



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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PRESS RELEASE

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NEPRA IMPOSES 15 MILLION FINE ON PUBLIC SECTOR GENCOs

NEPRA has imposed a fine of **PKR 5 Million** each on three public sector GENCOs i.e. Jamshoro Power Company Limited – JPCL (GENCO-I), Central Power Generation Company Limited – CPGCL (GENCO-II) and Northern Power Generation Company Limited – NPGCL (GENCO-III) under NEPRA (Fines) Rules 2002, for violating prescribed limits of auxiliary power consumption during the years 2012, 2013 and 2014.

2. Under NEPRA Performance Standards (Generation) Rules 2009, GENCO-I, II & III submitted quarterly performance reports for the years 2012, 2013 & 2014 containing the data particularly with respect to Reference Capacity, Planned/Unplanned Outage Hours, Availability Factor, Net Capacity Factor and Net Output Factor as prescribed under these rules. The data was analyzed and a comprehensive Performance Evaluation Report was prepared which revealed that the units/machines of aforementioned GENCOs consumed excess auxiliary power (own use) during operation mode as compared to the limits allowed in their respective generation licenses. Power Plants were consuming electric power for running their machines more than allowed limits.

3. The Authority showed serious concerns on the performance of public sector GENCOs and decided to initiate legal proceedings against GENCO-I, II & III for failure to comply with Performance Standards Rules and Generation License.

4. Explanations and Show Cause Notices were issued to GENCO-I, II and III. An opportunity of hearing was also provided to GENCOs, wherein, the representatives of these GENCOs made their submissions, however did not provide any satisfactory justification for exceeding the prescribed limits of auxiliary consumption. The Authority observed that GENCOs have failed to carry out timely maintenance activities in order to ensure efficient operation of the units/machines, which resulted in excess auxiliary consumption. The Authority further observed that as a result of excess auxiliary consumption by these public sector GENCOs, financial loss was caused to the national exchequer.

5. In view of above, the Authority has imposed the fine of **PKR 5 Million** on each of the three GENCOs i.e. GENCO-I, II & III under NEPRA (Fines) Rules, 2002 for violating prescribed limits of auxiliary power consumption during the years 2012, 2013 and 2014.