



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(M&E)/LAG-12/ 14306

September 11, 2024

Chief Executive Officer,
Saba Power Company Ltd.,
10- Ali Block, New Garden Town,
Lahore

SUBJECT: ORDER OF THE AUTHORITY IN THE MATTER OF EXPLANATION
ISSUED TO M/S SABA POWER COMPANY (PVT.) LTD. UNDER
REGULATION 4(1) & 4(2) OF THE NEPRA (FINE) REGULATIONS, 2021

Please find enclosed herewith, the Order of the Authority (total 06 page) in the subject matter for information and compliance.

Enclosure: As above

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

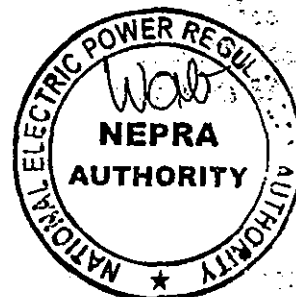


National Electric Power Regulatory Authority

**In the matter of Explanation issued to M/s Saba Power Company (Pvt.) Ltd. under
Regulation 4(1) & 4(2) of the NEPRA (Fine) Regulations, 2021**

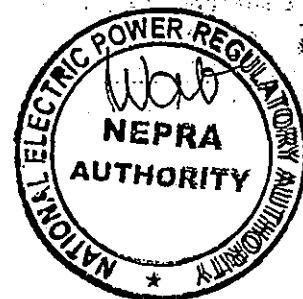
Order

1. Pursuant to Section 15 of the NEPRA Act (now section 14B after promulgation of Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018), the Authority has granted a Generation License (No. IPGL/011/2003, dated 30/08/2003) to Saba Power Company (Pvt.) Ltd. (hereinafter referred to as the "Licensee") to engage in the generation business as stipulated in its Generation License.
2. Pursuant to Section 14B(4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities.
3. As per Rule 10(6) of the NEPRA Licensing (Generation) Rules, 2000, the licensee shall at all times comply with the provisions of the Grid Code, including, without limitation, in respect of the availability of the net capacity or in respect of the outages, maintenance and operation of its generation facilities, and shall provide the national grid company with all information reasonably required by the latter to enable it to dispatch the generation facilities of the licensee.
4. Clause OC 8.1.1 of Operation Code-System Recovery of Grid Code deals with the procedures for the restoration of power supplies following a Total Shutdown or a Partial Shutdown of the System and the re-synchronization of specific parts of the System that have been islanded.
5. Clause OC 8.1.4 of Operation Code-System Recovery of Grid Code states that OC 8 applies to the System Operator, NTDC, distribution companies, Operators of power plants, and Users of the System. Contingency arrangements are required to be established by the System Operator with each externally-connected Party/consumers.
6. Clause OC 8.2.1 of Grid Code states that a total shutdown of the System is a situation when there is no internal generation online and operation and there is no power supply available from external-connections. The restoration of power supply from such a situation is a Black start recovery. A partial shutdown is when there is no online operating generation



or External Connection to a part of the System Operator to instruct Black Start Recovery procedures to restore supplies to that part of the system.

7. Clause OC 8.2.2 of Grid Code states that during restoration of power supplies following a Total Shutdown or Partial Shut Down of the System, it may be necessary to operate the system outside normal frequency and voltage as stated in OC 4. It may also be necessary for the System Operator to issue instructions that are contrary to the balancing mechanism or code, and also to normal contractual obligations in order to ensure restoration of supplies.
8. Clause OC 8.2.3 of Grid Code states that following a total Shutdown of the System designated power plants that have the ability to Start Up without any External Connection to the system shall be instructed to commence Black Start recovery procedures. These procedures, which are to be agreed in advance, may include the restoration of blocks of focal load demand that can be restored in agreement with the local distribution company. Local procedures may include the restoration of power supplies via Embedded Generators. The System Operator has the responsibility for the re-energization of the interconnected transmission system, and the re-synchronization of the stem blocks of islanded blocks of locally restored supplies.
9. The power system breakdown occurred on 23.01.2023 at 07:34:43:800 Hrs which plunged the whole country into darkness and the system was completely restored on 24.01.2023 after 20 hours approximately. NEPRA, being a regulator of power sector, took serious notice of the above incident and constituted an Inquiry Committee (IC) to probe into the matter. The IC visited power houses, grid stations, sites and offices in the process of inquiry. During the course of inquiry, the matter was examined in detail by inquiring the concerned officials and in the process, relevant documents were also obtained to arrive at the right conclusion.
10. The information related to supply restoration time of power plants and synchronization of its first unit after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 21:32 Hrs on 23.01.2023 and the Licensee was instructed by the NPCC through Notice to Synch (NTS) as per PPA to synch its Complex at 02:32 Hrs on 24.01.2023. However, the Licensee had synchronized its Complex at 05:30 Hrs on 24.01.2023 i.e. after a lapse of 02:58 Hrs, thereby, prima facie, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system.
11. In view of the above, the Authority observed that the Licensee was bound to follow the instructions of the NPCC, which it failed to do. Hence, the Authority observed that the Licensee has, prima facie, failed to comply with Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing (Generation) Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code. In view of the foregoing, the Authority decided to initiate legal proceedings against the Licensee under NEPRA (Fine) Regulations, 2021 (hereinafter referred to as the "Fine Regulations, 2021").



Explanation:

12. Accordingly, an Explanation dated 22.09.2023 was issued to the Licensee under Regulation 4(1) & 4(2) of the Fine Regulations, 2021. The salient features of the Explanation are as follows:

WHEREAS, the National Electric Power Regulatory Authority (herein after referred to as the "Authority" or the "NEPRA") established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (herein after referred to as the "NEPRA Act") is mandated to regulate the provisions of electric power services; and

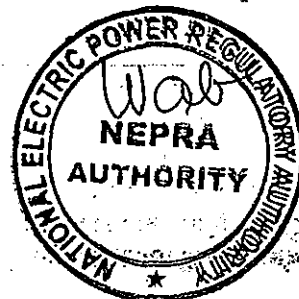
2. *WHEREAS, pursuant to Section 15 of the NEPRA Act (now section 14B after promulgation of Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018), the Authority has granted a Generation License (No. IPGL/011/2003, dated 30/08/2003) to Saba Power Company (Pvt) Ltd. (hereinafter referred to as the "Licensee") to engage in the generation business as stipulated in its Generation License; and*

3. *WHEREAS, the power system breakdown occurred on 23.01.2023 at 07:34:43:800 Hrs which plunged the whole country into darkness and the system was completely restored on 24.01.2023 after 20 hours approximately. NEPRA, being a regulator of power sector, took serious notice of the above incident and constituted an Inquiry Committee (IC) to probe into the matter. The IC visited power houses, grid stations, sites and offices in the process of inquiry. During the course of inquiry, the matter was examined in detail by inquiring the concerned officials and in the process, relevant documents were also obtained to arrive at the right conclusion; and*

4. *WHEREAS, the information related to supply restoration time of power plants and synchronization of its first unit after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 21:32 Hrs on 23.01.2023 and the Licensee was instructed by the NPCC through Notice to Synch (NTS) as per PPA to synch its Complex at 02:32 Hrs on 24.01.2023. However, the Licensee had synchronized its Complex at 05:30 Hrs on 24.01.2023 i.e. after a lapse of 02:58 Hrs, thereby, prima facie, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system; and*

5. *WHEREAS, pursuant to Section 14B (4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities, subject to the compensation fixed by the Authority for voltage support and uneconomic dispatch directed by the national grid company; and*

6. *WHEREAS, according to Rule 10 (6) of the NEPRA Licensing (Generation) Rules, 2000, the licensee shall at all times comply with the provisions of the grid code, including, without limitation, in respect of the availability of the net capacity or in respect of the outages, maintenance and operation of its generation facilities, and shall provide the national grid company with all information reasonably required by the latter to enable it to dispatch the generation facilities of the licensee; and*



7. *WHEREAS*, Clause OC 8.1.1 of Grid Code deals with the procedures for the restoration of power supplies following a Total Shutdown or a Partial Shutdown of the System and the re-synchronization of specific parts of the System that have been Islanded; and

8. *WHEREAS*, Clause OC 8.1.4 of Grid Code states that OC 8 applies to the System Operator, NTDC, distribution companies, Operators of the power plants, and Users of the System. Contingency arrangement are required to be established by the System Operator with each Externally-connected Party/Consumers; and

9. *WHEREAS*, Clause OC 8.2.1 of Grid Code states that a total shutdown of the System is a situation when there is no internal generation online and operation and there is no power supply available from external-connections. The restoration of power supply from such a situation is a Black start recovery. A partial shutdown is when there is no online operating generation or External Connection to a part of the System Operator to instruct Black Start Recovery procedures to restore supplies to that part of the system; and

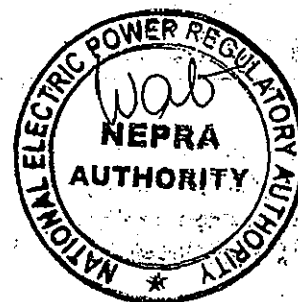
10. *WHEREAS*, Clause OC 8.2.2 of Grid Code states that during restoration of power supplies following a Total Shutdown or Partial Shut Down of the System, it may be necessary to operate the system outside normal frequency and voltage as stated in OC 4. It may also be necessary for the System Operator to issue instructions that are contrary to the balancing mechanism or code, and also to normal contractual obligations in order to ensure restoration of supplies; and

11. *WHEREAS*, Clause OC 8.2.3 of Grid Code states that following a total Shutdown of the System designated power plants that have the ability to Start Up without any External Connection to the system shall be instructed to commence Black Start recovery procedures. These procedures, which are to be agreed in advance, may include the restoration of blocks of local load demand that can be restored in agreement with the local distribution company. Local procedures may include the restoration of power supplies via Embedded Generators. The System Operator has the responsibility for the re-energization of the interconnected transmission system, and the re-synchronization of the stem blocks of islanded blocks of locally restored supplies; and

12. *WHEREAS*, the Licensee was bound to follow the instructions of the NPCC, which it failed to do. Hence, the Licensee, prima facie, failed to comply with Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing Generation Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code; and

13. *WHEREAS*, the Licensee is required to follow the provisions of NEPRA Act, Rules & Regulations made thereunder, generation license, tariff determinations and other applicable documents and any violation thereof attracts appropriate proceedings against the licensee including but not limited to the imposition of fines under NEPRA (Fine) Regulations, 2021; and

14. **NOW THEREFORE**, in view of the above, Licensee is hereby called upon under Regulation 4(1) and 4(2) of the NEPRA (Fine) Regulations, 2021 to either admit or deny the occurrence of the above-mentioned violations of the Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing Generation Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code and in case of your failure to respond within fifteen (15) days of receipt thereof, the Authority shall proceed in accordance with law including but not limited to imposition of fine.



Licensee's Response:

13. In response, the Licensee submitted its reply vide letter dated 04.10.2023. The same has been summarized as under:

- i. The Licensee was shut down and kept at standby by NPCC since 18.01.23 at 1225 hrs. The power system breakdown occurred on 23.01.23 at 0734 hrs and power supply was restored at the Licensee's Complex at 2132 hrs on 23.01.23. The Licensee was instructed by NPCC through NTS to synch its Complex at 0232 hrs on 24.01.23. The total length of shutdown was 134 hrs, which means that the Complex was technically in Cold State. After restoration of power supply at the Complex bus bars, the startup was initiated by normalizing electrical system, which normally takes 30 minutes.

ii. It is pertinent to mention here that ambient temperature was extremely low i.e. 14 deg C and it takes around 120 minutes to bring the Fuel oil temperature to its flash point i.e. 100 deg C. Steam Turbine 1" Stage Metal temperature was 112 deg C, whereas as per OEM, the turbine follows Cold Start Curve below 180 Deg C i.e. initial heat soak of 80 minutes @ 800 rpm, high speed heat soak of 20 minutes @ 3000 rpm. It is pertinent to mention here that this Cold Start curve is followed by Turbine Control System on Auto as per parameters. The Licensee was able to synchronize the Complex at 0530 hrs on 24.01.23, which synchronization was in full compliance with the Prudent Electrical and Industrial Practices.

CPPA-G and NPCC's Comments:

14. The response received from the Licensee was shared with CPPA-G and NPCC for their comments. In response, the comments received from CPPA-G are reproduced as follows:

"At the time of blackout on 23-Jan-2023 at 7:34 hours, Complex was kept under standby mode from NPCC as per prevailing demand supply situation. Following the restoration of Grid, NPCC issued NTS for the Complex on 24-01-2023 at 02:32 hours. However, Unit got delayed and was able to synchronize with Grid on 24-01-2023 at 05:30 hours."

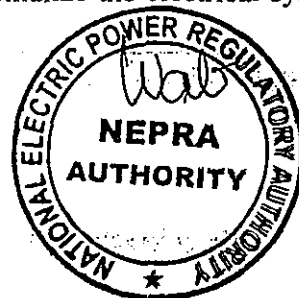
NPCC gave the NTS as per PPA and approved timings allowed by NEPRA in respective Generation License."

Similarly, the comments received from NPCC are reproduced as follows:

"NTS was issued in accordance with the plant startup state as mentioned by plant."

Analysis/Findings of the Authority:

15. The Authority has reviewed the submissions of the Licensee, along with the comments received from CPPA-G & NPCC, and observes that the Complex of the Licensee did not synchronize with the National Grid in accordance with the NTS issued by NPCC. The Licensee has tried to justify the delay, citing the need to normalize the electrical system



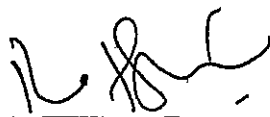
and address low ambient temperatures affecting fuel oil temperature. In this regard, the Authority observes that the operating procedures manual of SPCL lacks additional recovery time provisions for total power system collapses. Hence, the stance adopted by the Licensee is unacceptable.

Decision:

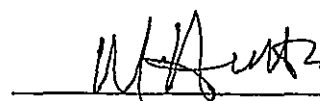
16. In view of the above, the Authority is of the considered opinion that the Licensee has failed to provide any satisfactory reply to the Explanation issued to it, therefore, decided to issue a Show Cause Notice to the Licensee in terms of Regulation 4(8) & 4(9) of the Fine Regulations, 2021.

Authority

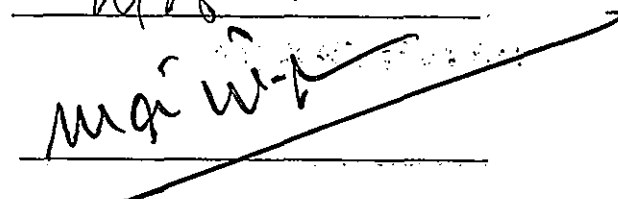
Rafique Ahmed Shaikh
Member (Technical)



Engr. Maqsood Anwar Khan
Member (Licensing)



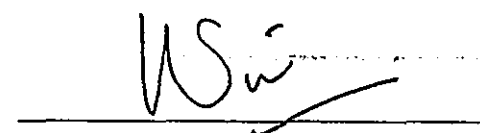
Mathar Niaz Rana (nsc)
Member (Tariff and Finance)



Amina Ahmed
Member (Law)



Waseem Mukhtar
Chairman



Announced on 11.09, 2024 at Islamabad.

