



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/Dir(Technical)/TRF-100/2616-22  
February 13, 2023

Chief Executive Officer  
Alternative Energy Development Board (AEDB)  
2<sup>nd</sup> Floor, OPF Building,  
Sector G-5/2,  
Shahrah-e-Jamhuriat,  
Islamabad

**Subject: Decision of the Authority in Terms of Section 7(2)(G) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Regulation 3(1) of NEPRA (Review Procedure) Regulations, 2009 regarding approval of RFP submitted by AEDB**

Dear Sir,

This is in continuation of the Authority's Decision communicated vide NEPRA's letter No. NEPRA/R/Dir(Technical)/TRF-100/1540-1546 dated 01.02.2023 in the matter of Approval of Request for Proposal (RFP) submitted by Alternative Energy Development Board (AEDB) for Competitive Bidding of 600 MWP Solar PV Projects at Muzaffargarh.

2. Enclosed please find herewith the subject Decision of the Authority along with Dissenting Note of Mr. Maqsood Anwar Khan, Member NEPRA and Additional Note of Mr. Rafique Ahmad Shaikh, Member NEPRA (Total 02 Pages) for information, record and necessary action.

Encl: As above

( Engr. Mazhar Iqbal Ranjha )

Copy to: (alongwith copy of subject Decision):

1. Secretary, Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
3. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
4. Secretary, Ministry of Inter Provincial Coordination, (Secretariat of Council of Common Interests), Government of Pakistan, Cabinet Block, Cabinet Secretariat, Islamabad
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G) Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Managing Director, National Transmission & Despatch Company Limited 414-WAPDA House, Lahore

**DECISION OF THE AUTHORITY IN TERMS OF SECTION 7(2)(G) OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELCTRIC POWER ACT, 1997 READ WITH REGULATION 3(1) OF NEPRA (REVIEW PROCEDURE) REGULATIONS, 2009 REGARDING APPROVAL OF RFP SUBMITTED BY AEDB**

The Authority issued its decision No. NEPRA/R/Dir(Technical)/TRF-100/1540-1546 on the subject matter dated February 01, 2023, wherein 70% of the tariff was allowed variations on account of change in exchange rates, on quarterly basis. The remaining 30% of the tariff, which is to remain fixed, was approved at the exchange rate of Rs. 230/USD.

2. It is noted that the exchange rates have varied considerably and currently the USD is at the level of around PKR 270/USD. The Authority is of the view that these fluctuations in exchange rates need to be accounted for in the fixed portion of the tariff, in order to cover the impact thereof on the expenses to be incurred during the development and construction period of the project. AEDB vide its letters dated February 07, 2023 and February 10, 2023 has also requested to account for the impact of exchange rate variations on fixed part of the tariff, through one-time adjustment on the date of Financial Close or COD of the project.

3. In view thereof, the Authority in exercise of the powers conferred under Section 7(2)(g) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Regulation 3(1) of NEPRA (Review Procedure) Regulations, 2009, has decided to modify its subject decision to include the following:

*"The 30% fixed portion of the tariff shall be adjusted one-time on the Commercial Operations Date of the project using average of the exchange rates of each day during the maximum construction period of 20 months, starting from the date of Financial Close, thereafter, the same shall remain fixed for the entire control period of 25 years."*

*Mathar Niaz Rana*

AUTHORITY

Mathar Niaz Rana (nsc)  
Member

Maqsood Anwar Khan  
Member

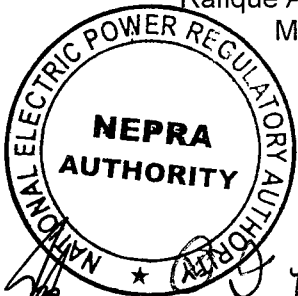
*Additional note is enclosed.*

*Rafique Ahmad Shaikh*

Rafique Ahmad Shaikh  
Member

*Amina Ahmed*

Amina Ahmed  
Member



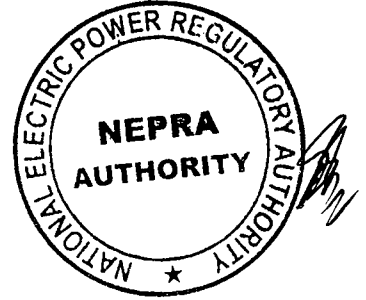
*Tauseef H. Farooqi*  
Tauseef H. Farooqi  
Chairman

*I have already given my dissent/opinion in the original determination by AEDB.*  
13/2/23  
1 of 2

Additional note:

The 30% portion of the tariff was not allowed one time indexation either at Financial close or at COD of the project, as the same had not been claimed by AE. This proposal of AEDB, even if it merits, shall have an impact on the tariff and required to be processed under the review procedure regulations, in the same manner as already communicated vide Nepi letter dated Feb 09, 2023 (see letter enclosed).

*Retain*





**National Electric Power Regulatory Authority**  
Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600025  
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Registrar

No. NEPRA/Advisor(CTBCM)/RFP-05/2207

February 9, 2023

Chief Executive Officer  
Alternative Energy Development Board (AEDB)  
2<sup>nd</sup> Floor, OPF Building, G-5/2  
Islamabad

Subject: DECISION OF THE AUTHORITY IN THE MATTER OF APPROVAL OF REQUEST FOR PROPOSAL (RFP) DOCUMENT FOR COMPETITIVE BIDDING OF 600 MWP SOLAR PV PROJECT AT KOT ADDU/MUZAFFARGARH PUNJAB

Ref: AEDB's letter No. B/3/5/Policy/Solar-Initiatives/22 dated February 07, 2023

This is with reference to your above referred letter, whereby certain clarifications have been requested in respect of subject decision issued by the Authority on February 01, 2023, which are given hereunder:

- (i). **Dedicated Solar Debit Account:** This issue was not advertised for the regulatory proceedings on the subject matter. The Authority understands that this is the prerogative of Federal Government to take decision in the matter.
- (ii). **Project Cost and Debt to Equity Ratio:** The debt to equity ratio of 80:20 and project cost of USD 333.033 million (net of capitalized amount of degradation) was used in the computation of benchmark tariff.
- (iii). **Indexation of 30% Tariff with Exchange Rates at Financial Close/COD:** This request requires a formal decision from the Authority for which AEDB may file a review motion, which may be done in parallel to other processes of the competitive bidding.

2. Hope the above clarifications address the queries raised in your letter.

( Iftikhar Ali Khan )  
Addl. Director General

9/2/23