modification of the Company’s Generation Licence No. IGSPL/56/2015, issued on 2 April 2015, pursuant to Regulation 10(2) of the National Electric Power Regulatory Authority (Application and Modification Procedure) Regulations 1999 (the “**AMPR**”).

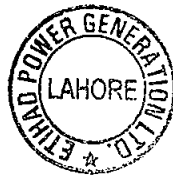
I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the AMPR. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and belief.

A bank draft against the non-refundable licence application fee of Rs. 374,000 (rounded from Rs. 373,888) calculated in accordance with Schedule II of the AMPR for modification of the licence, is also attached herewith.

Thanking you



Muhammad Shakil
Chief Executive



EXTRACT OF RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF ETIHAD POWER GENERATION LIMITED (THE "COMPANY") THROUGH RESOLUTION BY CIRCULATION ON 01 JULY 2021.

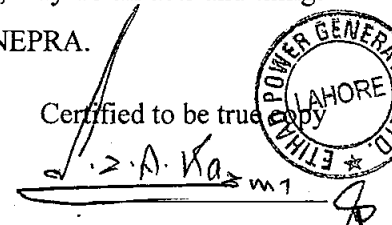
"MODIFICATION IN THE GENERATION LICENCE NO. IGSPL/56/2015"

RESOLVED THAT the Company is hereby authorized to file Licensee Proposed Modification ("LPM") in respect of Generation Licence IGSPL/56/2015 (the "**Generation Licence**"), under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, before National Electric Power Regulatory Authority.

FURTHER RESOLVED THAT Mr. Muhammad Shakil, Chief Executive, is hereby authorized for and on behalf of the Company to sign all necessary documents, pay necessary fee, appear before the Authority or to authorize any other person to appear before the Authority, as needed, and do all that is necessary for processing and completion of this LPM.

FURTHER RESOLVED THAT Mr Nadir Altaf, Mr Haseeb Rao, Ms Zoya Mohyuddin and Ms Sara Aziz advocates of RIAA Barker Gillette, are to appear and act for the Company in connection with the processing and presentation of the LPM, and that the said advocates, or any one of them, may do all acts and things necessary for the processing, completion, and finalization of the LPM before NEPRA.

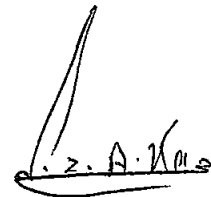
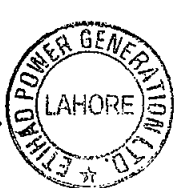
Certified to be true copy


Syed Zafar Abass Kazmi
Company Secretary

CERTIFICATION

Certified that, the above resolution was duly passed by the Board of Directors of Etihad Power Generation Limited by circulation.

Further certified that the said resolution has not been rescinded and is in operation and that this is a certified true copy thereof.

BEFORE
THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY

APPLICATION FOR LICENSEE PROPOSED MODIFICATION OF
GENERATION LICENSE
NO. IGSPL/56/2015

Etihad Power Generation Limited

Dated:

Legal Consulta

RIAA Barker Gil
Advocates & Corporate Couns
3rd Floor, 65-W, Executive He
Block-H, Fazl-ul-Haq |
Blue Area, Islam
www.riaabg

APPLICATION FOR LICENSEE PROPOSED MODIFICATION OF GENERATION LICENSE

NO. IGSPL/56/2015 DATED 2 April 2015

ON BEHALF OF

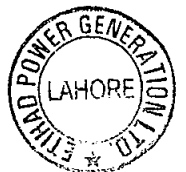
ETIHAD POWER GENERATION LIMITED

1. LEGAL BASIS

- 1.1. Etihad Power Generation Limited (the “**Company**” or “**EPGL**”), in pursuance of *inter alia* Regulation 10(2) of the National Electric Power Regulatory Authority (Application & Modification Procedure) Regulations 1999 (the “**AMPR**”) and other applicable provisions of the Regulation for Generation, Transmission and Distribution of Electric Power Act 1997 (the “**Act**”), Rules and Regulations and applicable documents, submits this Application for Licensee Proposed Modification (the “**LPM Application**”) in respect of its Generation Licence No. IGSPL/56/2015, dated 02 April 2015 (“**Generation Licence**”), before the National Electric Power Regulatory Authority (the “**Authority**” or “**NEPRA**”).

2. BACKGROUND

- 2.1 EPGL is a company incorporated under the erstwhile Companies Ordinance 1984, established for the purpose of generation and sale of electric power as a special purpose vehicle for the development of the Project.
- 2.2 The Project was being developed under the “*Policy for the Development of Renewable Energy for Power Cogeneration, 2006*” as an Independent Power Producer (IPP).
- 2.3 EPGL in accordance with the Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (the “**NEPRA Act**”), submitted an Application for grant of Generation License on 1 December 2014.
- 2.4 The Authority granted a Generation License to EPGL for its 74.4 MW Bagasse based co-generation facility located at Village Karamabad, Tehsil and District Rahim Yar Khan, in the Province of Punjab, Pakistan (“**Project**”) to EPGL in terms of Section 15 of the NEPRA Act.



- 2.5 After fulfilling all requirements and obtaining Generation License from NEPRA, EPGL opted for the Upfront Tariff 2013 which was determined in favour of EPGL by the NEPRA vide its determination dated 20 February 2017 (“**Tariff Approval**”).
- 2.6 Presently, Schedule I incorporates the name of Etihad Sugar Mills Limited (ESML) as the EPGL’s Bulk Power Consumer (“**BPC**”).
- 2.7 As per the Tariff Approval, EPGL was required to achieve Commercial Operations Date (“**COD**”) by 19 February 2019, i.e. within two years from the date of issuance of the determination. However, due to the proven and admitted actions and omissions of the government sector entities, the Project failed to achieve its milestones within the specified time. Resultantly, the Project failed to achieve COD within the prescribed time, for reasons not attributable to it.
- 2.8 However, it is submitted that the excessive delays in the Project development rendered the Project and its tariff unviable.
- 2.9 Accordingly, EPGL requested the Alternative Energy Development Board (AEDB) for grant of approval with respect to conversion of the Project from IPP mode to BPC mode *vide* letter dated 18 March 2021.
- 2.10 As per the Generation License, the electric power generated from the Company’s generation facility will not only be supplied to BPC (i.e. Etihad Sugar Mills Limited) but also to the load center of Multan Electric Power Company (“**MEPCO**”). Accordingly, the Company was to sign an Energy Purchase Agreement with Central Power Purchasing Agency (Guarantee) Limited (“**CPPA-G**”) on behalf of the MEPCO. However, with the request in change of status of the Project, the CPPA-G shall no longer be required to act as Power Purchaser.

3. EPGL’S REQUEST FOR MODIFICATION IN ITS GENERATION LICENSE

3.1 In light of the aforesaid, the following changes may kindly be made in the Generation License:

- i. In Schedule I under the heading “*Interconnection Facilities/ Transmission Arrangements for Dispersal of Power from the Generation Facility/Co-Generation Power Plant*”, the supply of power to Multan Electric Power Company (MEPCO) may be deleted;



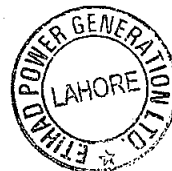
- ii. Modify the capacity from 74.4 MW to 37.2 MW
- iii. EPGL seeks permission of the Authority's approval for the addition of the following BPCs in its Generation license:
 - a. Etihad Alloys (Private) Limited
 - b. Etihad Sugar Mills Limited

4. **STATEMENT OF REASONS IN SUPPORT OF THE MODIFICATION**

- 4.1 It is submitted that the Modification shall be in the public interest as it will enable the Company to sell surplus electric power over and above the requirement of its allowed/designated BPCs to any other entity.
- 4.2 For sustainable development, all indigenous power generation resources including Bagasse/Biomass, Hydel, Wind, Solar and other renewable energy resources must be developed on priority basis in the public and private sector. The existing energy mix of the country is heavily skewed towards the costlier thermal power plants, mainly operating on imported furnace oil. The import of furnace oil for electric power generation not only causes depletion of the precious foreign exchange reserves of the country but is also an environmental concern. Therefore, in order to achieve sustainable development, it is imperative that indigenous renewable energy resources are given priority for power generation and their development is encouraged.
- 4.3 The Project would be based on indigenous fuel (Bagasse) and would be generating power during non-gas and non-hydel periods. Therefore, the project would be beneficial to the consumers and the society.
- 4.4 Moreover, the proposed modification would allow the Company to salvage the investment of USD 37 million, amounting to approximately 40% of total Project costs, which should not go to waste.

5. **IMPACT OF THE PROPOSED MODIFICATION**

- 5.1 **Impact on Tariff**



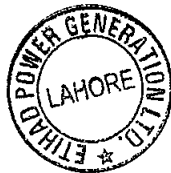
Since the arrangement requires conversion of the Project from IPP mode to BPC mode, there will be no impact on the tariff for the consumers connected to the grid and the sale purchase of power would be between the BPCs and EPGL subject to the satisfaction of regulatory requirements.

5.2 Impact on Quality of Service

The Company certifies that the quality of service and the performance by the Company under the Generation License shall not be effected by the approval of this LPM application. As mentioned above, the Company has been fully diligent and dedicated in the performance of its services and aspires to provide cheap renewable energy to the consumers.

5.3 Impact on the obligations of the Company under the License

The proposed modification would facilitate the Company in fulfilling its obligations under the Generation License.



PRAYER

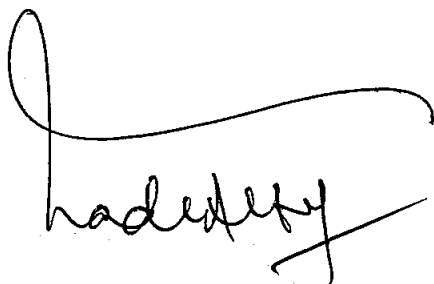
It is most humble prayed to the esteemed Authority that:


- A. The Authority may kindly approve the modification of EPGL's Generation License for (i) deletion of CPPAG as Power Purchaser; (ii) addition of Etihad Alloys (Private) Limited and Etihad Sugar Mills Limited new BPCs; and (iii) modify the capacity from 74.4 MW to 37.2 MW

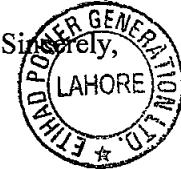
- B. The Authority may be pleased to treat the Company's request for modification of Generation License expeditiously and on non-discriminatory basis; and

- C. Any further and better relief that the Authority may deem appropriate in the circumstances may kindly be granted to the Company.

We hope the information/explanation provided above meets the Authority's requirements and EPGL shall remain available to assist the Authority in further queries/clarifications.



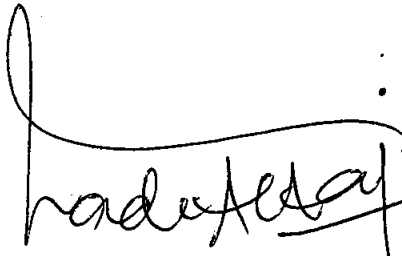
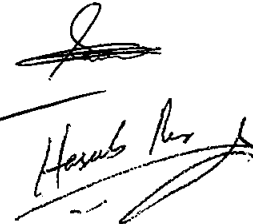
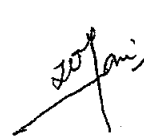

Sincerely,

Etihad Power Generation Limited



VAKALATNAMA

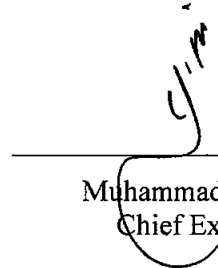

We, Etihad Power Generation Limited (the “Company”), hereby appoint and constitute Mr Nadir Altaf, Mr Haseeb Rao, Ms Zoya Mohyuddin and Ms Sara Aziz, Advocates of RIAA Barker Gillette to appear and act for and on behalf of the Company in connection with the processing and presentation of the LPM. Further resolved that the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the Application for Licensee Proposed Modification in respect of Generation Licence No. IGSPL/56/2015 vide letter decision dated 2 April 2015 with the National Electric Power Regulatory Authority (“NEPRA”), under the NEPRA Laws.

I/We also authorize the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the Application with NEPRA.


Accepted




RIAA Barker Gillette
Advocates & Corporate Counsels
3rd Floor, 65-W, Executive Heights, Block-H,
Fazl-ul-Haq Road, Blue Area,
Islamabad.

For and on behalf of
Etihad Power Generation Limited


Muhammad Shakil
Chief Executive


AKP

Bank Alfalah

Ref No:

Amount not over (0028) Main Gulberg Branch Lahore only PKR 374,000.00

Date 29-07-2021 D D M M Y Y

Pay to NATIONAL ELECTRIC POWER REGULATORY AUTHORITY for order

PKR 374,000.00

Rupees THREE HUNDRED SEVENTY FOUR THOUSAND ONLY

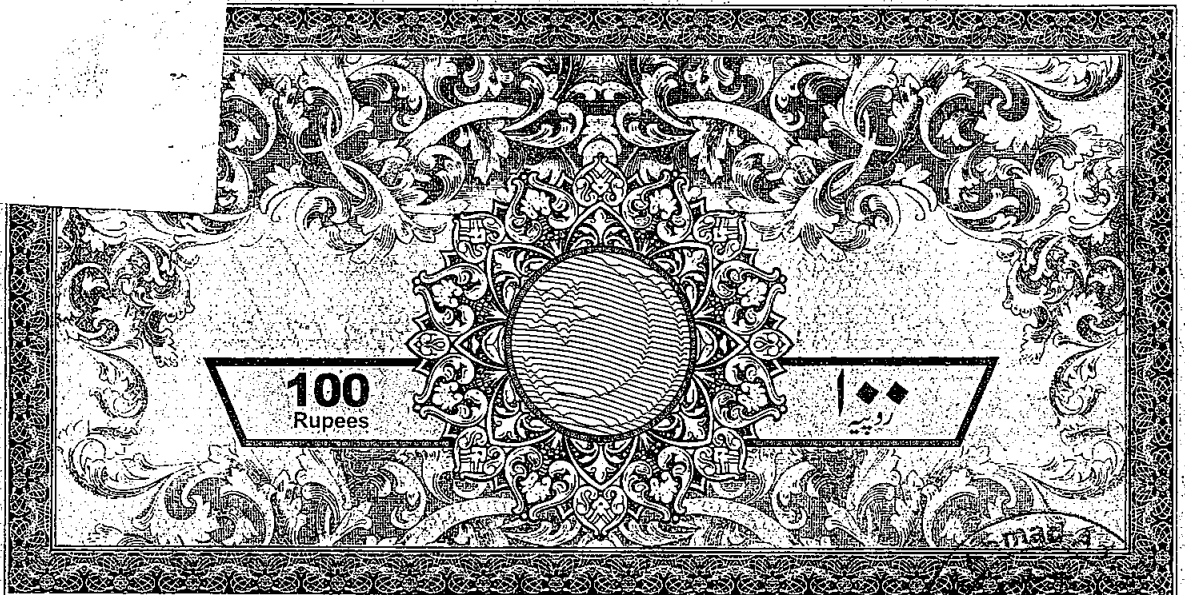
Payable at any Bank Alfalah Branch in Pakistan

Authorized Signatory PA/Attorney No

Authorized Signatory PA/Attorney No

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BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AFFIDAVIT

I, **Muhammad Shakil** (holding CNIC no. 35201-1537699-1), son of Chaudhry Muhammad Jamil and resident of House 172 Sarwar Road, Sarwar Colony, Lahore Cantt, Lahore, authorized representative of Etihad Power Generation Limited, do hereby solemnly affirm and declare that the contents of the accompanying Licensee Proposed Modification ("LPM") in respect of Generation Licence No. IGSP/56/2015 are true and correct to the best of my knowledge and nothing material has been concealed therein.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying LPM that whatever stated above is true and correct to the best of my knowledge and belief.



DEPONENT

Verified on oath at Lahore that the contents of the above affidavit are true and correct to the best of my knowledge and belief.



DEPONENT

ATTESTED

Zaheer Ahmad Advocate
Oath Commissioner Lahore