



**NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

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NEPRA QUARTERLY NEWSLETTER





Updates ¹st Quarter 2021

- Issued 04 Generation Licenses (1371.063 MW); 02 Hydro projects (171.063 MW), 01 Coal project (55.00 MW) & 01 Nuclear (1145.00 MW)
- Issued 5523 Distributed Generation Licenses (99.23 MW)
- Issued 03 Licensee Proposed Modifications in respect of K-Electric Limited, Siachen Energy Limited & Nishat Mills Limited
- License was granted to Khyber Pakhtunkhwa Transmission and Grid System Company (Private) Limited to act as a Provincial Grid Company for the province of Khyber Pakhtunkhwa
- Issued 11 Tariff Determinations
- Admitted 16 Review Motions
- Admitted 03 Power Acquisition Requests





2. Regulatory Meetings Hearings & Consultative Sessions

- 145 Authority Regulatory Meetings
- 44 Authority Hearings
- Motivational Session on "Unlock Your Own Magic Within" was conducted by renowned Mr. Kamran Siddiqi, for NEPRA Employees.
- Mrs. Erum Tauseef, Chief Guest & Chairman NEPRA, Mr. Tauseef H. Farooqi addressed the NEPRA Employees on International Women's Day
- NEPRA & IPS hosted Webinar on "Report Launch on Barriers and Drivers of Solar Prosumage, a Case Study of Pakistan
- Mr. Tauseef H. Farooqi inaugurated HUBCOs Campus at Pirkus as part of its CSR Initiative 2021- Power with Prosperity
- Dr. Gulfaraz Ahmed, the founding Chairman of NEPRA, delivered a lecture to NEPRA Authority and Professionals on "Dynamics of NEPRA's Evolution & Present Challenges Facing the Power Sector in Pakistan"
- Webinar on "Economic Merit Order and System Operation" was held at NEPRA, Via video link
- Webinar on Corporate Social Responsibility (CSR) was addressed by the Chairman NEPRA & Speakers from NEPRA, PAEC & Engro Energy
- A consultative session was chaired by Mr. Tauseef H. Farooqi with Professionals from Renewable Energy Sector and Academia regarding Micro Grids





3. Recent Developments

3.1 Draft Safety Manual

Under the instructions of the Authority, LESCO and MEPCO prepared the draft Safety Manual as per the guidelines entailed in the Power Safety Code which was circulated amongst other DISCOs and submitted a final draft of the Safety Manual. The Authority has directed that this 'Master Document' be forwarded to all DISCOs to submit their respective Safety Manuals after incorporating requisite changes in the 'Master Document' for approval within thirty (30) days.

3.2 Advisory to Ministry of Defense

Ministry of Energy (Power Division) was issued an advisory with regards to the following issues to help DISCOs achieve better service delivery to consumers:

- Full utilization of investments as allowed by NEPRA so that the new and critical projects are initiated and completed on time for better service delivery;
- Ensure full evacuation of their allocated demand/allocated quota to provide reliable electricity supply to its consumers;
- Install 100% metering at all levels to trace the flow of electricity top-down;

- Introduce Automatic Meter Reading (AMR)/Advanced Metering Infrastructure (AMI) system to eliminate theft of electricity and improve billing through both prepaid and postpaid initiative;
- Implementation and compliance of procedures laid down in NEPRA's Consumer Service Manual about the theft of electricity and disconnection of defaulter for recovery of the arrears;
- Engage law enforcement agencies with DISCOs to control theft and for the enforcement of the disconnection orders;

3.3 The revision of Grid Code

NTDC has hired international consultants for review and update of the current Grid Code as per the latest international practices. The draft Grid Code received from the consultant has been shared with the Grid Code Steering Committee (GCSC).

3.4 Development of Web Interface for Generation Licensees

An online meeting was held at NEPRA Head Office, Islamabad wherein several generation licensees participated to discuss the web interface prepared by NEPRA for online acquisition of daily data about KPIs from generation licensees. Consequent to the response received from generation licensees and the web interface is being finalized accordingly.





3.5 **M**iscellaneous

NEPRA sought clarification from CPPA-G regarding the capacity payments of Rs. 4.173 billion paid to Haveli Bahadur Shah, Bhikki, and Balloki RLNG based power plants during the non-supply events from October 2018 to February 2019 as per the Reimbursement Agreement between CPPA-G and SNGPL. CPPA-G informed that SNGPL disputed the reimbursement claims for reconciliation/identification of non-supply events. Accordingly, NEPRA directed CPPA-G to expedite the settlement process of the aforesaid disputed amount with SNGPL, so that benefit of the reimbursed amount is passed on to the consumers as per the Reimbursement Agreement.

NEPRA has directed CPPA-G to take necessary steps ensuring that all RFO based IPPs maintain the required fuel stock at their plants, following their respective Power Purchase Agreements (PPAs) to keep the plants operational without any interruption, to avoid load shedding in the country because of unavailability of RFO.

NEPRA had sought a plan from GENCO-I & GENCO-III in respect of units to be decommissioned till 2022. Whereas, GENCO-II is directed to submit a rehabilitation plan in respect of Unit 13 of TPS Guddu along with timelines. The response and plans submitted by the GENCO's are under process.

Based on the hourly generation data of power plants provided by the National Power Control Centre (NPCC) and the monthly energy purchase data submitted by CPPA-G for the fuel price adjustment, NEPRA examined whether dispatch to the power plants was given as per Economic Merit Order (EMO) or otherwise. Upon analysis, it was observed that the capacity of efficient plants has been underutilized due to NTDCs system constraints which have a financial impact. NEPRA directed NTDC to submit a comprehensive plan for the removal of system constraints for evacuation of full power from efficient plants along with realistic timelines for the power system. Subsequently, NTDC was directed to submit a monthly report regarding progress on relief projects intended to eliminate overloading / constraints of various 500 kV, 220 kV grid stations, and transmission lines.

Moreover, the electricity supply and demand figures provided by XWDISCOs revealed that despite the allocation of a sufficient amount of power by NPCC the DISCOs are unable to fully utilize their allocated quota. The poor performance of DISCOs is also adding to the excessive load shedding. Furthermore, DISCOs were directed to fulfill their obligations with regards to the pending applications for new connections and their performance is being monitored on monthly basis.





4. Chairman's Meetings

February 01, 2021: Mr. Abdullah A. Al Mutairi, CEO, EnerTech Holding Co. Kuwait, called on Chairman NEPRA at his office.



February 01, 2021: Mr. Ren Li Hui, New CEO of China Power Hub Generation Company Pvt. Ltd. called on Chairman NEPRA, at his office.



February 10, 2021: Chairman NEPRA along with Authority members in a meeting with Syed Murad Ali Shah, Chief Minister Sindh and Mr. Imtiaz Ahmad Shaikh, Energy Minister at CM House



February 26, 2021: Bidding farewell to Engr. Bahadur Shah, Member (M&E) upon attaining the age of superannuation.





5. INVESTIGATIONS

5.1 Fines

5.1.1 NTDC/NPCC

NEPRA imposed a fine of Rs. 1,000,000/- (One Million) on NTDC/NPCC on account of issuing unfair instructions to TPS Jamshoro (GENCO-I) and TPS Muzaffargarh (GENCO-III) for putting their units/machines on standby mode for an alarming longer duration during FY 2014-15 and 2015-16. In response, NTDC/NPCC filed a review petition which was subsequently rejected by the Authority vide Order dated 19.01.2021. Moreover, NTDC/NPCC was directed to deposit the fine money in the designated bank of the Authority within fifteen (15) days, however, NTDC/NPCC failed to do so. Therefore, a Notice of Demand has been issued to NTDC/NPCC on 11.03.2021.



5.1.2 PESCO

NEPRA vide its decision dated 08.01.2021, imposed a fine of Rs. 13,000,000/- (Thirteen Million) on PESCO on account of a huge number of fatal accidents that occurred in its jurisdiction during the period from July to December 2019. In response, PESCO has filed a review petition against the above-mentioned decision of the Authority which is currently under process.





5.1.3 MEPCO

NEPRA vide its decision dated 05.10.2020, imposed a fine of Rs. 6,000,000/- (Six Million) on MEPCO on account of violating Performance Standards (Distribution) Rules, Distribution Code, and other applicable documents. In response, MEPCO filed a review petition against the abovementioned decision of the Authority. However, the Authority after detailed deliberations upon the working paper observed that no new additional ground has been submitted by MEPCO in its review petition. Therefore, the Authority decided to maintain its earlier decision of imposition of a fine of Rs. 6,000,000/- (Six Million) on MEPCO.

5.1.4 K-Electric

NEPRA vide its decision dated 27.08.2020, imposed a fine of Rs. 200,000,000/- (Two Hundred Million) on KE on account of excessive load shedding in Karachi since 21.06.2020. In response, KE filed a review petition against the abovementioned decision of the Authority. The Authority after detailed deliberations upon the working paper decided to reduce the amount of fine from Rs. 200,000,000/- to Rs. 160,000,000/- (One Sixty Million).

5.1.5 NPGCL

Explanation under NEPRA (Fines) Rules, 2002 was issued to Northern Power Generation Company Limited (NPGCL) for non-operation of Nandipur power plant with effect from 10.08.2015 to 25.10.2015 due to non-posting of sufficient O&M staff.

5.2 Performance Evaluation Reports

5.2.1 Power Supply Collapsed

On 09.01.2021 at 11:40 PM, there was a power break down and the whole country suddenly plunged into darkness. To probe the matter, an inquiry committee was constituted that submitted a comprehensive report to the Authority on 17.02.2021. The Authority decided to initiate legal proceedings against GENCO-II, NTDC, KE, and other power plants for their lapses, deficiencies, and failure in the said breakdown. Moreover, the Authority directed NTDC to conduct a comprehensive study in collaboration with an international firm to mitigate the adverse effects of power swing and come up with suggestions on protection to avoid future major power breakdown and blackouts.

5.2.2 Performance Standards (Generation)

NEPRA framed Performance Standards (Generation) Rules back in 2009 to monitor the performance of its generation licensees. However, according to amendments in the NEPRA Act in 2018, the Performance Standards (Generation) Rules are required to be replaced with the Performance Standards (Generation) Regulations. Moreover, the Chairman has desired to improve the reporting frequency and reporting mechanism of Key Performance Indicators (KPIs).





Therefore, a comprehensive gap analysis of the existing Performance Standards (Generation) Rules, 2009 has been carried out and the draft Performance Standards (Generation) Regulations have been prepared and shared with the NEPRA professionals on 19.03.2021 for their comments.

5.2.3 Imposition of Liquidated Damages on WAPDA

The revised Performance Evaluation Report of Tarbela, Mangla, Ghazi Barotha, Warsak, and Chashma Hydel Power stations of WAPDA for the FY 2018-19 was presented before the Authority on 08.02.2021. The Authority directed to issue a warning to CPPA-G regarding the imposition of Liquidated Damages (LDs) on WAPDA on account of availing higher outages than allowed in PPA. Moreover, the Authority directed to verify the claim of WAPDA and NTDC/NPCC from IRSA that one of the reasons for less generation of the aforementioned power stations is the poor hydrological conditions resulting in lower inflows.

5.2.4 Net Capacity

The Performance Evaluation Report of KAPCO, HUBCO, Hub Narowal, Pak Gen, Lal Pir, Halmore Power, TNB Liberty, Rousch Power, Uch Power, and Uch-II Power for the FY 2019-20 was presented before the Authority. The Authority desired the net capacity upon which

capacity payments were made to Halmore Power, Uch Power, and Uch- II Power.

5.2.5 Liquidated Damages on KAPCO

The Authority directed to obtain information from CPPA-G regarding the imposition of LD on KAPCO and Uch Power on account of availing higher outages than allowed in PPA. Moreover, the Authority directed to seek reasons from NTDC/NPCC regarding issuance of instructions to the cost-effective gas-based TNB Liberty and Uch-II Power for putting their complexes on standby mode for a longer duration during the period under review. Accordingly, letters have been issued to CPPA-G and NTDC/NPCC on 05.03.2021.





6. Events



January 08, 2021: Chairman NEPRA in a discussion Session with Professionals from Renewable Energy Sector and Academia regarding Micro Grids



January 18, 2021: Chairman NEPRA & Speakers PAEC & Engro Energy addressing the Participants of Webinar on Corporate Social Responsibility (CSR) at NEPRA Tower, Islamabad.



January 29, 2021: Webinar/Seminar on Economic Merit Order and System Operation





February 04, 2021: Dr. Gulfaraz Ahmed, the founding Chairman of NEPRA, delivering a lecture to the NEPRA Authority & Professionals on "Dynamics of NEPRA's Evolution & Present Challenges Facing the Power Sector in Pakistan"



February 04, 2021: Chairman NEPRA Mr. Tauseef H. Farooqi Presenting a souvenir to the Founding Chairman NEPRA Dr. Gulfaraz Ahmed.



NEPRA CSR GOAL Power With Prosperity

CSR INITIATIVE 2021

 **HUBCO Campus Pirkus** was inaugurated by Chairman NEPRA, Tauseef H. Farooqi on 11th February, 2021



February 15, 2021: Chairman NEPRA, Mr. Tauseef H. Farooqi along with the Authority Members visited K-Electric 900 MW under construction "Bin Qasim Power Station (BQPS-III)."





February 19, 2021: NEPRA & IPS hosted Webinar on "Report Launch on Barriers and Drivers of Solar Prosumage, a Case Study of Pakistan"



February 19, 2021: NEPRA hosted Pakistan's first-ever Cyber Security Webinar on "The Modern Threat Landscape on Industrial Control Systems – Statistics and Examples" to create awareness against the global risks of cyber attacks.



March 03, 2021: Public Hearings on Applications of CPPA-G for Adjustment in Tariff Components Pursuant to Agreements between Power Purchaser and Independent Power Producers (IPPs) were held at NEPRA Tower, Islamabad.



March 17, 2021: NEPRA arranged an online session "Unlock Your Own Magic Within" for its employees with Mr. Kamran Siddiqi, a renowned motivational speaker. Chairman NEPRA, Mr. Farooqi appreciated the fruitful session and also shared his own experiences and knowledge.

March 08, 2021: Mrs. Erum Tauseef, Chief Guest & Chairman NEPRA, Mr. Tauseef H. Farooqi addressing the International Women's Day Event at NEPRA Tower, Islamabad.





7. Visits



March 11, 2021: NEPRA Authority visited Mehran University of Engineering & Technology, Jamshoro where they interacted with the future leaders.

March 11, 2021: Briefing by HESCOs Officials to NEPRA Authority at HESCO's Headquarter, Hyderabad.



February 12, 2021: Chairman NEPRA, Mr. Tauseef H. Farooqi along with the Authority Members Inaugurated NEPRA Regional Office at Gwadar, Balochistan.

February 15, 2021: Chairman NEPRA, Mr. Tauseef H. Farooqi inaugurated KE's 'Roshni Baji' initiative in continuation with NEPRA's CSR drive of 'Power with Prosperity'





7. Other Updates

8.1 3rd Wave of Covid-19

Even though the third wave of Covid-19 pandemic continued to affect the routine operations and functions, relentless efforts were made by NEPRA Authority and its employees not to compromise on the efficiency while enhancing accessibility of the stakeholders. Protocols were adopted, 50% rotation – working from home, flexible timings, and disinfection of the NEPRA Tower on daily basis, to curb the spread of the pandemic.



8.2 Media Outreach

In addition to the primary responsibility of publication of NEPRA's advertisements, NEPRA Media Department has actively promoted the events to ensure participation of the target audience and has successfully published 43 Advertisements, 12 Press Releases, and 05 Briefs during this quarter.

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