



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/DG(Lic)/LAG-197/47583

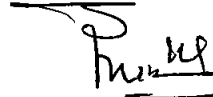
December 30, 2020

Chief Executive Officer
Sanjwal Solar Power (Private) Limited
Wah Industries Limited
Quaid Avenue Wah Cantt

Subject: **Order of the Authority under Rule 4(6) of the National Electric Power Regulatory Authority (Fines) Rules, 2002 in the matter of Explanation dated January 16, 2020 issued to Sanjwal Solar Power (Private) Ltd.**

Enclosed please find herewith the subject Order of the Authority (03 Pages) for information, record and further necessary action, if any.

Encl: As above


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(Syed Safer Hussain)



National Electric Power Regulatory Authority
(NEPRA)

December 3^o, 2020

ORDER OF THE AUTHORITY
UNDER RULE-4(6) OF THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY (FINES) RULES, 2002 IN THE MATTER OF
EXPLANATION DATED JANUARY 16, 2020 ISSUED TO
SANJWALSOLAR POWER (PRIVATE) LIMITED

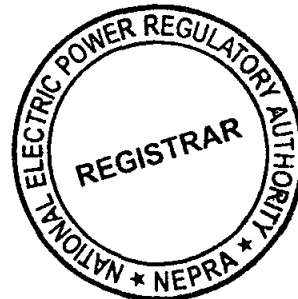
This Order shall dispose of the legal proceedings initiated against Sanjwal Solar Power (Private) Limited SSPPL under Rule 4(1)&(2) of the NEPRA (Fines) Rules, 2002 (the "Fines Rules") for violating the terms and conditions of its Generation Licence¹.

(2). The background of the case is that the Authority granted a Generation Licence to SSPPL for setting up a one (1.00) MW Photovoltaic (PV) solar based generation facility at Pakistan Ordinance Factories Sanjwal (POFS), district Attock in the province of Punjab. The installed capacity of the said facility was subsequently enhanced to 5.00 MW through modification dated December 12, 2013.

(3). SSPPL communicated another modification in its Generation Licence for allowing supplying electric power to POFS through direct supply and to POF Wah (POFW) through wheeling arrangement using network of IESCO². The Authority approved the said modification however, observed that SSPPL had been supplying electric power to POFS without its approval thus *prima facie* violating the terms and conditions of its Generation Licence. In view of the said, the Authority decided to initiate proceedings against SSPPL in terms of the Fines Rules and issued an Explanation on January 16, 2020 under Rule 4(1) and (2) of the Fines Rules.

¹ No. SPGL/01/2012 dated July 27, 2012.

² Islamabad Electric Supply Company Limited



(4). In response to the above, SSPPL submitted that it is a subsidiary of POFW and has same Chairman, common Board of Directors and same Management etc. Initially, SSPPL planned to set up a one (1.00) MW generation facility and obtained the Generation Licence. Later on, the management decided to enhance the install capacity of the generation facility to 5.00 MW to have economy of scale.

(5). Further, it was submitted that the Authority granted an upfront tariff and all the necessary approvals and formalities were completed however, the concessional documents for the project could not be signed due to reluctance of the IESCO and the project could not move ahead. In view of the said, SSPPL decided to utilize the generation facility for supplying electric power to various installations of POF either directly or through wheeling.

(6). SSPPL clarified that it has been supplying electricity to POFS with the understanding that being a subsidiary of POFW, it does not require any regulatory approval of the Authority as the electricity was considered to be used in the captive mode. SSPPL submitted that all the subsidiaries of POFW including SSPPL itself are ISO certified and are fully compliant of the law of the land. SSPPL requested the Authority to take a lenient view in the matter and also provide an opportunity of personal hearing. The Authority graciously accepted the request of the SSPPL and granted an opportunity of personal hearing held on August 11, 2020.

(7). In the hearing, the representatives of SSPPL reiterated the above-mentioned submissions and further clarified that it had supplied electricity to POFS inadvertently and due to meager regulatory knowledge. The representatives requested the Authority to take a lenient view and withdraw the above-mentioned explanation.

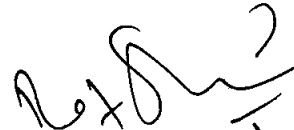
(8). The Authority considered the above submissions of SSPPL and observed that SSPPL had been supplying electric power to POFS presumably due to lack of sufficient knowledge of the regulatory regime. However, SSPPL has submitted an unconditional apology for the alleged omission and has also ensured the Authority to comply with the requirements of the NEPRA Act, relevant rules and regulations and other applicable documents in future without any exception.




(9). In view of the above, the Authority accepts the submissions of SSPPL and close the proceedings initiated against SSPPL under the Fines Rules. Further, the Authority directs SSPPL to be more vigilant in future and comply with the provisions of all the above-mentioned applicable documents without failure.

Authority

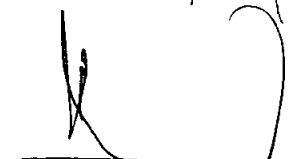
Engr. Rafique Ahmed Shajikh
(Member)


15/12/20


Engr. Rehmatullah Baloch
(Member)


16/12/2020

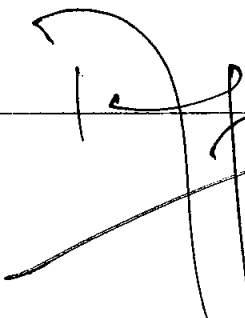
Engr. Bahadur Shah
(Member)

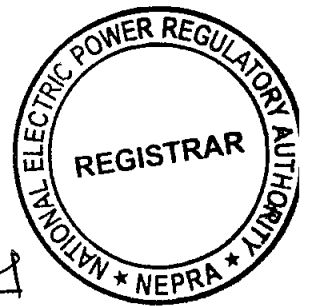



Saif Ullah Chattha
(Member/Vice Chairman)


22.12.2020

Engr. Tauseef H. Farooqi
(Chairman)






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