

National Electric Power Regulatory Authority
(Registrar Office)

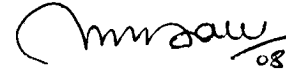
No. NEPA/CBT-01/16047

December 8, 2014

Subject: NOTIFICATION (S.R.O. 1101(I)/2014 DATED 05-12-2014) OF NEPA COMPETITIVE BIDDING TARIFF (APPROVAL PROCEDURE) REGULATIONS, 2014

Enclosed please find herewith a copy of Notification (S.R.O. 1101(I)/2014 dated 05-12-2014) of "NEPA Competitive Bidding Tariff (Approval Procedure) Regulations, 2014" for information and record.

Encl: As Above


08.12.14.

(Muhammad Ramzan)
Deputy Registrar-II

1. SA(Tariff- I)
 2. SA(Tech.)
 3. SA(M&E)
 4. DG(Admin&HR)
 5. DG(C&I)
 6. DG (Finance)
 7. Registrar
 8. Director (Licensing)
 9. Director (CAD)
 10. LA(LLP)
 11. LA(KIP)
 12. LA(Licensing)
 13. DD(IT) *[Please post the notification at NEPA's website for information of the licensees, stakeholders and the interested parties including general public.]*
 14. Sr. AD(IT)
 15. Mr. Rizwan Ali Paracha *[To Scan and sent subject notification to IT Section for uploading the same.]*
- CC
1. Chairman
 2. Vice Chairman/Member (Licensing)
 3. Member (Tariff)
 4. Member (CA)
 5. Member (M&E)

National Electric Power Regulatory Authority (NEPRA)



NOTIFICATION

Islamabad, the 5th day of December, 2014

S.R.O. 1101(D)/2014 In exercise of the power conferred by Section 47 and section 7(3) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 (XL of 1997) read with Rule 17(3)(vi) of NEPRA Tariffs (Standards and Procedure) Rules, 1998, the National Electric Power Regulatory Authority, hereby notifies the following regulations to lay down the procedure for approval of tariff arrived at through a competitive bidding.

PART - I

1. Title and Commencement.--(1) These regulations may be called the National Electric Power Regulatory Authority Competitive Bidding Tariff (Approval Procedure) Regulations, 2014.

(2) These regulations shall come into force at once.
2. Definitions.-- 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) Authority" shall bear the meaning ascribed thereto in the Act;
 - (c) "Application" means an application filed by a person in accordance with the provisions of these regulations and where the context so admits, include the documents-in-support, and "application" shall be construed accordingly;
 - (d) "Competitive Bidding" means a process of obtaining bids/offers for Generation Tariff administered by the relevant agency;
 - (e) "Communication" means any correspondence, filing, written statement, information, comment, summary, Representation, or evidence filed with the Registrar;
 - (f) "Information" includes Bid Evaluation Report, supporting documents, accounts, reports, records, data returns or estimates of any description;
 - (g) "Levellized tariff" means a tariff calculated for the life of the project at a specified discount rate on the basis of generation worked out applying the specified availability factor;
 - (h) "Relevant Agency" means any functionary of Federal Government or Provincial Government or any authorized agency for carrying out competitive bidding in accordance with the applicable Rules and Regulations.
 - (i) "Registrar" means the officer of the Authority appointed to perform the functions of the Registrar as laid down in these regulations;
 - (j) "Request for Proposal (RFP)" means a document approved by Authority that includes the necessary information, benchmark parameters, terms & conditions and bid evaluation criteria etc.;
 - (k) "Tariff" means tariff arrived at through competitive bidding process; and

- (l) Words and expressions used but not defined in these regulations shall have the same meaning as in the Act.

Part-II Guidelines

3. Any relevant agency while carrying out COMPETITIVE BIDDING shall follow the following guidelines;
- i) Competitive Bidding shall be done after observing the relevant procurement Rules and applicable laws.
 - ii) Before initiating the bidding process, RFP shall be got approved from Authority;
 - iii) The bids should clearly indicate the details of the plant according to the type of technology (i.e. Coal/Natural Gas/Oil /Hydel/BioMass/Wind/Solar etc) to be deployed / developed / installed/setup. This may include but will not be limited to type of units, type of fuel, details of Mean site conditions (which may include Head height, Wind Speed, solar radiation etc. as the case may be), make model of the equipment to be deployed/installed, year of manufacture, gross installed capacity, auxiliary consumption, adjustments for site conditions and net capacity etc.
 - iv) The bid should be site and technology specific, keeping in view the benchmark parameters established by the Authority for similar/comparable technologies;
 - v) The Levellized tariff approved by the Authority for similar technologies shall be taken as benchmark and reverse bidding from benchmark levellized tariff figure shall be done. Provided that this condition may not apply to any other mode of bidding approved by NEPRA.
 - vi) The bids shall be invited and processed transparently in accordance with the terms laid down in the RFP approved by the Authority;
 - vii) The relevant applicable Rules and Regulations for procurement shall be complied with while inviting and processing the bids;
 - viii) The bids not fulfilling any of the term of RFP and the applicable laws shall be declared non-responsive;
 - ix) Subsequent to publication of invitation of bids, no changes in the RFP shall be made without prior approval of Authority;
 - x) In case of modification in the RFP, the bidders may either be allowed additional time to submit their bids or fresh bids may be invited;
 - xi) The bid evaluation report along with the record complete in all respect shall be submitted to Authority for approval;
 - xii) In the event, the successful bidder (ranked first) defaults in fulfilling his subsequent obligations, then Authority may consider the notification of subsequent bidder (ranked next);
4. In order to satisfy it, the Authority may require the relevant agency to provide any further information or document-in-support thereof;
5. Based on the bid evaluation report and the record placed before it, the Authority shall notify the successful bidders. Provided that the Authority may reject the recommended successful bidder in case the quoted rate is imprudent and unreasonable.

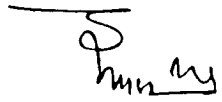
Part-III Procedure for Approval

6. Application for the approval of Competitive Bidding Tariff.--The successful bidder, as notified by the Authority, shall, within 15 days of the notification file an application with
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the Registrar seeking approval of the generation tariff along with the following documents-in-support:--

- i) Detail of technology, equipment supplier, make, model, year of manufacturing, useful life, date of achieving commercial operation, financial soundness of the company, and any other information in support;
 - iii) Affidavit to verify the correctness of the contents of the application, information and documents filed with the Authority;
 - iv) Generation Licence or an application for the grant of a generation licence; and
 - v) Draft Power Purchase Agreement.
7. An application for the approval of a competitive bidding tariff shall be filed in triplicate.
 8. The applicant shall pay a non-refundable application fee to the Authority for the consideration and processing of the application, calculated in accordance with the Schedule attached to these regulations. The application shall be deemed to be filed only when all required information has been submitted by the applicant to the satisfaction of the Registrar.
 9. The Registrar shall present the application for the approval of a competitive bidding tariff to the Authority for decision within three days of the filing of any such application.
 10. Having satisfied that all the relevant and necessary information has been provided, the Authority may admit the application for processing. Provided that the Authority may seek any other information or documents which, in the opinion of the Authority, is material and necessary for arriving at an informed decision.
 11. The Authority may, before approving the RFP, decide to conduct a hearing if deemed necessary, and if it is decided to conduct a hearing then the procedure provided to conduct a hearing in NEPRA Tariff (Standards & Procedure) Rules, 1998 to be followed.
 12. The Authority may grant approval of the application or decide otherwise as the case may be, within fifteen (15) working days of Authority's admission of the case or the date of hearing, as the case may be.
 13. 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.
 14. The decision of the Authority in respect of an application for granting approval of the generation tariff shall be intimated to the Federal Govt. for notification in pursuance of Section 31(4) of NEPRA Act.

No. NEPRA/CBT-01/


(Syed Safer Hussain)^{05.12.14}
Registrar



PART-I
APPLICATION FOR THE APPROVAL OF COMPETITIVE BIDDING
TARIFF FEE

1

Capacity	Generation Fees (Rupees)
Upto 100 MW	200,000
101 to 500 MW	400,000
Above 500 MW	500,000

PART-II

INDEXATION OF FEES

1. The application fee for the approval of competitive bidding tariff payable by an application or the licensee, as the case may be, shall be indexed to the Consumer Price Index ("CPI") published from time to time by the Federal Bureau of Statistics.
2. The indexation shall be done on the basis of the most recent CPI prevailing on the date of payment of the application fee and the fee payable on the date of payment shall be increased or decreased, as the case may be, in accordance with the following formula:

$$F_{pd} = F_t [CPI_{pd} / CPI_{rd}]$$

Where

- F_{pd} = The actual fee payable on the date of payment.
 F_t = The respective fee set out in Part I of this Schedule II.
 CPI_{pd} = The most recent CPI prevalent on the last day of the month immediately preceding the month in which the application is made.
 CPI_{rd} = The reference or base CPI, prevalent on the last day of the month in which the National Electric Power Regulatory Authority Competitive Bidding Tariff (Approval Procedure) Regulations, 2008, are notified in the official Gazette.

1. Schedule of fee has been modified vide S.R.O. 604(I)/2010 dated 29th June, 2010. Existing Schedule of Fee is as under:

Category of Licence Fees	(Million Rs.)
Upto 100 MW	0.25
101 to 500 MW	0.50
Above 500 MW	0.75

