



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad  
Ph: +92-51-2013200, Fax: +92-51-9210215, +92-51-2600050  
Web: [www.nepra.org.pk](http://www.nepra.org.pk), E-mail: [Office@nepra.org.pk](mailto:Office@nepra.org.pk)

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## PRESS RELEASE

**Subject: NEPRA grants System Operator Licence to NTDC and approves Grid Code 2023**

The Authority has granted the system operator licence to the National Transmission and Despatch Company Limited (NTDC) under Section 23G of the NEPRA Act. The system operator will be responsible for carrying out its functions, operations, standards of practice and business conduct in accordance with the Grid Code (approved by the Authority as part of the aforementioned licence application).

02. Previously, NTDC, acting as the National Grid Company, was mandated to perform the functions of the system operator. However, under the amended NEPRA Act 2018, the system operator was introduced as a distinct licensed function. Accordingly, NTDC applied for the grant of a system operator licence on August 24, 2022. As part of the application, NTDC also submitted the Grid Code 2023 for the approval of the Authority in accordance with Section 23G of the NEPRA Act.

03. The system operator shall be responsible for system operation, dispatch and integrated planning of the power system of Pakistan. It shall act as the brain of the technical aspect of the power system, ensuring smooth and efficient functioning. To prepare for its responsibilities as the system operator of the 21<sup>st</sup> century, NTDC has constituted a well-trained team of professionals and put into place an extensive IT infrastructure.

04. The Grid Code 2023 improves the Grid Code 2005 in the sense that it makes room for the power system stakeholders newly introduced by the amended NEPRA Act of 2018, making it much more applicable in the light of the Competitive Trading Bilateral Contract Market (CTBCM) structure. It specifies a completely revamped power system planning process, based on an integrated system planning methodology, under which all relevant power sector entities will coordinate with the system operator to prepare a centralized Integrated System Plan. In the light of the increased quantum of power plants based on renewable energy, the Grid Code 2023 addresses the functioning of RE plants in more detail than its predecessor. The Code also addresses the technical functioning of HVDC lines while introducing voltage levels beyond 500 kV. It also discusses the functions of metering and protection separately, providing comprehensive protection and metering philosophies for the National Grid. It is envisioned to be a dynamic document that not only deals with the present state of affairs, but also the future.

05. The grant of the system operator licence along with approval of the Grid Code 2023 marks another significant milestone in the comprehensive set of reforms being introduced in the power sector through implementation of the CTBCM. Under the terms of its licence, NTDC is expected to ensure functional separation of its roles as system operation and National Grid Company, before eventually legally separating both into distinct entities. It is anticipated that the grant of this licence will tremendously improve the performance of the power sector through, among other things, better coordination among stakeholders and implementation of state-of-the-art technology and IT infrastructure.

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