



Uzghor Hydro Power Company (Pvt.) Ltd

Ref No: UHPCO/NEPRA/TUHPP/2023/009

Dated: January 20, 2023

The Registrar

National Electric Power Regulatory Authority (NEPRA)

NEPRA Tower Attaturk Avenue (East)

Sector G-5/1,

Islamabad.

SUBJECT: Application for Modification of Generation License of Uzghor Hydro Power Company (Private) Limited (the "Company")

Dear Sir,

I, **Abdul Karim Qureshi**, CEO of the Company is the duly authorized representative on behalf of Company by the virtue of a Board Resolution, appended herewith, hereby apply to the National Electric Power Regulatory Authority ("NEPRA or Authority") for the modification of our Generation License for the Company bearing # IGSPL/106/2020 dated 31st December 2020 (the "**Generation License**") in respect of the Company's Turtonas-Uzghor hydro power plant of 82.25MW located in Golen Gol, Chitral, Khyber Pakhtunkhwa, Pakistan (the "**Project**") pursuant to Regulation 10(2) of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations 2021.

In relation hereto, I certify that the documents-in-support attached with this modification application are prepared and submitted in conformity with the provisions of Regulation 10(2) of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations 2021, and we undertake to abide by the terms and provisions of the aforementioned regulations. We further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of our knowledge and belief.

Bank draft # 07030191 dated 16th January, 2023 amounting to Rs.1,016,559/- being the non-refundable license application and modification of generation license fee calculated in accordance with Schedule II to the Regulations for the modification of the license, is also attached herewith.

Yours Sincerely,

For and on behalf of

UZGHOR HYDRO POWER COMPANY (PVT.) LTD.

(Abdul Karim Qureshi)

Chief Executive Officer

Encl: As above.

**LICENSEE PROPOSED MODIFICATION OF
GENERATION LICENSE
OF
UZGHOR HYDRO POWER COMPANY (PRIVATE) LIMITED
82.25 MW HYDRO POWER PROJECT
AT
GOLEN GOL, CHITRAL, KHYBER PAKHTUNKHWA**

January 20, 2023



Uzghor Hydro Power Company (Pvt.) Ltd

ANNEX A

EXTRACT OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF
UZGHOR HYDRO POWER COMPANY PRIVATE LIMITED IN THE MEETING
HELD AT THE HEAD OFFICE (59-E, Street 7, Sector I-10/3, Islamabad, Pakistan) OF
THE COMPANY ON 11th January, 2023

RESOLVED that the Company may file applications for modification in the Generation License No. IGSPL/106/2020 dated 31st December 2020 granted to the Company.

FURTHER RESOLVED, that **Mr. Abdul Karim Qureshi**, Chief Executive Officer, is authorized to sign the necessary documentation, pay the necessary filing fees, appear before the Authority as needed, and do all acts necessary or incidental for completion and/or processing of these applications.

Certified that the above resolution (i) was duly passed on 11th January, 2023 at Islamabad, in a meeting of the Board of Directors of Uzghor Hydro Power Company Private Limited at which a quorum of directors was present; and (ii) has not been rescinded and is in operation and that this is a true copy of the said resolution.

(Shaikh Shahid Majeed)
Company Secretary



ANNEX E

TEXT OF THE PROPOSED MODIFICATION

Article-1 of the Generation License dated 31.12.2020

5. Pursuant to the proposed change, the following parameters of the license are required to be updated and incorporated:

Section	Existing Parameters	Proposed Parameters
1.1(j)	"CPPA-G" means Central Power Purchasing Agency (Guarantee) Limited or any other entity created for the like purpose;	"K-Electric" means K-Electric Limited which has issued or will be issuing to the Licensee a Lol for the design, engineering, construction, insuring, commissioning, operation and maintenance of the generation facility/Hydel Power Plant;
1.1(n)	"GoP" means the Government of Pakistan acting through the PPIB which has issued or will be issuing to the Licensee a LoS for the design, engineering, construction, insuring, commissioning, operation and maintenance of the generation facility/Hydel Power Plant;	Deletion is requested
1.1(r)	"Implementation Agreement (IA)" means the implementation agreement signed or to be signed between the GoP and the Licensee in relation to this particular generation facility/Hydel Power Plant, as may be amended from time to time;	Deletion is requested
1.1(s)	"Letter of Support (LoS)" means the letter of support issued or to be issued by the GoP through the PPIB to the Licensee;	"Letter of Intent (LoI)" means the letter of intent issued or to be issued by the K-Electric Limited to the Licensee;
1.1(aa)	"Power Purchaser" means CPPA-G which will be purchasing electric energy from the Licensee either on behalf of all XW-DISCOs or any single XW-DISCO, pursuant to an PPA for procurement of electric energy;	"Power Purchaser" means K-Electric Limited which will be purchasing electric energy from the Licensee, pursuant to PPA for procurement of electric energy;

6. Detail of Generation Facility/Hydel Power Plant of the Licensee:

Section	Existing Parameters	Proposed Parameters
(o) Other Information	(i) COD of the Generation Facility/Hydel Power Plant	Replace: January 01, 2025 (Anticipated) To July 31, 2029 (Anticipated)



ANNEX C

STATEMENT OF REASONS IN SUPPORT OF THE PROPOSED MODIFICATION

1. Background:

- 1.1. The Company was incorporated on 1st January, 2020, and a generation license was granted under Section 14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997/Amendment Act, 2018, for its Hydro Based Power Generation Facility Located at Golen Gol, District Chitral in the Province of Khyber Pakhtunkhwa with Gross Capacity of 82.25 MW (the "**Project**").
- 1.2. NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, which were lately notified provides an opportunity through which the Company can negotiate & finalize the terms of Project implementation and purchase of power with any private entity such as K-Electric Limited (the "**K-Electric or KE**").
- 1.3. Keeping in view the current energy dynamics and futuristic approach, the Company has approached K-Electric for purchasing of power from the Project. KE as part of its plans to increase its renewable energy footprint, is also seeking direct procurement of hydel power. The 82.25 MW Turtonas-Uzghor HPP is proposed to fulfil KE's twin imperatives of continuously augmenting generation given increasing electricity demand and demonstrating its commitment to harnessing indigenous and environmentally friendly energy resources.
- 1.4. In this regard, KE has optimized the Project in Integrated Generation Capacity Expansion Plan (the "**IGCEP**"), and KE will be the Power Purchaser instead of Central Power Purchasing Agency (Guarantee) Limited (the "**CPPA-G**"). KE has also issued its Letter of Intent ("**LoI**") on September 23, 2022 for purchase of power from the Project

2. License Proposed Modification:

- 2.1 Uzghor Hydro Power Company Private Limited in pursuance of inter alia, Regulation 10(2) of the (Application and Modification Procedure) Regulations, 1999 (the "**AMPR**") and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 (the "**Act**"), Rules, Regulations and applicable documents submits this Licensee Proposed Modification Application (the "**LPM**") in respect of its Generation License No. IGSPL/106/2020.
- 2.2 The Company, pursuant to AMPR, hereby seeks to apply for modification of the Generation License granted for the Project to cater for the following changes:
 - i. change in the power purchaser from CPPA-G to K-Electric; and
 - ii. change in Commercial Operations Date (the "**COD**") of generation facility- In view of the IGCEP 2022-31 submitted by NTDCL to the Authority, the revised anticipated COD of the Power Plant is July 31, 2029 instead of January 01, 2025 mentioned in the Generation License.



3. In view of the on-going power sector crisis in the country, we believe that proceeding with the development of the Project with K-Electric Limited is mutually beneficial for all stakeholders, including the end consumers who will benefit from the addition of electricity generated at a more attractive price through the use of renewable source and for the government, who intends to move away from sovereign guarantee regime. In light thereof, we would request the Authority to proceed in accepting our application for the modification of the Generation License. We are confident that an expedited approval of the same would allow the Company to play a prominent role in ensuring the utilization of renewable source while bringing economically priced power to the end consumer.



ANNEX D

STATEMENT OF THE IMPACT ON THE TARIFF, QUALITY OF SERVICE AND THE PERFORMANCE BY THE LICENSEE OF ITS OBLIGATIONS UNDER THE GENERATION LICENSE

4. Impact of Proposed Modification:

4.1 Impact on Tariff

As the learned Authority would appreciate, the proposed amendments have no negative impact on the tariff in any manner. We believe that the tariff (once issued by Authority) will have positive impact on the end consumers, as energy will be produced through renewable source. Moreover, the tariff will not increase the government liabilities, as the power purchaser is a private entity who do not require sovereign guarantee.

4.2 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 affected on acceptance by NEPRA of this LPM Application.

4.3 Impact on the obligations of the Company under the License

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

4.4 Reimbursement of License Fees

The Company hereby seeks the learned Authority's kind consideration in respect of a waiver to submit license fees required in respect of License Modification. This request may be considered in the light of the fact that the Company is subjected to unreasonable additional costs which cannot be allocated to the consumers and requirements to get the License modified is requested in order to remain compliant with the NEPRA regulations. Consequently, the fees deposited in respect of LPM may kindly be allowed to be reimbursed.



PRAYER

It is most humbly prayed to the esteemed Authority as follows:

- A. That the Authority shall approve the modifications proposed in its generation license for the development of the Project.
- B. That the Authority may be pleased to treat the Company's request for the grant of this LPM on a non-discriminatory basis.
- C. It is further prayed that the Authority may kindly allow waiver to deposit fee in respect of LPM and allow the Company to get the same reimbursed from NEPRA.
- D. 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 remain available to assist the Authority in further queries/clarifications.

Sincerely,

(Abdul Karim Qureshi)

Chief Executive Officer

Uzghor Hydro Power Company (Pvt.) Ltd.

January 20, 2023

**Documents-in-Support of the
Application for Modification of the
Company's Generation License**

Schedule – I

**Preliminary Power Purchase Consent
from K-Electric Limited**

December 21, 2021

Ali Gardezi
Director
Uzghor Hydro Power Company Pvt. Ltd
59-E, Street 7, Sector I-10/3
Islamabad

Interest for Procurement of Power from 82.25 MW Uzghor Hydro Power Project ("Project")

Dear Mr. Gardezi,

We write this with reference to the subject matter for purchase of power by K-Electric Limited (KE) from the Project.

Reference to the discussions held between KE and Uzghor Hydro Power Company and the proposal submitted, we understand that you have a Letter of Intent from PPES and have completed your Project feasibility studies, which have been approved by the panel of experts. We also understand you have been issued a feasibility stage tariff by NEPRA for which a review petition has been filed by the Project, currently under review by NEPRA.

KE would like to confirm its interest to engage further with the Project regarding the potential purchase of power under mutually agreed terms and conditions.

This letter is non-binding and will be followed by a formal Letter of Intent (LOI) by KE upon favorable determination by NEPRA of the review petition, results of load flow, short circuit and stability studies, and clarity on the transaction structure, including but not limited to necessary regulatory approvals required for sale of power to KE.

Please note that KE shall not be responsible or liable in any manner, whatsoever, for any costs and expenses incurred by the Project pursuant to this letter. In addition to the above, the you are also required to regularly update KE on the progress of the Project at regular intervals on both technical and commercial aspects.

Please feel free to contact the undersigned in case any clarification is required.

Thank you.



Naz Khan
Chief Strategy Officer

CC:
CEO, K-Electric

Schedule – 2

Letter of Intent (LOI) issued by the K-Electric Limited



Date: September 23rd, 2022

Chief Executive Officer
Uzghor Hydro Power Company Limited
59-E, Street #07, Sector I-10/3
Islamabad

Subject: LETTER OF INTENT ("LOI") FOR DEVELOPMENT OF 82.5 MW UZGHOR HYDRO POWER PROJECT AT GOLEN GOL TRIBUTARY OF MASTUJ RIVER, CHITRAL DISTRICT, PROVINCE OF KHYBER PAKHTUNKHWA ("PROJECT")

This LOI is executed in Karachi on 23rd Day of September 2022 ("Effective Date") by and between:

1. K-Electric Limited, a public limited company duly incorporated and existing under the laws of Pakistan and having its registered office at KE House, 39-B, Sunset Boulevard, Phase II, DHA, Karachi, Pakistan (herein referred to as "KE"), which expression shall include wherever the context permits its successors-in-interest and assigns, of the First Part: and
2. Uzghor Hydro Power Company (Pvt) Ltd, a private limited company incorporated under the laws of Pakistan and having its registered office at 59-E, Street 7, Sector I- 10/3, Islamabad (hereinafter referred to as "UHPCO" or "Project Company").

KE and UHPCO/Project Company may hereinafter also be referred to individually as a "Party" and collectively as "Parties".

WHEREAS:

- A. KE is issuing this LOI to the Project Company that is interested in developing, financing, constructing, commissioning, owning, and operating 82.5 MW (gross) run of river hydel power project i.e. Turtonas-Uzghor hydro power project, located at Golen Gol tributary of Mastuj River, Chitral District, Khyber Pakhtunkhwa, in accordance with the milestones specified in this LOI ("Project").
- B. KE and UHPCO agree to enter into discussions in good faith regarding a bankable Power Purchase Agreement ("PPA"), subject to inter alia completion of milestones as envisaged in this LOI.
- C. UHPCO shall carry out the Project under the applicable government regulations with the project economic life of not less than thirty (30) years post Commercial Operations Date ("COD"), with non-recourse financing, which shall be exclusively arranged by UHPCO.
- D. Sachel Engineering Works Private Limited (SEWPL) and its affiliates (holding aggregate shareholding of 80% at the time of issuance of LOI), will be categorized as the "Main Sponsors" of the Project.

Now therefore, in consideration of the mutual promises and covenants of the Parties set forth in this LOI, this LOI provides as under:

Page # 1 of 5

1. The recitals to this LOI shall form an integral part of this LOI and are deemed to be incorporated by reference.

2. The Project

2.1 Project Company / Main Sponsors shall:

- 2.1.1 be jointly responsible for raising financing for the Project construction.
- 2.1.2 earmark a parcel of land that is owned or leasehold by the Project Company for the complete duration of the Project life and is free from all liens, charges and encumbrances.
- 2.1.3 acquire all the required approvals, consents and/or permissions for the establishment of the Project that is free from all liens and encumbrances and/or any third-party rights of any kind whatsoever which conflict with, inhibit or restrict the proposed use of property or which could materially or adversely affect it, for the development or use of the Project.
- 2.1.4 submit the Bankable Feasibility Study ("BFS") to KE for its review and approval and shall be responsible to update(s) its BFS, within a reasonable period of time, if identified during KE's appraisal process.
- 2.1.5 submit the approved Environmental and Social Impact Assessment ("ESIA") study and No Objection Certificates ("NOC(s)") issued by provincial Environment Regulatory Agency to KE, for review. The Project Company shall also be responsible to secure any other ("NOC(s)") from regulatory agencies, departments or bodies that may be required under the law, if necessary.
- 2.1.6 conduct a load flow study, grid interconnection and system stability study which shall be shared with KE for review and approval. Any technical studies as advised by KE, including but not limited to grid interconnection, system stability study, shall be completed by Main Sponsors/Project Company and agreed with both KE, National Transmission and Despatch Company ("NTDC") and any other relevant agency.
- 2.1.7 engage with NTDC and any other relevant entity with regard to arrangement of wheeling mechanism for dispersal of power to KE system, and shall enter into necessary agreements with NTDC, other entity (if needed) for the very purpose.
- 2.1.8 be responsible to pursue and solicit the decision from National Electric Power Regulatory Authority ("NEPRA"), on Project tariffs of various stages.
- 2.1.9 conduct competitive EPC bidding and submit the EPC stage tariff to NEPRA. In the event NEPRA requires KE to file a power acquisition request, KE shall provide necessary assistance to Main Sponsors/Project Company in obtaining the determination of tariff from NEPRA.

2.1.10 engage with relevant federal and provincial entities, as and when required for the formulation of the bankable structure of the Project. KE will provide necessary support to the Main Sponsors/Project Company, in negotiations and soliciting consents from the concerned entities.

2.1.11 shall regularly update KE, in writing, on the progress of the Project at monthly intervals. The scope of the progress report shall include both technical, commercial and regulatory aspects which shall be presented by the Main Sponsors/Project Company to KE's designated team, as intimated to the Main Sponsors/Project Company. Without prejudice to the foregoing, KE shall at all times be entitled to demand and receive from time-to-time specific information/reports/data on the progress of the Project and/or achievement of milestones.

3. MILESTONES

3.1.1 The Main Sponsors/Project Company agrees to complete the following milestones during the term of this LOI.

S.No.	Activity	Completion Date
1.	Issuance of LOI by KE	Effective Date
2.	Submission of BFS, ESIA study and NOCs to KE	Within 1 month of Milestone #01
2.	PPIB consent on change of power purchaser from CPPA to KE	Within 4 months of Milestone #01
3.	NEPRA decision on Feasibility Stage Tariff	Within 5 months of Milestone #01.
4.	Completion and submission of Grid Interconnection Study	Within 7 months of Milestone #01
5.	NEPRA approval on LPM revision for the change in power purchaser from CPPA to KE	Within 9 months of Milestone #01
6.	Finalization of Heads of agreement with provincial authorities for Water Use Agreement (WUA) and Land Lease Agreement (LLA)	Within 10 months of Milestone #01
7.	Finalization of Heads of Agreement for Wheeling Arrangement with NTDC and any other relevant entity, for wheeling of power to KE.	Within 12 months of Milestone #01
8.	Finalization of EPC competitive bidding for the project	Within 16 months of Milestone #01
9.	Submission of Power Sale Proposal to KE for EPC stage tariff request to NEPRA	Within 18 months of Milestone #01

**The completion timeline of the above-mentioned milestones can be extended if a delay is not directly attributable to the performance of Main Sponsors/Project Company. However, KE will have the right to decide if the delay is attributable to the non-performance of the Main Sponsors/Project Company.*

3.1.2 Subject to satisfactory completion of relevant milestones referred above, this LOI shall be extended up to Financial Close:

4. EQUITY CONTRIBUTION

- 4.1 The Main Sponsors shall hold not less than fifty-one percent (51%) of shareholding of the Project Company during the Lock-In Period. For the purpose of this clause, Lock-In Period means the period commencing from the date of issuance of this LOI until the sixth (6th) anniversary of the COD. The term of Lock-In Period can be reduced, by soliciting an approval from KE.
- 4.2 Prior to the expiry of the LOI, the Main Sponsors may nominate any other credible entity as its replacement, who shall hold majority shares in the Project Company and will be obligated to comply with the requirements of the LOI as Main Sponsors. KE reserves the right to conduct due diligence of the nominated entity and has the right to exercise complete discretion in the approval for the replacement of Main Sponsors.

5. EFFECTIVE DATE

- 5.1 This LOI will become effective upon the Effective Date and shall remain in force until the earlier of any one of the events occurring as follows:
- (a) Expiry of the term of this LOI, which is Eighteen (18) continuous Gregorian calendar months from the Effective Date, unless extended in writing by KE; or
 - (b) Non-fulfillment of a milestone set out in clause 3 of the LOI, within thirty (30) days of its proposed completion dates laid out in, only when such termination is communicated in writing by KE.

6. GENERAL PROVISIONS

- 6.1 The obligations of the Main Sponsors and the Project Company under this LOI shall be joint and several. The Main Sponsors and the Project Company are required to meet all the stipulated conditions in this LOI, at no risk and cost to, and without any obligation on the part of KE.
- 6.2 For the purposes of this LOI, "Confidential Information" shall mean any information including but not limited to, all data, manuals, specifications, drawings, letters, telexes and any other material containing Confidential Information, relating to the subject matter of this LOI which is not in the public domain and is disclosed by the disclosing party to the receiving party. All Confidential Information shared by the disclosing party to the receiving party shall remain the exclusive property of the disclosing party and the receiving party shall not disclose the same to any other person or entity not being a signatory to this LOI unless (a) the said information/data is already in the public domain; (b) such disclosure is required by the order of the competent authority or judicial forum subject to prior intimation of the receiving party. No Party shall issue or make any public announcement or disclose any information regarding this LOI and its objects unless prior to such public announcement or disclosure it furnishes the other Party with a copy of such announcement or information and obtains the approval of the other Party to its terms. However, no Party shall be prohibited from issuing or making any such public announcement or disclosing such information if it is necessary to do so to comply with any applicable laws or regulations including but not limited to the listing regulations of the Pakistan Stock Exchange.
- 6.3 The non-disclosure and non-circumvention requirements and obligations as provided herein for the Confidential Information will survive termination or expiry of this LOI and shall continue for two (2) years thereafter.
- 6.4 Neither of the Parties shall be liable to the other Party in contract, tort, negligence, breach of statutory duty, trust or otherwise for any indirect, direct and/or -

- consequential losses or damages of whatsoever nature for any breach of the provisions of this LOI whether intentional or otherwise. In no way shall either Party be liable to the other for any loss of profits or loss of business opportunities for any delay or non-achievement of the milestones set out in this LOI whether under the provisions of the law of contract, tort, trust or any other theory of law.
- 6.5 Neither Party may assign, novate, substitute, sub-delegate, sub-contract or otherwise transfer any or all of its rights and obligations under this LOI, whether in whole or in part, without prior specific written consent of the other Party.
- 6.6 This LOI may not be released, discharged, supplemented, interpreted, amended, varied or modified in any manner except by an instrument in writing signed by duly authorized representatives of all Parties to this LOI.
- 6.7 The Main Sponsors/Project Company shall comply with all the applicable laws/regulations/standards in line with good industry practices and lender's requirements.
- 6.8 Nothing in this LOI shall be deemed to constitute a partnership or the formation of a joint venture between the Parties.
- 6.9 It will be the responsibility of the Main Sponsors/Project Company to immediately inform, and also communicate in writing, if any material change has occurred in the status of Project Company or Main Sponsors.
- 6.10 The Main Sponsors/Project Company agree to develop the project on exclusive basis for the power off-take by KE only, subject to approval from NEPRA and concerned entities.
- 6.11 This LOI shall be governed by and construed in accordance with the laws of Pakistan and the competent Courts of Karachi shall have exclusive jurisdiction in relation to any dispute or matter arising out of or in connection herewith.
- 6.12 Since the proposed project location is not within the service territory of K-Electric, therefore a transmission arrangement through wheeling will have to be established. The responsibility for finalization of transmission arrangement will be solely of the Main Sponsors/Project Company, and KE will provide support where necessary.
- 6.13 For the avoidance of doubt, time shall be of the essence of this LOI.
- 6.14 This LOI is personal in nature and does not create any third-party rights or interests in favor of any person or entity who is not a signatory to this LOI.

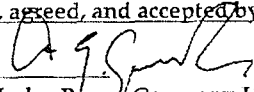
Kindly, sign the attached copy of this LOI at the place indicated and return the same to us no later than three (3) working days from receipt of this LOI.

Yours sincerely,



Naz Khan
Chief Strategy Officer

Received, agreed, and accepted by:



Uzghor Hydro Power Company Limited
Name:
Designation: Chief Executive Officer
Date:

Page # 5 of 5

Schedule – 3

**IGCEP Optimized Project List
Project's Power Purchaser listed as K-Electric Limited.**

Indicative Generation Capacity Expansion Plan (IGCEP) 2022-31

#	Name of Project	Fuel Type	Installed Capacity	Dependable Capacity	Agency	Status	Schedule of Commissioning
8	Nila Da Katha	Hydro	31.3	31.3	PEDO	Optimized	Jul-28
9	Taunsa	Hydro	135	135	PPDB	Optimized	Jul-28
10	Azad Pattan (U #1)	Hydro	175	175	PPIB	LOS (Issued)	Dec-28
11	Azad Pattan (U #2)	Hydro	175	175	PPIB	LOS (Issued)	Mar-29
12	Azad Pattan (U #3)	Hydro	175	175	PPIB	LOS (Issued)	Jun-29
Generation Additions in 2028-29 (MW)			2,232	2,232			
Cumulative Addition up till 2029 (MW)			30,439	30,115			
2029-30							
1	Net Meter	Solar	480	480	AEDB	Committed	Jul-29
2	Arkari Gol	Hydro	99	99	PEDO	Optimized	Jul-29
3	Asrit Kedam	Hydro	215	215	PEDO	Optimized	Jul-29
4	Dowarian	Hydro	40	40	AJK-HEB	Optimized	Jul-29
5	Jagran-IV	Hydro	22	22	AJK-HEB	Optimized	Jul-29
6	Kalam Asrit	Hydro	238	238	PEDO	Optimized	Jul-29
7	KE_New_Solar	Solar	150	150	Yet to be determined	Optimized	Jul-29
8	KE_New_Wind	Wind	50	50	Yet to be determined	Optimized	Jul-29
9	Nagdar	Hydro	35	35	AJK-HEB	Optimized	Jul-29
10	Rajdhani	Hydro	132	132	PPIB	Optimized	Jul-29
11	Sharmai	Hydro	152.12	152.12	PEDO	Optimized	Jul-29
12	Shounter	Hydro	48	48	AJK-HEB	Optimized	Jul-29
13	Turtonas Uzghor	Hydro	82.25	82.25	KE	Optimized	Jul-29
14	Azad Pattan (U #4)	Hydro	175	175	PPIB	LOS (Issued)	Sep-29
15	Kohala (U #1)	Hydro	275	275	PPIB	LOS (Issued)	Jun-30
Generation Additions in 2029-30 (MW)			2,194	2,194			
Cumulative Addition up till 2030 (MW)			32,632	32,308			

Schedule – 4

**Company's Correspondence with PPIB Regarding the
Change of Power Purchaser**



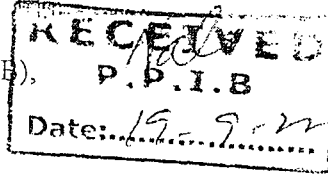
Uzghor Hydro Power Company (Pvt.) Ltd

Ref No: UHPCO/PPIB/TUHPP/2022/034

Dated: September 19, 2022

Managing Director

Private Power & Infrastructure Board (PPIB),
2nd Floor, Emigration Tower, Plot No. 10,
Maue Area, G-8/1, Islamabad.



Subject: DEVELOPMENT OF THE 82.25 MW TURTONAS-UZGHOR HYDRO POWER PROJECT, GOLEN GOL, CHITRAL, KPK WITH K-ELECTRIC LIMITED AS POWER PURCHASER

Dear Sir,

Pursuant to an application and statement of qualification submitted to Private Power and Infrastructure Board (the "PPIB") by the Consortium of M/s Sinohydro Corporation Limited & M/s Sachal Engineering (Private) Limited (the "Sponsors"), PPIB granted the Sponsors, a Letter of Intent (the "LOI") under GOP's Power Generation Policy 2015 on 20.03.2017 for the development of Turtonas-Uzghor Hydro Power Project (the "Project") on BOOT basis. The Sponsors have completed the feasibility study of the Project, which is *inter alia* approved by Panel of Experts constituted by PPIB; and NEPRA has awarded the Generation License to the Project Company i.e. Uzghor Hydro Power Company Private Limited. The Project was given feasibility stage tariff by NEPRA, which was later withdrawn by them due to non-inclusion of Project in optimized list of IGCEP 2021-30. However, the Sponsors has filed an appeal in NEPRA Appellant Board against their decision on the Review Petition.

The Project Company has keenly followed the latest shift in power sector that includes the introduction of IGCEP, NEPRA (Electric Power Procurement) Regulations, 2022 (Draft), Competitive Trading Bilateral Contracts Market ("CTBCM") and NEPRA Open Access (Interconnection & Wheeling Regulations, 2022 (Draft)). The intent of the government from the above mentioned regulations is clear, that the GOP wants to shift from the single buyer model where the CPPA-G is obliged to purchase power on behalf of DISCOs with the provision of GOP's sovereign guarantees to multiple buyers models where DISCO or any private entity can directly enter into power purchase agreements with power producers, without the involvement of GOP sovereign guarantee. We understand that the current single buyer model has put severe burden on GOP obligations due to capacity payments, resulting in circular debt & higher energy tariff to end consumers.

The Open Access Regulations seems to be an opportunity to be explored for generation companies who are interested to wheel the power generated from its complex to end user by utilizing the transmission/distribution network of relevant DISCOs or NTDC (as the case maybe). Under these regulations, the seller like us, who will be generating power in Chitral can sell their generated units to buyer located anywhere in Pakistan. It encourages establishment of power projects where power purchaser can be another entity as compare to CPPA-G; thus minimizing the government risk profile, as no sovereign guarantees are involved under these type of transactions.

Keeping in view the current energy dynamics and futuristic approach, the Sponsors initiated a series of meetings with various private entities including K-Electric Limited (the "K-Electric") to know about the upcoming power procurement regime, and to gauge out their interest in purchasing power from the Project. Under the Open Access, the power generated from the project will be provided to national grid (entry point) and the system operator will provide same amount of energy to the buyer (exit point).



UHPCO

We were encouraged by the responses of various entities for purchasing power from the Project, especially the K-Electric, who have shown genuine interest to become the power purchaser for the Project. In this regard, K-Electric & the Project Sponsors intends to move further in the development of the Project, as K-Electric has shown interest in issuing their Letter of Intent, confirming that they are ready to be the power purchaser of the Project.

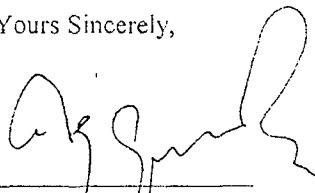
We the sponsors of the Project, through this letter, would like to express our intention to sell electricity from the Project to K-Electric instead of CPPA-G, and would like to solicit support of PPIB in the provision of cheap hydel based electricity to the residents of Pakistan. We also would like to confirm that since the Project is developed under BOOT basis, therefore the Project Company is bound to transfer the Project to the KPK government at the expiry of the term of concession period. The PPA with K-Electric will include the Project transfer process, which will be an exact reflection of CPPA-G based PPA. Moreover, the Project Company will sign Water Use Agreement & Land Lease Agreement etc. with KPK government in a manner which will be consistent to the current practices.

We further request PPIB to:

- (i) provide a robust mechanism & approvals, which enables the transition of the Project from PPIB issued LOI to K-Electric, in a manner which is most optimum;
- (ii) provide a robust mechanism which enables the transition of the company from CPPA to K-Electric, utilising the existing agreements, consents and approvals, in a manner which is most optimum;
- (iii) not to encash the LOI performance guarantee submitted by the Project Sponsors to PPIB until the Project Company signs LOI with K-Electric and to return bank guarantee once the LOI is signed between the Project Company & K-Electric Limited, without imposing any kind of fine or penalty.

We are looking forward to your positive response regarding the above mentioned submissions; meanwhile we would like to express our profound thanks to your constant support and cooperation.

Yours Sincerely,



(Abdul Karim Qureshi)
Chief Executive Officer



Mr. Ling Jianke
Director

Note: Project Company Board Resolution regarding the subject matter is attached herewith.