



**NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

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**NEPRA QUARTERLY
NEWSLETTER**





Updates **4**th Quarter 2020

- Issued 9 Generation Licenses (93.122 MW) for 2 projects based on Hydro, 1 on Bagasse and 6 on Solar Power
- 1531 Net Metering Licenses
- 8 Licensee Proposed Modifications mainly for enhancement/reduction of installed capacity, extension of the term of license, change of technology and addition of Bulk Power Consumer(s), etc.
- 37 Tariff Determinations/Review Motions,
- Tariff Determinations for 9 Distribution Companies regarding determination of Tariff for Distribution and Supply of Power
- 84 Tariff Adjustments
- 8 Power Acquisition Requests/Contracts
- Amendments in NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations 2015





1. Regulatory Meetings Hearings & Consultative Sessions

- 154 Authority Regulatory Meetings
- 26 Authority Hearings
- Federal Government Motion with respect to Recommendation of Support Package for Additional Consumption and Abolishment of Time-of-Use Tariff Scheme for Industrial Consumers
- Review regarding non-compliance of Authority's Directions by CPPA-G on financial impact due to under-utilization of Efficient Power Plants
- Maintenance of fuel stock at power plants
- Extension of IESCO's Service Territory in the Area of Bahria Town Islamabad
- Amendments in NEPRA (Wheeling of Electric Power) Regulations 2016
- Future course of action for Tariff Petition filed by Wind and Solar PV Power Projects
- Review of Commercial Code
- Change of base year from 2007-08 to 2015-16 for Consumer Price Index (CPI)
- Report of 85% Target Availability of Coal Projects
- Approval of RFP for Wind & Solar PV Power Projects under Cat-III of CCoE Decision
- Amendment in the O&M Template & way forward for processing of O&M Agreements
- NEPRA Fee Regulations 2020
- Handing Over/Taking Over of Switchyard of TPS Muzaffargarh



Public Hearing on the petition filed by WAPDA Hydroelectric for revision of Tariff for the FY2020-21 for supply of power from WAPDA Hydropower Stations held on November 12, 2020



Public Hearing Regarding Quarterly Adjustments of DISCOs on Account of Variation in Power Purchase Price (PPP) for the 4th Quarter of FY 2019-20 held on November 24, 2020





2. Recent Developments

2.1 NEPRA Approves CTBCM Detailed Design & Implementation Plan

A landmark decision was taken with the approval of the Detailed Design and Implementation Plan of CTBCM to make the competitive wholesale electricity market operational by April 2022 and ushering a new era of transparency, predictability, and credibility whereby electricity shall be traded like any other commodity. CTBCM will initially cater to the wholesale market but will eventually pave the way for progressive opening up of the retail sector as well as trading with regional markets. CTBCM has the potential to turnaround the overall technical, financial, commercial, and legal climate resulting in much-needed improvements in the overall governance of the wholesale market which will consequently have a trickle-down effect for other consumers, resulting in more competitive prices. NEPRA plans to keep a rigorous monitoring check on CTBCM implementation to ensure timely and effective implementation for achieving the desired results.

2.2 Advisory Report on Distribution Companies Performance for FY 2019- 20

An advisory was issued to the Ministry of Energy (Power Division), PM Office, and Cabinet Division encompassing various parameters of DISCOs performance including

but not limited to T&D losses, recovery, electrical loading of assets, provision of new connections, energy dispatch, and load shedding.

2.3 Progress Review of HydroPower Projects' Interconnection Arrangements

Member (M&E) reviewed progress of interconnection arrangements for existing and upcoming hydropower projects being executed by IPPs, PEDO, and WAPDA. The first review meeting was held in November 2020 wherein the NTDC team participated whereas the second review meeting was held in December 2020 which was participated by NTDC, WAPDA, PEDO, and Project Directors of respective Hydel Power Plants. Member (M&E) emphasized the NTDC team to ensure that all interconnection arrangements for power plants are completed before scheduled Commercial Operations Date so that energy loss/ penalties can be avoided.

2.4 Revision of Grid Code

The revision of Grid Code is being vigorously pursued with NTDC in light of NEPRA amended act. NEPRA is extending full support in this regard and a meeting of the Grid Code Steering Committee (GCSC) was held on 14.12.2020 wherein members of both GCSC and Det Norske Veritas (Norway) and Germanischer Lloyd (Germany). DNV.GL participated.





2.5 Review Petitions

2.5.1 NTDC/NPCC

A fine of Rs. 1 Million was imposed 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 FY 2015-16. The review petition filed by NTDC/NPCC against decision dated 6.4.2020 was also rejected.

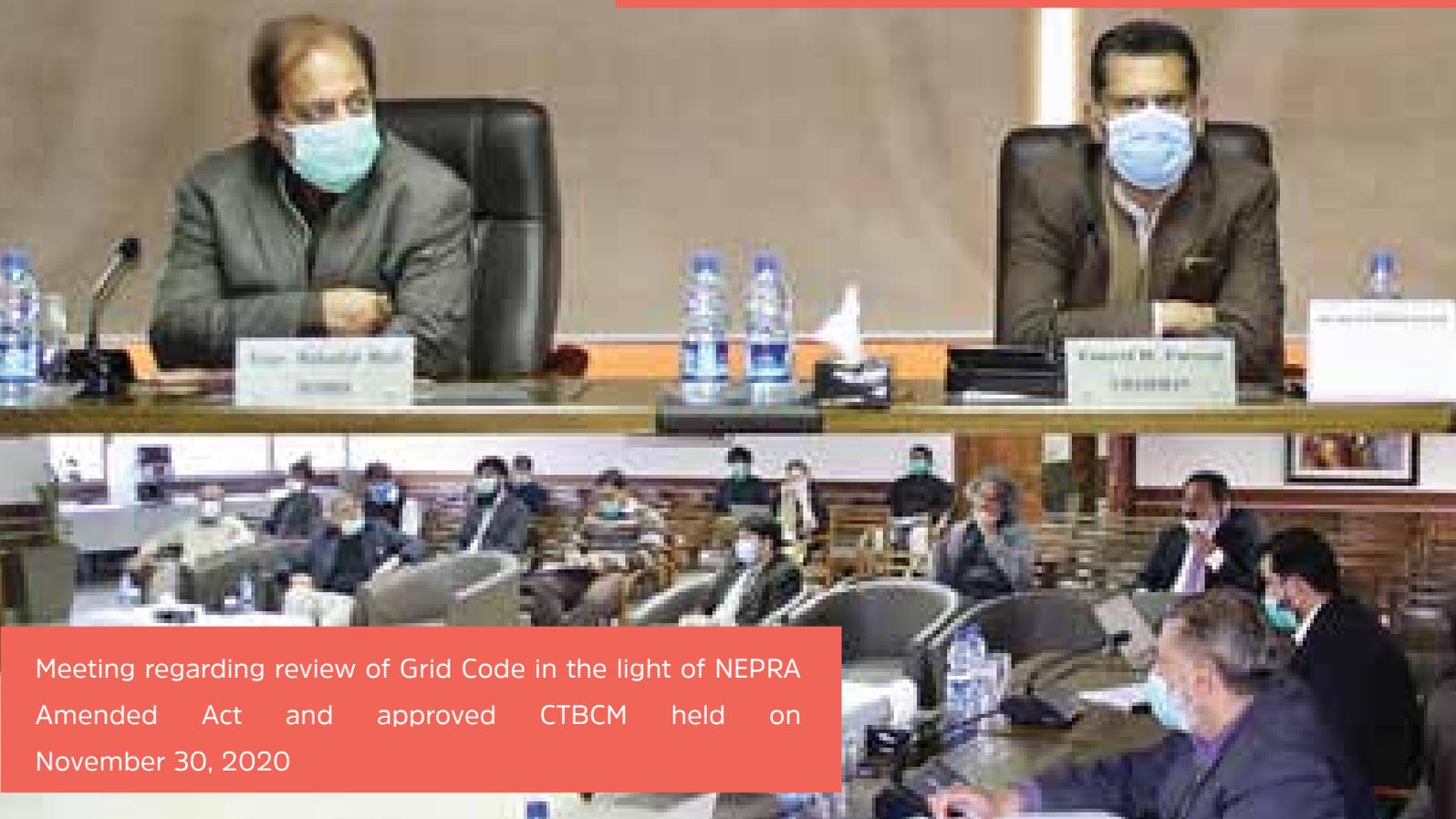
2.5.2 GENCO I & II

The Authority imposed a fine of Rs. 2 Million each on GENCO-I & II on account of excess auxiliary consumption and availing higher outages during FY 2014-15 and FY 2015-16 in response to which both the GENCOs filed review petitions. The Authority decided to maintain fine of Rs. 1 Million on account of excess auxiliary consumption, however, waived off the fine of Rs. 1 Million on account of availing higher outages due to imposition of liquidated damages by CPPA-G upon action taken by NEPRA. Accordingly, both the GENCOs were directed to deposit the fine of Rs. 1 Million which they failed to do so. Therefore, recovery requests were sent to District Collector Islamabad on 14.10.2020 for recovery of fine from GENCO I & II.





Presentation by NTDC before Member (M&E on progress of Inter-connection arrangements



Meeting regarding review of Grid Code in the light of NEPRA Amended Act and approved CTBCM held on November 30, 2020





2.6 Recovery of Fine Imposed on GENCO-III

GENCO-III filed a review petition against imposition of fine of Rs. 1 Million vide decision dated 19.11.2019 on account of excess auxiliary consumption during FY 2014-15 and FY 2015-16. It was decided to reduce the amount of fine from Rs. 1 Million to Rs. 0.5 Million as the impact of exceeded auxiliary consumption was more dominant in FY 2014-15 as compared to FY 2015-16. Accordingly, GENCO-III was directed to deposit the fine of Rs. 0.5 Million. However, GENCO-III failed to do so. Therefore, a recovery request was sent to District Collector Islamabad on 20.11.2020 for recovery of fine from GENCO-III.

2.7 Development of Smart Network & Automated Meter Reading System

An interactive session of NEPRA, K-Electric and other DISCOs was conducted in Karachi on 20.11.2020 in order to share the AMI/AMR system developed by K-Electric with other DISCOs. During the session, field visits of grid stations, substation, PMT, consumer premises where smart meters are installed and Smart Grid Control Room were made. All other DISCOs were also asked about the status of development of AMI/AMR in their service territories and based on the responses received from these DISCOs, visit to MEPCO and LESCO will be carried out shortly.



Interactive Session of NEPRA, K-Electric (KE) and other DISCOs conducted in Karachi



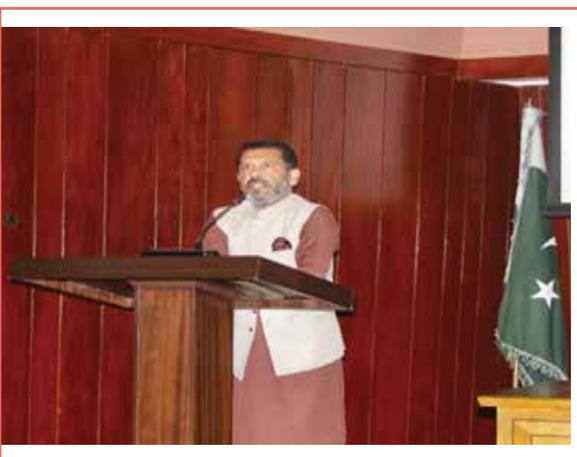


2.8 Consumer Service Manual (CSM) & Status on Consumer Affairs

Out of a total of 2577 complaints/cases processed, 2011 (78%) of consumer complaints received in NEPRA Head Office and Regional Offices were disposed of including 449 cases that were resolved after conducting Hearings. The Authority has decided to establish an office in Gwadar which is expected to be functional by February 2021.



Consultative Meeting regarding improvements in Revised CSM



The Consumer Service Manual (CSM) which includes the procedure for obtaining new connections and other allied issues was initially approved in the year 2010. The same was reviewed/ modified in consultation with all stakeholders/DISCOs and approved by the Authority for implementation. The revised CSM is currently in the field and was further reviewed in consultation with all stakeholders. Two consultative sessions were held on 11.11.2020 and 20.12.2020 wherein all DISCOs and K-Electric participated.





3. Investigations

3.1 Investigation of PESCO Under Section 27A of NEPRA Act

Investigation proceedings were initiated against PESCO on account of 26 fatal accidents (11 Employees + 15 Public) that occurred during July - December, 2019. The investigation Committee found PESCO responsible for 14 fatal accidents. Accordingly, fine of Rs. 13 Million was imposed. Moreover, PESCO was also directed to give compensation to bereaved families of public persons (five victims who lost their lives) equal to the amount given to its own employees.

3.2 Investigation of MEPCO

Fine of Rs. 10 million was imposed on MEPCO on account of fatal accident of Mr. Muhammad Ashraf (LMI) who was electrocuted while installing a 200 kVA transformer. MEPCO has filed a review petition which is currently under process.

4. Visits

4.1 Visit to NTDC Grid Stations

Observing very low voltage profile and huge number of voltage violations in certain grid stations in all four regions of NTDC, a team of NEPRA professionals visited a number of grid stations of NTDC in Lahore and Multan regions. A comprehensive sight visit report was presented to the Authority wherein it was decided to share findings of the

report with NTDC for taking required actions.

4.2 Visit to Tarbela Dam

Chairman NEPRA and Member M&E visited Tarbela Dam, the largest earth-filled dam in the world, on 6.11.2020 to observe operation of old and newly added T4 Extension Plant and also to review plan of T5 Extension.



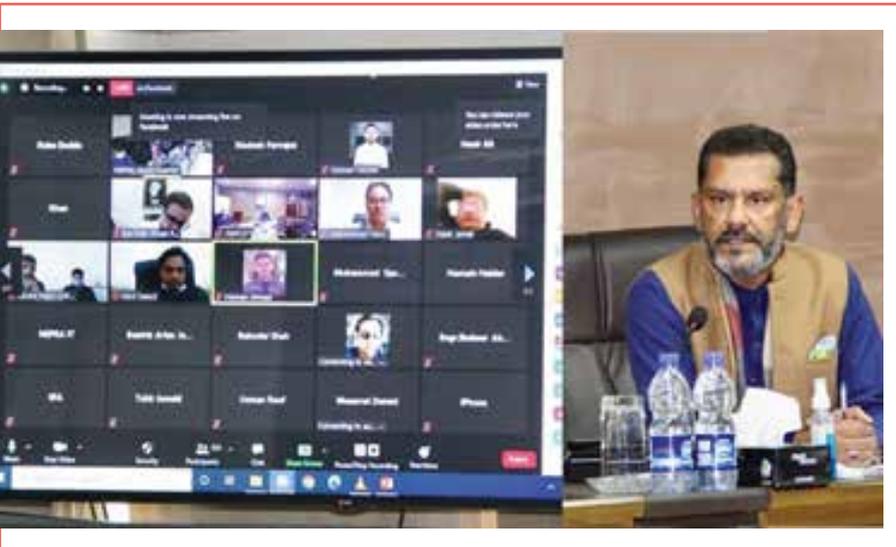


5. Events

5.1 Webinar on CTBCM

NEPRA hosted a webinar on December 22, 2020, to disseminate and develop an understanding of different stakeholders on the wholesale electricity market as well as to inform on power sector reforms, challenges, and objectives expected to result due to CTBCM. A large number of renowned national and international experts and stakeholders of the electric power sector participated.

Chairman NEPRA highlighted that CTBCM will prove to be a game-changer for the power industry. Ms. Beatriz Arizo Expat Consultant of NEPRA on CTBCM explained in detail how Global Electricity Markets operate and shared insights on comparison between other countries and Pakistan's power sector. Mr. Roberto D'Addario, CPPA-G Consultant, highlighted important milestones and the implementation roadmap of CTBCM. Mr. Omer Haroon, Head of Strategy and Market Development, CPPA-G, explained the current status of the electricity market in Pakistan and its transition from Single Buyer Regime to CTBCM.



5.2 FIRE FIGHTING DRILL

A fire drill was arranged on 29.12.2020 in order to make employees practice building evacuation in case of a fire breakout.

Emergency drill at NEPRA Tower with coordination of Directorate of Emergency & Disaster Management, CDA





5.3 Think Pink Day

Breast Cancer Awareness Session was organized on 26.10.2020 with aim to create awareness and educate about risks of breast cancer, its early detection and possible treatment. Dr. Shaista Zafar, guest speaker, was invited to inspire hope to protect the most vulnerable.



5.4 Christmas Eve Celebration

On 23.12.2020, Chairman NEPRA celebrated, with great religious fervor, the festival of 'Christmas' with the Christian community.

5.5 Webinar on 'How to survive during challenging times'

An interactive session was arranged with Mr. Kamran Ahmed Siddique, a motivational speaker on 4.12.2020 on the science of anxiety and the specific impact that COVID-19 pandemic is having on managing stress, motivation and positive thinking.



6. Chairman's Meetings

The Chairman attended meeting of Pakistan Energy Roundtable (World Economic Forum) on 25.11.2020 to devise a forward looking approach for an effective energy transition whereby alignment is required among all stakeholders on vision, priorities and roadmap. Chairman was invited as the keynote speaker (Guest of Honour) for the dedicated session on wind power sector of Pakistan at the Occasion of World Wind Energy Association in Hamburg on 2.12.2020. The object of the virtual session was to map and track growth of wind power market in Pakistan during last two years.





The Chairman held meetings with ADB on 6.10.2020 to discuss Energy Sector Reforms and Financial Sustainability Program, China Road Bridge Corporation on 7.10.2020 to discuss bulk tariff for Rashakai SEZ and Distribution License for Rashakai SEZ. The Chairman also attended the signing ceremony of Performance Agreements with heads of Regulatory Authorities on 28.10.2020 in Cabinet Division. Chairman was invited as a speaker on 9.12.2020 for a panel discussion on Energy Efficiency and Conservation in Pakistan to increase public awareness on the issue conducted by National Energy Efficiency and Conservation Authority (NEECA). Chairman attended a virtual orientation session on NEPRA HSE Code Gap Assessment Statement organized by IFC on 9.12.2020.



Chairman WAPDA, Lt. General (retd) Muzammil Hussain and Mr. Bernard Schlagheck, German Ambassador with Chairman.



Mr. Kwak Sung Kyu, Ambassador of the Republic of Korea and Ms. Lis Rosenholm, Ambassador of Denmark to Pakistan with Chairman



H.E. Mr. Ihsan Mustafa Yurdakul, Ambassador of Turkey called on Chairman



Minister of State for Climate Change, Ms. Zartaj Gul and MD NEECA, Mr. Sardar Mohazzam, presenting Shield to Chairman



Chairman as Chief Guest in NTDC's Concluding ceremony of a 3 Day Training Session





7. Other Updates

7.1 Office Protocols under COVID-19

NEPRA initiated action plans to prevent spread of the infectious disease. NEPRA re-introduced flexible policies once again by implementing 50% rotational plan/work from home and flexible timings whereby employees have to complete a total of 8 working hours in the office.



7.3 Promotion & Change of Nomenclature

98 NEPRA employees (Executives, professionals and staff) were promoted in recognition of their commendable performance. As per new NSR, changes were also made in the hierarchy by eliminating many middle management roles as a result of which nomenclature of 39 employees were changed.

7.2 Presentation on Performance Agreement for FY 2020-21

Presentation given on the performance agreement for FY 2020- 21 to be presented before the Prime Minister which comprised of following topics:

- Competitive Bidding of Solar PV/ Wind Power Projects
- Regulations for Micro grids
- Pricing Mechanism for EV Charging Services
- Competitive Trading bilateral contract Market
- Indicative Generation Capacity Expansion Plan-IGCEP

7.4 Necessity for Cyber Security Regulations

Recognizing cybersecurity challenges a meeting was held on 9.12.2020 regarding the need to formulate regulations about information security to protect sensitive information from cyberattacks. Representatives of Uch Power, Quaid-e-Azam Thermal, IESCO, MEPCO, PITC, and M/s Trilium participated who opined that the job of cybersecurity may be assigned to the dedicated professionals.





7.5 Utilization of GIS Maps of DISCOs

Several meetings were held with NUST Faculty and IESCO professionals focussing on the effective utilization of GIS Maps of the distribution network of DISCOs in the country. IESCO has agreed to provide data of 3 feeders to the NUST professionals after which a joint meeting will be convened within the due course of time.



NEPRA Authority bidding farewell to Mr. Sajjad M. Qureshi, Senior Advisor (Tariff) on his retirement

Mr. Sajjad M. Qureshi completed his tenure of service at NEPRA's Tariff Department as the Senior Advisor Tariff.

7.6 Media Updates

Media Department keeps the media and all stakeholders including the general public informed about important developments, decisions and enforced actions of paramount importance. NEPRA's Media Department publishes press releases and advertisements.

During the quarter, a total of 33 advertisements were published in accordance with the Press Information Department (PID) SOPs and guidelines with subsequent uploading of the same on NEPRA website. Similarly, 5 Press Releases of paramount importance were also issued for the external media.



Chairman's address on the occasion of Departmental Presentations to acquaint employees with Regulatory Functions of NEPRA

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