

Guidelines
regarding Wheeling of Electricity from one point to another
in respect of generation facilities, engaged in a business of selling of electricity
to Bulk Power Consumers, under Section 22 of the NEPRA Act

The Guidelines relating to Wheeling of Electricity in respect of generation facilities, engaged in a business of selling of electricity to Bulk Power Consumers are as under:

- i) Only a licensee would be allowed to sell power to any Bulk Power Consumer.
- ii) The power producers shall be allowed to enter in to direct (bilateral) sales contracts with end-use customers. Under this arrangement, they would be allowed to sell all or a part of the power generated by them, directly to their customers, and the rest to the utility for general distribution.
- iii) For direct sales, the power producers shall be required to pay "Wheeling Charges" or "Use of System Charges", determined by NEPRA, for the use of transmission and/or distribution grid network employed, to transport power from the plant to the purchaser.
- iv) In practical terms, the power producer shall supply power to the grid at one location would be entitled to receive the same amount for self use (say, at a factory) at any other location (within the same distance from the grid, as the distance of plant from the system), upon payment of a corresponding Wheeling Charges, to be determined by NEPRA.
- v) NEPRA act authorizes the licensee to engage in the construction, ownership, maintenance & operation of specified transmission facilities. It means that a licensee can construct and transmit power through 220 kV & 500 kV network, but a licensee may not construct / lay 132 kV or 11 kV transmission lines & feeders, because the construction of the same are the exclusive right of a Distribution Company, and a licensee can transport power by using DISCO's 132 kV or 11 kV network, upon payment of corresponding wheeling charges or use of system charges determined by NEPRA for the concerned DISCO.
- vi) The generation facility and the utility would be required to enter in to agreement, for the connection of their facility to the DISCO network or of NTDC.
- vii) The NTDC Grid Code describes the procedure about the connection arrangement. Section CC1, CC2, CC3, CC4, CC4.1 and CC4.2 are considered relevant to the same.
- viii) In case of sale of power by IPPs to the utilities for general distribution, the power producers and concerned DISCOs would be required to negotiate the Terms and Conditions for the proposed Wheeling Arrangements in the form of PPA. However, for the PPA the concerned DISCOs and the power producers would be required to take lead and settle various issues pertaining to such contracts.

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