



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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PRESS RELEASE

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Subject: **NEPRA Approves Detailed Design & Implementation Plan of CTBCM**

NEPRA made a landmark decision by approving the detailed design and the implementation plan of Competitive Trading Bilateral Contract Market (CTBCM) to make the competitive wholesale electricity market operational by April 2022.

02. The main aim behind embarking upon power sector's massive unbundling was to transform the industry into functionally more efficient entities through introducing competition in the market, and CTBCM will finally help accomplish this critical goal. CTBCM will initially cater to the wholesale market but will eventually pave the way for progressive opening up of retail sector as well as trading with the regional markets.

03. CTBCM will usher a new era of transparency, predictability and credibility whereby electricity shall be traded like any other commodity. CTBCM has the potential to turn-around the overall technical, financial, commercial, and legal climate resulting in the much needed improvements in the overall governance of the wholesale market. CTBCM will provide the large consumers with the much needed options to actively trade electricity founded on competitive market based principles. This eventual systemic improvements in the wholesale market will consequently have the trickle-down effect, for other consumers, resulting in more competitive prices in the days to come.

04. CTBCM Implementation Plan, as approved by NEPRA, is itself a huge undertaking and challenge to be completed within the next 18 months to roll out the CTBCM by April 2022. This reform plan entails actions ranging from institutional strengthening to augmenting legal and regulatory framework. Interventions covering people, processes and technological aspects will provide a non-discriminatory open access to all market players. CTBCM will also contribute to improve the security of supply, enhancing efficiency, amplifying payment discipline in the wholesale market operations and advancing conditions to move away from the historical sovereign guarantees-based regime.

05. NEPRA will keep a rigorous monitoring check on the CTBCM implementation to ensure its timely and effective implementation for achieving the desired results of affordability, reliability and sustainability of power services in Pakistan.

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