

TWPL/NEPRA/2019-2020/002

FIB

Wednesday, September 18, 2019

The Registrar
National Electric Power Regulatory Authority
G-5, Islamabad

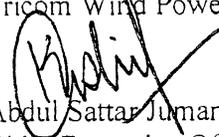
Dear Sir,

Modification Petition on the Determination of the Authority in the matter of Generation Tariff for Tricom Wind Power (Private) Limited

With reference to our letter no. TWPL/NEPRA/2019-2020/001 dated 12-September-2019, we are submitting herewith the **Tariff Comparison Schedule** and request the Authority to admit and process the Modification Petition to enable us to proceed to achieve financial close at the earliest.

Yours Truly

For and on Behalf of
Tricom Wind Power (Private) Limited

for 
Abdul Sattar Jumani
Chief Executive Officer

For information &
— DROI/DRPI 17/19
Ch. b.
— SA (Tech) - SAT-II 20 09 19
— ADG (CC) - LA (EP) c: chairman
— MF VC
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M(CA) - M(OC)

REGISTRAR
 Dy. No: 8623
 Dated: 20-09-19

F1B-1

Tricom Wind Power (Private) Limited
Tariff Comparison Schedule (under Rule 3(2)(d) of NEPRA (Tariff Standards and Procedure) Rules, 1998)

	Original Tariff Determination	Modification Petition
i) Levelized Tariff (US cents/kWh)	4.7824	4.7629
ii) Project Cost (in US \$ Million)		
Project Cost other than IDC	61.944	61.944
IDC	1.961	2.023
Total Project Cost	63.905	63.967
iii) Debt:Equity	80:20	80:20
iii) Project Debt Mix (for reference tariff calculation)		
SBP financing	100%	50%
Foreign debt	0%	50%
iv) Reference exchange rate (PKR to US\$)	120	160
v) Debt Repayment Period (years)		
SBP financing	10	10
Foreign debt	N/A	13



TWPL/NEPRA/2019-2020/001

Thursday, September 12, 2019

The Registrar
National Electric Power Regulatory Authority
G-5, Islamabad

Dear Sir,

Modification Petition on the Determination of the Authority in the matter of Generation Tariff for Tricom Wind Power (Private) Limited

Tricom Wind Power (Private) Limited (the "Petitioner") was awarded generation tariff by the Authority vide its Order No. NEPRA/TRF-442/TWPL-2018/18056-18058 dated 19 November 2018 (the "Tariff Determination").

The Petitioner has finalized financing arrangement to achieve financial close within the timeline provided in the Tariff Determination. However, the following two primary assumptions of the Tariff Determination require modification in view of the changes in circumstances as detailed in the attached Modification Petition;

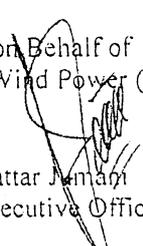
- (a) Debt financing under the SBP RE Refinancing Scheme, and
- (b) Reference exchange rate of PKR 120 to USD 1

The foreign lenders (International Finance Corporation) have also met with the honorable members of the Authority to request the modification of the aforementioned assumptions of Tariff Determination.

We request the Authority to admit and process the attached Modification Petition on the ground provided to enable us to proceed to achieve financial close at the earliest.

Yours Truly

For and on Behalf of
Tricom Wind Power (Private) Limited


Abdul Sattar Juman
Chief Executive Officer

Enclose;

- Fee Challan for PKR 710,752/-
- Certified Copy of the Board Resolution
- Original Affidavit
- Modification Petition

BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

MODIFICATION PETITION

PURSUANT TO SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION
OF ELECTRIC POWER ACT, 1997
READ WITH RULE 3 OF
NEPRA (TARIFF STANDARD AND PROCEDURE) RULES, 1998

BY

TRICOM WIND POWER (PRIVATE) LIMITED

FOR NEPRA IN THE MATTER OF TARIFF DETERMINATION FOR
TRICOM WIND POWER (PRIVATE) LIMITED

A POWER PROJECT OF 50 MW

AT

JHIMPIR, SINDH, PAKISTAN

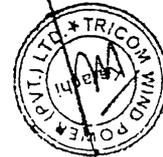
DATED: September 12, 2019

TRICOM WIND POWER (PRIVATE) LIMITED

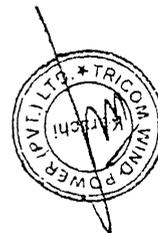
ADDRESS: 7-A, Tabba Street, Muhammad Ali Society, Karachi-75350, Pakistan

PHONE #: +92-21-34397701-03

FAX #: +92-21-34382436



**CERTIFIED COPY OF TRICOM WIND POWER (PRIVATE)
LIMITED'S BOARD RESOLUTION**

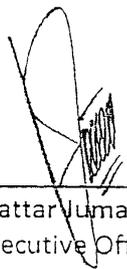


EXTRACT OF THE RESOLUTION BY CIRCULATION
PASSED BY THE BOARD OF DIRECTORS OF
TRICOM WIND POWER (PRIVATE) LIMITED
DATED: JANUARY 22, 2018

"RESOLVED THAT Mr. Abdul Sattar Jumani-Chief Executive Officer of the Company be and is hereby authorized to file in person or through a duly appointed legal counsel (i) an application for the grant of a generation license; (ii) an application for the determination of generation tariff (including any review petitions); (iii) any document of support thereof and/or to make any oral/written representations on behalf of Tricom Wind Power (Private) Limited (TWPL), Before the National Electric Power Regulatory Authority (NEPRA); and (iv) to engage a legal counsel to represent the Company before the NEPRA in relation to TWPL's 50 MW wind power project at Jhimpir Area, Taluka & District Thatta, Sindh, Pakistan; and to undertake any matter(s) necessary or incidental thereto."

CERTIFICATE

Certified that the foregoing is a true extract of resolution by circulation passed by the Board of Directors of Tricom Wind Power (Private) Limited on January 22, 2018.

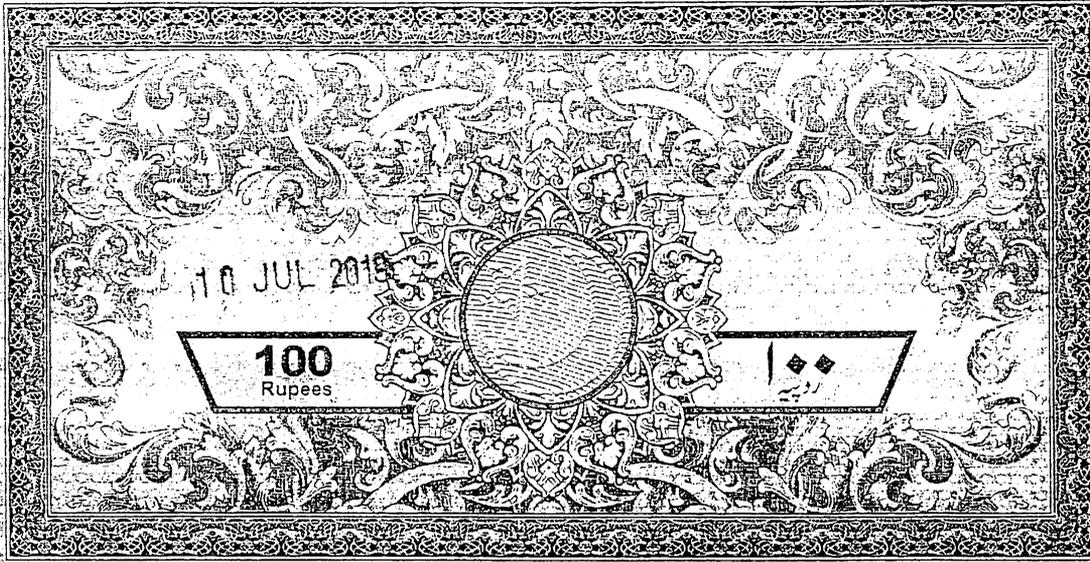
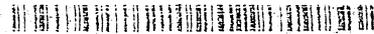


Abdul Sattar Jumani
Chief Executive Officer

September 12, 2019

AFFIDAVIT

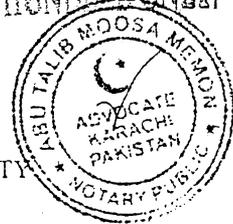




MUHAMMAD ALI STAMP VENDOR
 LICENCE No. 19, GOBT NO. 55 City Court, Karachi
 S. No. 1352 DATE
 M. TALIB MOOSA MEMON
 ADVOCATE
 KARACHI
 NOTARY PUBLIC

10 JUL 2019

RUPEES ONE HUNDRED ONLY



BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

50 MW TRICOM WIND POWER PRIVATE LIMITED AT JHIMPIR, SINDH,
PAKISTAN

AFFIDAVIT

I, Abdul Sattar Jumani, Chief Executive Officer of Tricom Wind Power (Private) Limited with its registered office located at 7-A, Tabba Street, Muhammad Ali Society, Karachi, Pakistan, do hereby declare and affirm on oath as under:

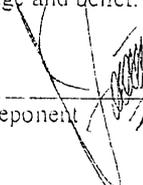
1. That the accompanying Tariff Modification Petition has been filed before the National Electric Power Regulatory Authority and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying Tariff Modification Petition are true and correct to the best of my knowledge and belief and nothing has been concealed or mis-stated therein.



 Deponent

Verification

Verified on oath at Karachi on this 12th September 2019 that the contents of the above affidavit are true and correct to the best of my knowledge and belief.



 Deponent

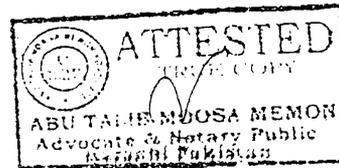
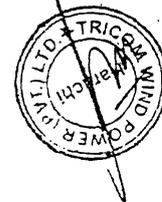


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1. DETAILS OF THE PETITIONER

NAME AND ADDRESS

Tricom Wind Power (Private) Limited.

Address: 7-A, Tabba Street, Muhammad Ali Society, Karachi-75350, Pakistan

Phone #: +92-21-34397701-03

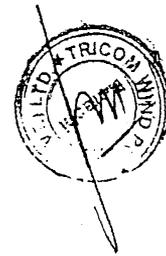
Fax #: +92-21-34382436

REPRESENTATIVES OF TRICOM WIND POWER (PRIVATE) LIMITED

ABDUL SATTAR JUMANI
CHIEF EXECUTIVE OFFICER

DETAILS OF THE PETITIONER

TRICOM WIND POWER (PRIVATE) LIMITED (THE "PETITIONER") HEREBY APPLIES UNDER SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 READ WITH RULE 3 OF NEPRA TARIFF STANDARD AND PROCEDURE RULES, 1998 AND ALL APPLICABLE PROVISIONS OF OTHER NEPRA LAWS FOR THE MODIFICATION PETITION FOR THE AUTHORITY'S DECISION DATED 19TH NOVEMBER 2018 ("REFERENCE TARIFF DETERMINATION").



2. GROUNDS FOR MODIFICATION PETITION

Background Information

Tricom Wind Power (Private) Limited ("TWPL" or the "Project Company"), vide its letter dated 7th March, 2018 submitted its Application for Cost Plus Tariff Determination before the National Electrical Power and Regulatory Authority (the "Authority").

Tariff Determination and the Decision was announced by the Authority vide letter dated 19th November 2018 (Ref No: NEPRA/TRF-442/TWPL-2018/18056-18058) (the "Tariff Decision"). Following the Tariff Decision, TWPL commenced negotiations with EPC Contractors to conclude the EPC Contract at the price allowed by the Authority in the Tariff Decision. Accordingly, the Company entered into EPC Contract with Hangzhou Huachen Electric Power Control Co., Limited and Hydrochina International Engineering Company Limited Pakistan.

The Original Tariff Decision by the Authority was based on certain assumptions which the Petitioner requests the Authority to reconsider, modify and update in light of the prevailing circumstances, as detailed in the following paras.



GROUNDS FOR MODIFICATION PETITION

(A) Debt Financing Mix and Repayment Term

The Authority in the Tariff Decision determined the tariff based on 100% financing under the SBP concessionary financing scheme at a fixed rate of 6%. The Authority also provided in its determination that in case the Petitioner is not able to secure financing under SBP Scheme, then conventional debt with 13 years repayment term will be allowed at rate of LIBOR plus 4.25% for foreign debt and KIBOR plus 2.25% for local debt.

In the tariff petition, the Petitioner requested for a tariff determination based on mix of local and foreign debt. However, the Authority determined the tariff based on 100% financing to be arranged under SBP RE Refinancing Scheme of 2016 (IH&SMEFD Circular No. 03 of 2016) (SBP Scheme) which was available for projects achieving financial close on or before 30 June 2019. Upon expiry of the SBP RE Refinancing Scheme in June 2019, SBP issued a revised scheme for Renewable Energy (RE) projects under IH&SMEFD Circular No. 10 of 2019 on 26 July 2019 (Revised SBP Scheme).

The Petitioner's Project fall under Category I of the Revised SBP Scheme, for which maximum amount available for Petitioner's project is 50% of the total debt requirement for the Project. Extracts of the Section 7(a)(iii) of Annexure -I (Eligibility Criteria) of the Revised SBP Scheme is reproduced below for ready reference;

"The refinance under this Scheme shall be up-to 100% of total financing (debt) of an eligible RE project of upto 20 MW and up-to 50% of financing (debt) of an eligible RE Project of more than 20 MW, subject to adherence of other rules & regulations. However, maximum refinance allowed under the Scheme cannot be more than Rs. 6 billion for a single renewable energy project."

The above is confirmed by a letter received from local lenders confirming the financing arrangement under Revised SBP Scheme as attached at **Annexure A** to this petition.

In view of the above, the Project is only able to secure concessionary finance under Revised SBP Scheme for the maximum of 50% of the its debt financing requirements. Accordingly, the Company has arranged the balance debt financing in foreign currency from IFC (Terms Sheet attached at **Annexure B**).

Although the Tariff Determination provides that at the time of COD tariff adjustment the Authority will allow alternate financing in the event SBP financing is not available. Accordingly, since 50% of the financing is being provided by foreign lenders (IFC), they have requested the Company to obtain a revised decision from the Authority acknowledging and reflecting the financing structure based on mix of foreign and Revised SBP Scheme in the reference tariff determination. In this regard, IFC had also met the Authority on 4 April 2019 for the same request and advised the Authority vide its letter dated 25 April 2019 (attached at **Annexure C**).



Furthermore, the Revised SBP Scheme allows the repayment period of not more than 10 years, whereas for alternative financing (foreign or local), the Authority in its decision has directed that the repayment period should not be less than 13 years. The lenders require that the reference tariff table should reflect the repayment schedule and respective tariff components of both financing (i.e. local and foreign) separately with their applicable repayment term.

Based on the above, the Authority is requested to revise its Tariff Determination and tariff table to reflect the financing 50:50 mix of local and foreign financing instead of 100% SBP financing in the following manner;

- | | |
|--|---------------------------------------|
| (a) Local Debt (50% of the total debt requirement) | |
| Financing Rate | 6% Fixed under Revised SBP Scheme |
| Repayment Term | 10 years after COD on quarterly basis |
| (b) Foreign Debt (50% of the total debt requirement) | |
| Financing Rate | LIBOR plus 4.25% |
| Repayment Term | 13 years after COD on quarterly basis |

(B) Reference Exchange Rate

The Tariff Determination and the Reference Tariff Table is based on the USD/PKR exchange rate of PKR 120. The Authority would appreciate that the current prevailing exchange rate is PKR 160 to USD 1 and is further expected to increase by the time the Project achieves commercial operations.

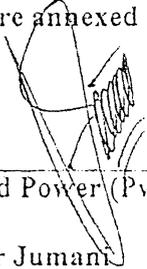
The Reference Exchange Rate of PKR 120 to USD 1 is not reflective of the prevailing exchange rate. As the Authority would be aware the invoices are made in PKR as per the tariff determination, IFC as foreign lender to the Project, in its letter to NEPRA (Annexure C) and during its meeting with NEPRA also requested the Authority to revise the reference exchange rate so that it is reflective of the prevailing market exchange rate.

The Authority is requested to modify the Tariff Determination and the tariff table based on most recent exchange rate of USD conversion to PKR (PKR 160 to USD 1).



PRAYER

In light of the foregoing, it is respectfully prayed that the Tariff Determination and the Order may please be modified to reflect the changes in tariff assumptions pertaining to Revised SBP Scheme, foreign financing and exchange rate, the revised debt repayment table and the tariff table are annexed at Annexure D.



Tricom Wind Power (Pvt) Ltd.

Abdul Sattar Juman
Chief Executive Officer



Bank AL Habib Limited

1024 - MUHAMMAD ALI HOUSING SOCIETY
BLOCK NO. 7 & 8 (A) KATHIAWAR CO-OPERATIVE HOUSING SOCIETY
LTD ADAMJEE NAGAR KHL

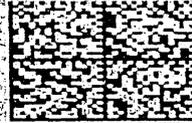
NOT OVER PKR 710,752.00 ONLY

Pay to NATIONAL ELECTRIC POWER REGULATORY AUTHORITY A/C or Order
TRICOM WIND POWER (PVT) LTD
Rupees PAKISTANI RUPEES SEVEN HUNDRED TEN THOUSAND SEVEN HUNDRED
FIFTY TWO ONLY

PAYABLE AT ANY BRANCH IN PAKISTAN

Valid for Twelve Months from the date of issuance

Please do not write below this line



B.C. No. 06750219

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PKR 710,752.00

Signatory

PA/Attorney No.

Signatory

PA/Attorney No.

⑈06750219⑈0238888⑈

⑈020⑈

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Bank AL Habib Limited

August 22, 2019

Tricom Wind Power (Private) Limited
7-A, Tabia Street, Muhammad Ali Society,
Karachi.
(the "Company")

SUBJECT: DEBT FUNDING PLAN OF COMPANY'S 50MW WIND POWER GENERATION PROJECT

Dear Sir,

This is with reference to our ongoing discussions regarding arrangement of financing to the Company for its 50 MW wind power generation project at Jhimpir, District Thatta, Sindh (the "Project").

2. We understand that the Company has been awarded tariff determination under a "cost plus" mode with the following financing parameters:

Reference Project Cost	USD 63.906 M
Debt to Equity ratio	80:20
Equity	PKR equivalent of USD 12.781 M
Debt Financing Amount	USD 51.125 M

3. The tariff determination has been provided on the basis, *inter alia*, that the Company will avail financing under the Revised SBP Financing Scheme for Renewable Energy IH&SMEFD Circular No. 03 of 2016 dated 20 June, 2016 (the "SBP Financing Scheme") issued by the State Bank of Pakistan ("SBP"). In addition, the tariff determination allows the Company to arrange debt financing from alternate sources (local or foreign) only after the Company exhausted the option of availing financing under the SBP Financing Scheme up to a maximum of PKR 6,000 Million.

4. We would like to advise you that the SBP Financing Scheme as announced on July 26, 2019 stipulates that maximum financing available under the Scheme for projects more than 20 MW and upto 50 MW cannot exceed 50% of the total debt required for the project. Furthermore, while the overall financing rate under the SBP Financing Scheme remains at 6% for the end user, SBP's own rate has increased from the previous 2% to 3%, while the bank spread has reduced from 4% to 3%.

5. Therefore and given the stipulations under the SBP Financing Scheme, the maximum amount available to be arranged is capped at PKR 4,000 Million (at an assumed USD/PKR parity of 160), which remains subject to compliance with all provisions of the SBP Financing Scheme and final approval of SBP. The remaining Debt Financing Amount is being arranged through International Finance Corporation ("IFC" or the "Foreign Currency Lender") as USD denominated debt.

We remain available should the Company require any additional information or clarification.

Yours sincerely,

FOR AND ON BEHALF OF
BANK AL HABIB LIMITED



PRINCIPAL OFFICE: 2nd FLOOR MACKINNON'S BUILDING, 11 CHUNDRIGAR ROAD, KARACHI-PAKISTAN

PHONES: (92-21) 32412421-32412980 & 111-786-110 FAX: (92-21) 32419752 & 32401171

EMAIL: info@bankalhabib.com WEBSITE: www.bankalhabib.com

REGISTERED OFFICE: 126-C, OLD BAHAWALPUR ROAD, MULTAN

SHEARMAN & STERLING LLP

6 Battery Road, #25-03
Singapore 049909
+65.6230.3800

wmccormack@shearman.com
(65) 6230 3877

11-September 2019

National Electric Power Regulatory Authority
("NEPRA")

Dear Sirs

Tricom Wind Power Project - Tariff Petition - Financing Term Sheet

We are instructed to act for International Finance Corporation ("IFC"), for its own account and as Implementing Entity for the Managed Co-Lending Portfolio Program ("MCP") and a consortium of local banks led by Bank AL Habib Limited ("BAHL", and together with IFC, the "Financiers") in relation to the financing of the 50MW wind power project developed by Tricom Wind Power (Private) Limited (the "Company") to be located in Jhimpir, Sindh Province, Pakistan (the "Tricom Project").

We attach a term sheet reflecting the proposed terms of the financing for the Tricom Project. The Financiers confirm that they have obtained initial concept clearance to provide project financing to the Company for the Tricom Project on the basis of this term sheet. The term sheet and the provision of the financing remain subject to each of the Financiers obtaining board and management approval and completing their due diligence on the Tricom Project, including legal, technical, environmental and financial due diligence.

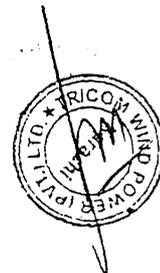
This letter is provided to you to assist the Company in obtaining approval of its revised Tariff Determination request. It is not legally binding and the Financiers make no representation regarding the Tricom Project or their participation therein. This letter does not indicate (and should not be construed as indicating) that the Financiers are committed to provide financing to the Company or the Tricom Project, nor the terms of any such financing.

Yours sincerely

Shearman & Sterling

Shearman & Sterling LLP

Attachment



SHEARMAN.COM

Shearman & Sterling LLP is a limited liability partnership organized in the United States under the laws of the state of Delaware, which laws limit the personal liability of partners.

9.

<i>Facilities</i>		
Financier	Indicative Commitment (assuming Project Cost of US\$63.9)	Margin ¹
IFC	Up to US\$25.8 million by way of a term loan facility (the “IFC Facility”) comprising of: <ul style="list-style-type: none"> • IFC A Loan of up to US\$12.9 million; and • MCPP Loan of up to US\$12.9 million⁵ 	3-month LIBOR + 425 bps 3-month LIBOR + 425 bps
Consortium of local banks led by Bank AL Habib Limited	Up to PKR 4,000 Million (equivalent of up to US\$ 25.8 million) by way of local financing facility (the “Local BAHL Facility”)	Fixed annual rate of 600 bps (based on availability of the SBP Scheme as defined below) or 3-month KIBOR + 225 bps (if the SBP Scheme is not available) ²

10. Purpose of Facilities To finance up to 80%³ (where [80:20]⁴ shall be the “Project Debt to Equity Ratio”) of the Project Cost to develop and construct the Project in accordance with a budget and financial model (“Financial Model”), as approved by the Financiers and resulting from the due diligence process on, inter alia, investment costs, tariff, energy generation, operation costs, maintenance capex requirements showing the banking base case agreed by the Financiers (the “Base Case”) to finance up to 80% of the Project Costs (where 80:20 shall be the “NEPRA Debt to Equity Ratio”) that are recoverable through the tariff mechanism approved by NEPRA from time to time.

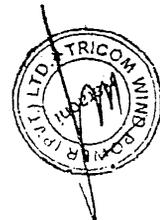
11. Working Capital Facility A revolving working capital facility of up to PKR equivalent of US\$ 4.50 million (assuming Project Cost of US\$63.9) shall be provided by Bank Al Habib Limited as working capital lender in accordance with agreed terms

¹ Financiers require that the NEPRA approval reflects the spread (and fees, if any) agreed with the Financiers prior to their first disbursement.

² The fixed interest rate of 600 bps assumes that the financing scheme for renewable energy issued by the State Bank of Pakistan (“SBP”) pursuant to circular no. 10 of 2019 dated 26 July 2019 (the “SBP Scheme”) is available with respect to the Local BAHL Facility. If the SBP Scheme is not available or only partly available prior to commitment/signing, a modified NEPRA tariff would need to be provided to reflect the terms of the Local BAHL Facility at KIBOR plus spread of 2.25% and the BAHL Repayment Schedule (currently included in Annex B) would need to be revised to be similar to that for the IFC Facility (as enclosed in Annex A). Detailed terms to be reflected in documentation.

³ Subject to Financiers’ financial model review.

⁴ Subject to Financiers’ financial model review and overall due diligence.



("Working Capital Facility") where the provider of such Working Capital Facility shall benefit from a second-ranking security over the Borrower's assets which is subordinated to the security of the Financiers.

12. Principal Repayment

Repayment of the Facilities will start on the Interest Payment Date falling on or immediately following the earlier of the date occurring: (i) 3 months after the Commercial Operation Date (as defined under the EPA), (ii) 27 months (grace period) after signing of the common terms agreement between the Borrower and the Financiers (the "Common Terms Agreement"), and (iii) 24 months (grace period) after the first disbursement under the Local BAHL Facility. Subsequent principal repayments will be made on each subsequently occurring Interest Payment Date thereafter.

Principal repayment shall be made: (i) with respect to IFC Facility, in accordance with a schedule of up to 52 quarterly repayments reflecting a mortgage-style repayment profile consistent with the IFC Repayment Schedule attached as Annex A, and (ii) with respect to the Local BAHL Facility, in accordance with a schedule of up to 40 quarterly repayments reflecting a mortgage-style repayment profile consistent with the BAHL Repayment Schedule attached as Annex B.

The door-to-door tenor shall not exceed: (i) for the IFC Facility, 15.25 years from the signing of the Common Terms Agreement until the final repayment (the "Foreign Final Maturity Date"), and (ii) for the Local BAHL Facility, 12 years from the date of the first disbursement until the final repayment (the "Local Final Maturity Date").

13. Fees

Front-end fee: 1% of the amount of the IFC Facility and the Local BAHL Facility, to be paid no later than the earlier of:

- (i) 30 days after signing of the Common Terms Agreement; and
- (ii) the date of issuance of the disbursement request for the first disbursement.

Commitment Fee: 0.5% per annum, computed on the basis of the actual number of days elapsed and a year of 360 days, on the undisbursed amount of the Facilities, to be paid quarterly in arrears on each interest payment date and commencing to accrue upon signing of the Common Terms Agreement.

Portfolio Supervision Fee: of US\$10,000 per annum for expenses which are incurred by IFC for its portfolio supervision activities.

Other fees as set out in any relevant fee letter(s).



14. Interest Payment Dates Quarterly⁵ in each year.
15. Default Rate 2% per annum above the applicable interest rate.⁶
16. Debt-to-Equity Ratio No higher than 80:20 subject to results of financial model and approval by NEPRA of Project Costs to be financed.
17. Debt Service Reserve Account ("DSRA") and Major Maintenance Reserve Account ("MMRA") An offshore (US\$) debt service reserve account shall be established by the Borrower with the relevant Account Bank with respect to the IFC Facility and an onshore (PKR) debt service reserve account shall be established by the Borrower with the relevant Account Bank with respect to the Local BAHF Facility. The minimum required balance of each such account shall be sized to cover an amount equal to the highest amount of principal repayment and interest under the applicable facility indicated in the financial model for any consecutive 6-month period.
- Major maintenance reserve account to be established in accordance with Financiers' (and EPA) requirements.⁷
18. Sponsor Support The portion of the Project Cost which is not funded by the Facilities shall be funded by the Sponsors in the form of common equity ("**Base Equity**").
- In addition to the Base Equity and the obligation to fill up the DSRA, the Sponsors will undertake to provide to the Borrower additional funds / Standby Letter of Credit ("**Contingent Equity**") in a maximum aggregate amount to be agreed for the purpose of funding any Deficiency (defined below).
- The indicative amount of Sponsors' equity commitments is as follows:
- aggregate amount of [US\$15.6 million] of Base Equity, comprising of Base Equity funded by Lucky Energy of up to US\$ [7.6] million and Base Equity funded by Lucky Textile of up to US\$ [8.0] million; and
 - aggregate amount of [US\$4.3 million] of Contingent Equity, comprising of Contingent Equity funded by Lucky Energy of up to US\$ [2.1] million and Contingent Equity funded by Lucky Textile of up to US\$ [2.2] million.
- Deficiency:** Following full utilisation of the Base Equity, any shortfall of funds needed by the Borrower (as determined by the Borrower or the Financiers) for purposes of the Project achieving the applicable project completion date (other than the requirement to fund the initial minimum DSRA required balance), as further detailed in documentation.
- Excess Debt:** Following the determination or "true-up" by NEPRA of the final tariff for the Project, the Financiers may require the Sponsors to prepay

⁵ Dates to be discussed. Subject to confirmation of EPA base rate benchmark.

⁶ Default interest rate for the local facility to be aligned accordingly in accordance with the SBP structure.

⁷ Requirement for major maintenance reserve account subject to due diligence, including Financiers' Technical Advisor input. If required, minimum required balance to be agreed.



any amounts outstanding under the Facilities in excess of the debt amount that is ultimately approved by NEPRA in determining the true-up tariff after the Commercial Operation Date (as defined under the EPA) as such debt amount may be reduced by payments made or invoiced on account of the reference debt service component of the tariff ("Excess Debt") to the extent the Borrower fails to fully prepay the Excess Debt as allowed under the Financing Documents.

19. Share Retention

For so long as any part of the Facilities is outstanding or any amount is available for disbursement under the Financing Documents, the Sponsors shall be subject to share retention undertakings in respect of the shares the Borrower.

The Financiers' share pledge shall at all times be in respect of 100% of the shares in the Borrower, and any permitted transfer of the pledged shares shall be subject to the share pledge.

20. Other Payments

Borrower to pay or reimburse the Financiers in respect of:

- (i) increased costs resulting from a change of law or regulations;
- (ii) unwinding/breakage costs, i.e., any cost or loss in unwinding funding arrangements resulting from prepaying the Facilities or from failing to borrow or prepay in accordance with a request for disbursement or notice of prepayment;
- (iii) withholding taxes, if any (tax gross-up);
- (iv) all taxes (including stamp taxes) or other charges payable on any of the Financing Documents;
- (v) legal fees and expenses relating to (A) the preparation, execution, implementation, administration and enforcement of the Transaction Documents, (B) the protection of Financiers' interests under the Financing Documents and (C) the release of the Security after repayment of the Facilities;
- (vi) the fees described in item 12 above;
- (vii) amounts (to be agreed with the Borrower at the time) to compensate the Financiers for additional work required in connection with any restructuring; and
- (viii) any other expenses/fees incurred for the processing of waivers and amendments and/or fees for technical, environmental, social and other consultants, the scope of work for whom shall (in the absence of an event of default or potential event of default or an event likely to result in a material adverse effect) be agreed with the Borrower, such agreement not to be unreasonably withheld.

In addition to the above, the Borrower shall pay and reimburse to each of the Financiers the fees and expenses payable by the Borrower in accordance with the respective mandate letters signed between the Borrower and each Financier.



21. Voluntary Prepayment The Facilities are prepayable upon 30 days' notice, subject to terms and conditions to be agreed.
22. Mandatory Prepayment The Financing Documents will include customary mandatory prepayment provisions.
23. Representations and warranties; Conditions of Disbursement; Covenants; Events of Default Customary and appropriate for the Borrower and Sponsors, reflecting the Financiers' respective policies and requirements and subject to certain customary exceptions (relating to materiality and actual knowledge) and legal qualifications to be agreed in the documentation.
24. Security The obligations of the Borrower under the Financing Documents will be secured by a first ranking security interest in favour of the Financiers over, inter alia: (i) all tangible and intangible assets of the Borrower (other than any distribution and/or restricted payment accounts, receivables, inventories, etc.); (ii) all Project documents and concessions, including the Project site lease and, to the extent permitted under the relevant laws, all licences, consents, permits, etc. associated with the Project and any related performance/warranty bonds; (iii) any letters of credit provided by the Sponsors; (iv) all shares in the Borrower and its subordinated loans; (v) insurance and reinsurance policies; (vi) direct agreements or acknowledgments and consents with the counterparties to the Project documents; and (vii) other forms of security permitted by applicable country laws and appropriate for the Project.
25. Governing Law English Law (e.g. Common Terms Agreement, IFC Facility Agreement, Accounts Agreement, Sponsor Support Agreement and Intercreditor Agreement) and/or Pakistan Law (e.g. certain Security Documents and the Local BAML Facility documentation), as appropriate.



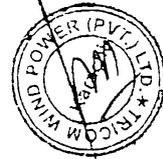
[Please note that Annex A and Annex B reflect mortgage repayment schedules that the repayments should be based on. The second and final repayment % for each of the IFC Facility and the Local BAHF Facility may be adjusted depending on which date the first repayment falls on (see section 11 (*Principal Repayment*) above).]

ANNEX A: IFC REPAYMENT SCHEDULE

First Repayment Date	1.21%
Second Repayment Date	1.23%
Third Repayment Date	1.26%
Fourth Repayment Date	1.28%
Fifth Repayment Date	1.30%
Sixth Repayment Date	1.32%
Seventh Repayment Date	1.34%
Eighth Repayment Date	1.37%
Ninth Repayment Date	1.39%
Tenth Repayment Date	1.41%
Eleventh Repayment Date	1.44%
Twelfth Repayment Date	1.46%
Thirteenth Repayment Date	1.48%
Fourteenth Repayment Date	1.51%
Fifteenth Repayment Date	1.54%
Sixteenth Repayment Date	1.56%
Seventeenth Repayment Date	1.59%
Eighteenth Repayment Date	1.62%
Nineteenth Repayment Date	1.64%
Twentieth Repayment Date	1.67%
Twenty-first Repayment Date	1.70%
Twenty-second Repayment Date	1.73%
Twenty-third Repayment Date	1.76%
Twenty-fourth Repayment Date	1.79%
Twenty-fifth Repayment Date	1.82%
Twenty-sixth Repayment Date	1.85%
Twenty-seventh Repayment Date	1.88%
Twenty-eighth Repayment Date	1.91%
Twenty-ninth Repayment Date	1.94%
Thirtieth Repayment Date	1.98%
Thirty-first Repayment Date	2.01%
Thirty-second Repayment Date	2.05%
Thirty-third Repayment Date	2.08%
Thirty-fourth Repayment Date	2.11%
Thirty-fifth Repayment Date	2.15%
Thirty-sixth Repayment Date	2.19%
Thirty-seventh Repayment Date	2.22%
Thirty-eighth Repayment Date	2.26%

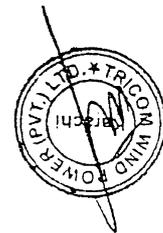


Thirty-ninth Repayment Date	2.30%
Fortieth Repayment Date	2.34%
Forty-first Repayment Date	2.38%
Forty-second Repayment Date	2.42%
Forty-third Repayment Date	2.46%
Forty-fourth Repayment Date	2.50%
Forty-fifth Repayment Date	2.54%
Forty-sixth Repayment Date	2.59%
Forty-seventh Repayment Date	2.63%
Forty-eighth Repayment Date	2.68%
Forty-ninth Repayment Date	2.72%
Fiftieth Repayment Date	2.77%
Fifty-first Repayment Date	2.81%
Fifty-second Repayment Date	2.81%



ANNEX B: BAHL REPAYMENT SCHEDULE

First Repayment Date	1.84%
Second Repayment Date	1.87%
Third Repayment Date	1.90%
Fourth Repayment Date	1.93%
Fifth Repayment Date	1.96%
Sixth Repayment Date	1.99%
Seventh Repayment Date	2.01%
Eighth Repayment Date	2.05%
Ninth Repayment Date	2.08%
Tenth Repayment Date	2.11%
Eleventh Repayment Date	2.14%
Twelfth Repayment Date	2.17%
Thirteenth Repayment Date	2.20%
Fourteenth Repayment Date	2.24%
Fifteenth Repayment Date	2.27%
Sixteenth Repayment Date	2.30%
Seventeenth Repayment Date	2.34%
Eighteenth Repayment Date	2.37%
Nineteenth Repayment Date	2.41%
Twentieth Repayment Date	2.45%
Twenty-first Repayment Date	2.48%
Twenty-second Repayment Date	2.52%
Twenty-third Repayment Date	2.56%
Twenty-fourth Repayment Date	2.60%
Twenty-fifth Repayment Date	2.63%
Twenty-sixth Repayment Date	2.67%
Twenty-seventh Repayment Date	2.71%
Twenty-eighth Repayment Date	2.75%
Twenty-ninth Repayment Date	2.80%
Thirtieth Repayment Date	2.84%
Thirty-first Repayment Date	2.88%
Thirty-second Repayment Date	2.92%
Thirty-third Repayment Date	2.97%
Thirty-fourth Repayment Date	3.01%
Thirty-fifth Repayment Date	3.06%
Thirty-sixth Repayment Date	3.10%
Thirty-seventh Repayment Date	3.15%
Thirty-eighth Repayment Date	3.20%
Thirty-ninth Repayment Date	3.24%
Fortieth Repayment Date	3.28%



April 25th, 2019

Mr. Saif Ullah Chaudhry
Member, National Electric Power Regulatory Authority

Mr. Syed Insaif Ahmed
Senior Advisor

Mr. Ali Feroz Khan
Dy Director

NEPRA Tower Attaturk Avenue (East)
Sector G-5/1, Islamabad
Islamabad, Pakistan

Dear Sirs,

Subject: Clarifications in respect of the Wind Power Projects

Thank you for meeting with us on 4 April 2019 at the offices of the National Electric Power Regulatory Authority ("NEPRA").

As discussed, International Finance Corporation ("IFC") are considering investments in six wind power projects (the "Projects") to be constructed by various independent power producers, and for which tariff determinations have been issued (the "Tariff Determinations").

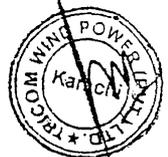
The Tariff Determinations however raise a number of concerns in the context of the IFC proposed financing. Amongst others, the Tariff Determinations:

- Assume that all financing of the Projects will be denominated in PKR, subject to a 6% interest rate with a repayment period of ten (10) years.
- Assume an initial PKR/US\$ exchange rate of 120 until true-up.
- Provide for the actual financing mix to be reflected only upon true-up after COD.

The Projects will have a mix of US\$ and PKR financing in each case. If the tariff is not adjusted to reflect this and the terms of the US\$ financing to be provided by IFC until post-COD, it is a material divergence from precedents. Importantly, such assumptions will result in foreign lenders assuming risks typically not allocated to lenders pre-COD, the nature of which raise fundamental bankability issues for IFC.

We discussed these concerns during our meeting. We are extremely encouraged by our discussions with you that NEPRA recognizes these concerns and have proposed that the Projects file a tariff modification petition on the following basis:

- (i) To be submitted once the term sheet is finalized and before Financial Close.



(ii) Each petition to be accompanied by supporting documents evidencing the inapplicability of the SBP Scheme or the inability of the Project to obtain financing thereunder, along with the term sheet(s); and

(iii) A request for an updated PKR/US\$ exchange rate that reflects the prevailing exchange rate.

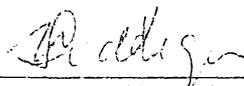
A determination issued by NEPRA upon a modification petition would indicate the reference tariff table based on the foreign debt financing as outlined in the term sheet submitted with the petition, reflecting the actual tenor agreed by the Project with the foreign financiers and the standard indexations as awarded to the Project based on foreign debt, including adjustments on account of exchange rate fluctuations and LIBOR. Such reference tariff table would form part of the EPA at Financial Close.

On a separate but related point, we ask for NEPRA's support and assistance in facilitating certain changes that CPPA-G need to initiate to the Commercial Code, 2015 (the "Code") to extend the benefits of the "savings provision" of the Code to the Projects¹. In view of NEPRA's role as regulator of the country's power sector, your support and approval to the amendments that need to be effected to the Code by CPPA-G will be key in ensuring that fundamental mismatches between the Code and the bilateral EPA to be entered into by the Projects are addressed, so as to ensure the financeability of these Projects.

We extend our sincere gratitude to NEPRA for understanding our concerns and giving us the platform to present our case in person. We would welcome your acknowledgement of the above.

We look forward to working with NEPRA and the relevant stakeholders to develop a bankable set of documents which takes into account the evolving nature of the power sector and balances the interest of all participants for the success of these Projects.

Yours sincerely,



Nadeem Siddiqui
Senior Manager
International Finance Corporation
Islamabad, Pakistan

CC:
CEO, Central Power Purchasing Agency (Guarantee) Limited
CEO, Alternative Energy Development Board

¹ Certain changes to the Code effected by NEPRA pursuant to its order dated 16 November 2018 provide, inter alia, that all payments to be made by CPPA-G to the relevant Projects shall be contingent upon payments being received from the relevant distribution companies and therefore any delay or failure in payment by the relevant distribution company would adversely affect the payments to be made by CPPA-G under the energy purchase agreement to be entered into with the Projects.



Annexure - D

Tricom Wind Power (Private) Limited
Revised Tariff Table

Year	O&M Local	O&M foreign	Insurance	ROE	ROEDC	Foreign Debt Repayment	Local Debt Repayment	Tariff PKR/kWh	Tariff US Cents/kWh
1	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
2	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
3	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
4	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
5	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
6	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
7	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
8	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
9	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
10	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
11	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
12	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
13	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
14	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
15	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
16	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
17	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
18	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
19	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
20	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
21	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
22	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
23	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
24	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
25	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
Levelized Tariff								7.6206	4.7629

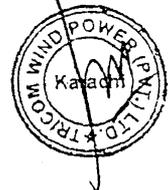
Note:

For computation of Interest During Construction (IDC) and Return of Equity During Construction (ROEDC), we have used the same disbursement percentages and computation mechanism as used in the original Tariff Determination. However, IDC and ROEDC shall be adjusted at the time of COD tariff adjustment on the basis of actual disbursements of debt and equity.



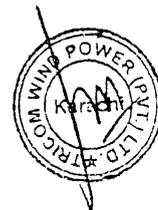
Tricom Wind Power (Private) Limited
Foreign Debt Servicing Schedule

Year	Base Amount (USD)	Repayment	Interest	Closing Balance	Principal Repayment PKR/kWh	Interest Repayment PKR/kWh
1	25,387,074	319,744	319,744	25,067,330		
1	25,267,350	324,819	324,819	24,942,531	1.3591	1.5381
1	24,942,531	329,995	329,995	24,612,535		
1	24,612,535	335,254	335,254	24,277,282		
2	24,277,282	340,598	340,598	23,936,686		
2	23,936,686	346,024	346,024	23,590,662	1.3413	1.4560
2	23,590,662	351,528	351,528	23,239,125		
2	23,239,125	357,120	357,120	22,881,985		
3	22,881,985	362,831	362,831	22,519,155		
3	22,519,155	368,612	368,612	22,150,542	1.4289	1.3684
3	22,150,542	374,486	374,486	21,776,056		
3	21,776,056	380,454	380,454	21,395,602		
4	21,395,602	386,517	386,517	21,009,085		
4	21,009,085	392,676	392,676	20,616,409	1.5221	1.2751
4	20,616,409	398,932	398,932	20,217,476		
4	20,217,476	405,290	405,290	19,812,186		
5	19,812,186	411,749	411,749	19,400,437		
5	19,400,437	418,310	418,310	18,982,127	1.6215	1.1757
5	18,982,127	424,976	424,976	18,557,151		
5	18,557,151	431,748	431,748	18,125,403		
6	18,125,403	438,628	438,628	17,686,774		
6	17,686,774	445,618	445,618	17,241,156	1.7274	1.0699
6	17,241,156	452,719	452,719	16,788,437		
6	16,788,437	459,933	459,933	16,328,504		
7	16,328,504	467,262	467,262	15,861,242		
7	15,861,242	474,708	474,708	15,386,532	1.8401	0.9571
7	15,386,532	482,273	482,273	14,904,260		
7	14,904,260	489,958	489,958	14,414,302		
8	14,414,302	497,766	497,766	13,916,536		
8	13,916,536	505,698	505,698	13,410,838	1.9603	0.8370
8	13,410,838	513,756	513,756	12,897,082		
8	12,897,082	521,942	521,942	12,375,139		
9	12,375,139	530,261	530,261	11,844,878		
9	11,844,878	538,710	538,710	11,306,168	2.0882	0.7090
9	11,306,168	547,295	547,295	10,758,872		
9	10,758,872	556,016	556,016	10,202,856		
10	10,202,856	564,877	564,877	9,637,980		
10	9,637,980	573,879	573,879	9,064,102	2.2246	0.5727
10	9,064,102	583,022	583,022	8,481,078		
10	8,481,078	592,314	592,314	7,888,765		
11	7,888,765	601,752	601,752	7,287,012		
11	7,287,012	611,322	611,322	6,675,671	2.3698	0.4275
11	6,675,671	621,023	621,023	6,054,648		
11	6,054,648	630,981	630,981	5,423,667		
12	5,423,667	641,036	641,036	4,782,631		
12	4,782,631	651,251	651,251	4,131,381	2.5245	0.2728
12	4,131,381	661,629	661,629	3,469,692		
12	3,469,692	672,172	672,172	2,797,520		
13	2,797,520	682,863	682,863	2,114,657		
13	2,114,657	693,765	693,765	1,420,872	2.6893	0.1080
13	1,420,872	704,820	704,820	716,052		
13	716,052	716,052	716,052			



Tricom Wind Power (Private) Limited
SBP Debt Servicing Schedule

Year	Base Amount (PKR)	Repayment	Interest	Closing Balance	Principal Repayment PKR/kWh	Interest Repayment PKR/kWh
1	4,093,931,791	75,439,297	61,408,977	4,018,492,493		
1	4,018,492,493	76,570,887	60,277,387	3,941,921,606	1.3547	1.4345
1	3,941,921,606	77,719,450	59,128,324	3,864,202,156		
1	3,864,202,156	78,885,242	57,963,032	3,785,316,914		
2	3,785,316,914	80,068,521	56,779,754	3,705,248,394	1.9680	1.3208
2	3,705,248,394	81,269,548	55,578,726	3,623,978,645		
2	3,623,978,645	82,488,592	54,359,683	3,541,490,254		
2	3,541,490,254	83,725,921	53,122,354	3,457,764,333		
3	3,457,764,333	84,981,809	51,866,465	3,372,782,524	2.0833	1.2001
3	3,372,782,524	86,256,536	50,591,738	3,286,525,987		
3	3,286,525,987	87,550,385	49,297,890	3,198,975,603		
3	3,198,975,603	88,862,640	47,984,634	3,110,111,962		
4	3,110,111,962	90,196,595	46,651,679	3,019,915,268	2.2169	1.0719
4	3,019,915,268	91,549,544	45,298,731	2,928,365,824		
4	2,928,365,824	92,922,787	43,925,487	2,835,443,037		
4	2,835,443,037	94,316,629	42,531,646	2,741,126,408		
5	2,741,126,408	95,731,378	41,116,896	2,645,395,030	2.3530	0.9359
5	2,645,395,030	97,167,349	39,680,925	2,548,227,681		
5	2,548,227,681	98,624,859	38,223,415	2,449,602,822		
5	2,449,602,822	100,104,232	36,744,642	2,349,498,590		
6	2,349,498,590	101,605,795	35,242,479	2,247,892,795	2.4974	0.7915
6	2,247,892,795	103,129,382	33,719,392	2,144,762,912		
6	2,144,762,912	104,676,831	32,171,444	2,040,086,082		
6	2,040,086,082	106,246,983	30,601,291	1,933,839,098		
7	1,933,839,098	107,840,688	29,007,586	1,825,998,411	2.6506	0.6382
7	1,825,998,411	109,458,298	27,389,976	1,716,540,112		
7	1,716,540,112	111,100,173	25,748,102	1,605,439,940		
7	1,605,439,940	112,766,675	24,081,599	1,492,673,265		
8	1,492,673,265	114,458,175	22,390,099	1,378,215,089	2.8133	0.4756
8	1,378,215,089	116,175,048	20,673,226	1,262,040,041		
8	1,262,040,041	117,917,674	18,930,601	1,144,122,368		
8	1,144,122,368	119,686,439	17,161,836	1,024,435,929		
9	1,024,435,929	121,481,735	15,366,539	902,954,193	2.9859	0.3030
9	902,954,193	123,302,961	13,544,313	779,650,232		
9	779,650,232	125,152,521	11,694,753	654,496,711		
9	654,496,711	127,030,324	9,817,451	527,465,888		
10	527,465,888	128,936,286	7,911,988	398,529,602	3.1691	0.1197
10	398,529,602	130,870,320	5,977,944	267,659,271		
10	267,659,271	132,833,385	4,014,899	134,825,836		
10	134,825,836	134,825,836	2,022,388			



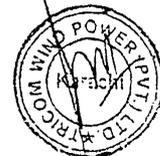
TRICOM WIND POWER (PRIVATE) LIMITED
REFERENCE TARIFF TABLE

Year	Foreign O & M	Local O & M	Insurance	Return on Equity	ROEDC	Loan Repayment	Interest Charges	Tariff
	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh
1	0.4146	0.4146	0.1671	1.2901	0.1163	2.7786	2.1499	7.3311
2	0.4146	0.4146	0.1671	1.2901	0.1163	2.9491	1.9793	7.3311
3	0.4146	0.4146	0.1671	1.2901	0.1163	3.1301	1.7894	7.3311
4	0.4146	0.4146	0.1671	1.2901	0.1163	3.3222	1.6063	7.3311
5	0.4146	0.4146	0.1671	1.2901	0.1163	3.5260	1.4024	7.3311
6	0.4146	0.4146	0.1671	1.2901	0.1163	3.7424	1.1861	7.3311
7	0.4146	0.4146	0.1671	1.2901	0.1163	3.9721	0.9564	7.3311
8	0.4146	0.4146	0.1671	1.2901	0.1163	4.2158	0.7127	7.3311
9	0.4146	0.4146	0.1671	1.2901	0.1163	4.4745	0.4540	7.3311
10	0.4146	0.4146	0.1671	1.2901	0.1163	4.7491	0.1794	7.3311
11	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
12	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
13	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
14	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
15	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
16	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
17	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
18	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
19	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
20	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
21	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
22	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
23	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
24	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
25	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
Levelized Tariff	0.4146	0.4146	0.1671	1.2901	0.1163	2.3818	0.9545	5.7388



TRICOM WIND POWER (PRIVATE) LIMITED
DEBT SERVICE SCHEDULE

Relevant Quarters	Base amount (USD)	Principal Repayment (USD)	Interest (USD)	Balance Principal (USD)	Total Debt Service (USD)	Annual Principal Repayment Rs. / kWh	Annual Interest Rs. / kWh
1	51,124,729	942,081	766,871	50,182,649	1,708,952		
2	50,182,649	956,212	752,740	49,226,437	1,708,952	2.7786	2.1499
3	49,226,437	970,555	738,397	48,255,882	1,708,952		
4	48,255,882	985,113	723,839	47,270,769	1,708,952		
5	47,270,769	999,890	709,062	46,270,879	1,708,952		
6	46,270,879	1,014,888	694,064	45,255,990	1,708,952	2.9491	1.9793
7	45,255,990	1,030,112	678,840	44,225,879	1,708,952		
8	44,225,879	1,045,563	663,389	43,180,315	1,708,952		
9	43,180,315	1,061,247	647,705	42,119,069	1,708,952		
10	42,119,069	1,077,166	631,786	41,041,903	1,708,952	3.1301	1.7984
11	41,041,903	1,093,323	615,629	39,948,580	1,708,952		
12	39,948,580	1,109,723	599,229	38,838,857	1,708,952		
13	38,838,857	1,126,369	582,583	37,712,489	1,708,952		
14	37,712,489	1,143,264	565,688	36,569,224	1,708,952	3.3222	1.6063
15	36,569,224	1,160,413	548,539	35,408,811	1,708,952		
16	35,408,811	1,177,819	531,133	34,230,992	1,708,952		
17	34,230,992	1,195,487	513,465	33,035,505	1,708,952		
18	33,035,505	1,213,419	495,533	31,822,086	1,708,952	3.5260	1.4024
19	31,822,086	1,231,620	477,332	30,590,466	1,708,952		
20	30,590,466	1,250,095	458,857	29,340,372	1,708,952		
21	29,340,372	1,268,846	440,106	28,071,526	1,708,952		
22	28,071,526	1,287,879	421,073	26,783,647	1,708,952	3.7424	1.1861
23	26,783,647	1,307,197	401,755	25,476,450	1,708,952		
24	25,476,450	1,326,805	382,147	24,149,645	1,708,952		
25	24,149,645	1,346,707	362,245	22,802,938	1,708,952		
26	22,802,938	1,366,907	342,045	21,436,031	1,708,952	3.9721	0.9564
27	21,436,031	1,387,411	321,541	20,048,620	1,708,952		
28	20,048,620	1,408,222	300,730	18,640,398	1,708,952		
29	18,640,398	1,429,346	279,606	17,211,052	1,708,952		
30	17,211,052	1,450,786	258,166	15,760,266	1,708,952	4.2158	0.7127
31	15,760,266	1,472,548	236,404	14,287,719	1,708,952		
32	14,287,719	1,494,636	214,316	12,793,083	1,708,952		
33	12,793,083	1,517,055	191,897	11,276,028	1,708,952		
34	11,276,028	1,539,811	169,141	9,736,217	1,708,952	4.4745	0.4540
35	9,736,217	1,562,908	146,044	8,173,308	1,708,952		
36	8,173,308	1,586,352	122,600	6,586,957	1,708,952		
37	6,586,957	1,610,147	98,805	4,976,809	1,708,952		
38	4,976,809	1,634,299	74,653	3,342,510	1,708,952	4.7491	0.1794
39	3,342,510	1,658,814	50,138	1,683,696	1,708,952		
40	1,683,696	1,683,696	25,256	-	1,708,952		



National Electric Power Regulatory Authority
Registrar Office

No: NEPRA/R/TRF-100/TWPL/16725

FIC

September 17, 2019

Subject: Modification Tariff Petition on the Determination of the Authority in the matter of Generation Tariff for Tricom Wind Power (Pvt) Limited

Please find enclosed herewith the subject tariff petition submitted by Tricom Wind Power (Pvt) Limited (TWPL) vide letter no. TWPL/NEPRA/2019-20/001 dated 12.09.2019 (received on 17.09.2019) for Modification of tariff for its 50MW Wind Power Plant at Jhimpir in the province of Sindh.

2. The deficient information in the subject tariff petition, if any, shall be classified that it is required under Rule 3(2) & (8) of NEPRA (Tariff Standards & Procedure) Rules, 1998 (Tariff Rules) or an additional information is required under Rule 4(2) of the Tariff Rules.

3. The Senior Advisor (Tariff-II), Senior Advisor (Technical), and Legal Advisor (KIP) are requested to provide their comments that whether the provided information / documents by TWPL are complete as per the requirements of Tariff Rules for admission or highlight / mention the shortcomings, if any, which may cause non-admission of the subject petition.

4. The requisite comments may kindly be provided by 19.09.2019 for further necessary action in the matter, please.

17/9/19
(Iftikhar Ali Khan)
Director

1. SA (Tech)
2. SA(T-II)
3. LA (KIP)

Copy for information:

1. Registrar
2. Assistant Registrar (Tariff) [to pursue]
3. Master File

TWPL/NEPRA/2019-2020/001

F/A

Thursday, September 12, 2019

The Registrar
National Electric Power Regulatory Authority
G-5, Islamabad

Dear Sir,

Modification Petition on the Determination of the Authority in the matter of Generation Tariff for Tricom Wind Power (Private) Limited

Tricom Wind Power (Private) Limited (the "Petitioner") was awarded generation tariff by the Authority vide its Order No. NEPRA/TRF-442/TWPL-2018/18056-18058 dated 19 November 2018 (the "Tariff Determination").

The Petitioner has finalized financing arrangement to achieve financial close within the timeline provided in the Tariff Determination. However, the following two primary assumptions of the Tariff Determination require modification in view of the changes in circumstances as detailed in the attached Modification Petition;

- (a) Debt financing under the SBP RE Refinancing Scheme, and
- (b) Reference exchange rate of PKR 120 to USD 1

The foreign lenders (International Finance Corporation) have also met with the honorable members of the Authority to request the modification of the aforementioned assumptions of Tariff Determination.

We request the Authority to admit and process the attached Modification Petition on the ground provided to enable us to proceed to achieve financial close at the earliest.

Yours Truly

For and on Behalf of
Tricom Wind Power (Private) Limited

Abdul Sattar Jamani
Chief Executive Officer

Enclose:

- Fee Challan for PKR 710,752/-
- Certified Copy of the Board Resolution
- Original Affidavit
- Modification Petition

For information & m/a M.
 - DRO I/DR I
Gato:
 - SAT-II 17 09 19
 - DG (MSE) c.c. chairman
 - SA (Gen) - ADG (Gen) VC
 - LA (KEP) m(G)
 - MF m(CA)
 m(Li)

REGISTRAR
 Dy. No.: 4885
 Dated: 17-09-19

Received for signature Umpu No: 710,752/19 and 1000 copies.

44-A

Amra - A

BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

MODIFICATION PETITION

PURSUANT TO SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION
OF ELECTRIC POWER ACT, 1997
READ WITH RULE 3 OF
NEPRA (TARIFF STANDARD AND PROCEDURE) RULES, 1998

BY

TRICOM WIND POWER (PRIVATE) LIMITED

FOR NEPRA IN THE MATTER OF TARIFF DETERMINATION FOR
TRICOM WIND POWER (PRIVATE) LIMITED

A POWER PROJECT OF 50 MW

AT

JHIMPIR, SINDH, PAKISTAN

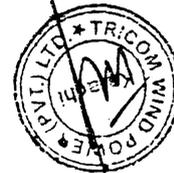
DATED: September 12, 2019

TRICOM WIND POWER (PRIVATE) LIMITED

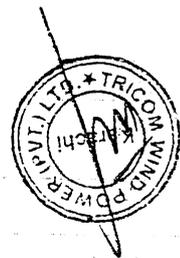
ADDRESS: 7-A, Tabba Street, Muhammad Ali Society, Karachi-75350, Pakistan

PHONE #: +92-21-34397701-03

FAX #: +92-21-34382436



**CERTIFIED COPY OF TRICOM WIND POWER (PRIVATE)
LIMITED'S BOARD RESOLUTION**



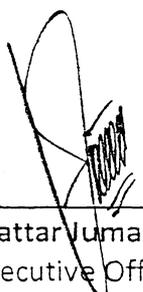
EXTRACT OF THE RESOLUTION BY CIRCULATION
PASSED BY THE BOARD OF DIRECTORS OF
TRICOM WIND POWER (PRIVATE) LIMITED
DATED: JANUARY 22, 2018

FLA-4

“RESOLVED THAT Mr. Abdul Sattar Jumani-Chief Executive Officer of the Company be and is hereby authorized to file in person or through a duly appointed legal counsel (i) an application for the grant of a generation license; (ii) an application for the determination of generation tariff (including any review petitions); (iii) any document of support thereof and/or to make any oral/written representations on behalf of Tricom Wind Power (Private) Limited (TWPL), Before the National Electric Power Regulatory Authority (NEPRA); and (iv) to engage a legal counsel to represent the Company before the NEPRA in relation to TWPL’s 50 MW wind power project at Jhimpir Area, Taluka & District Thatta, Sindh, Pakistan; and to undertake any matter(s) necessary or incidental thereto.”

CERTIFICATE

Certified that the foregoing is a true extract of resolution by circulation passed by the Board of Directors of Tricom Wind Power (Private) Limited on January 22, 2018.

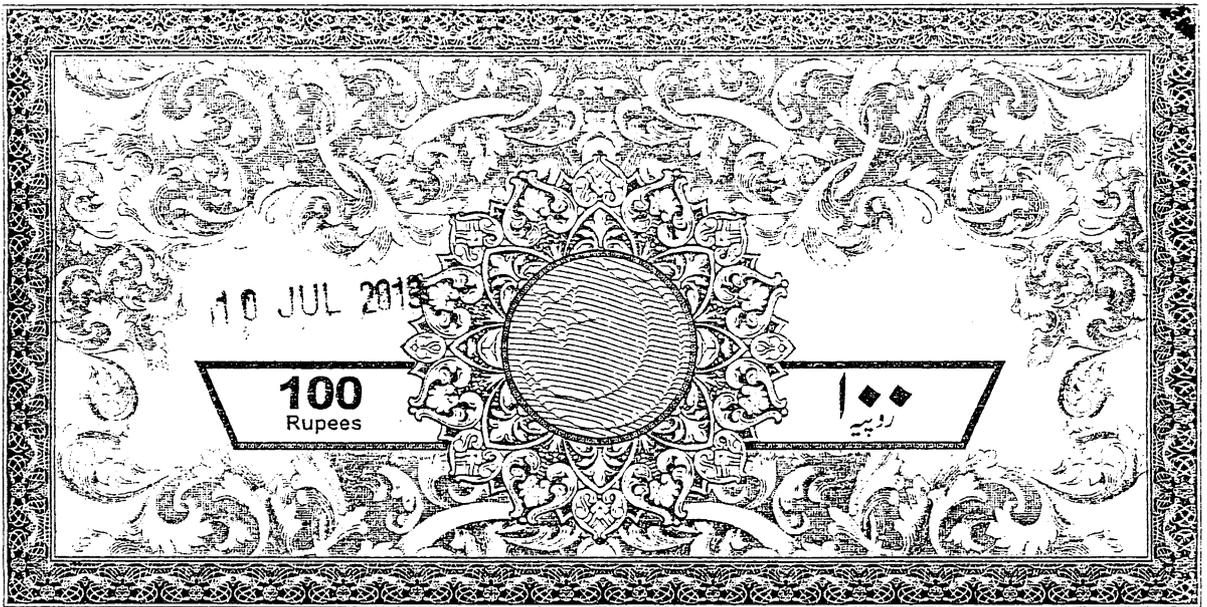


Abdul Sattar Jumani
Chief Executive Officer

September 12, 2019

AFFIDAVIT





MUGHAN ALI STAMP VENDOR
Licence No. 19, Seat No. 58 Day Court Karachi
S No. 1352 DATE _____
MUGHAMMAD NAWAZ
ADVOCATE
Karachi

10 JUL 2019

RUPEES ONE HUNDRED ONLY

FIA-5



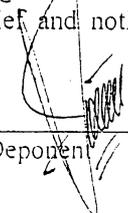
BEFORE
THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

50 MW TRICOM WIND POWER PRIVATE LIMITED AT JHIMPIR, SINDH,
PAKISTAN

AFFIDAVIT

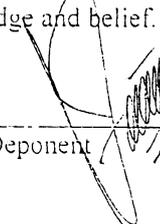
I, Abdul Sattar Jumani, Chief Executive Officer of Tricom Wind Power (Private) Limited with its registered office located at 7-A, Tabba Street, Muhammad Ali Society, Karachi, Pakistan, do hereby declare and affirm on oath as under:

1. That the accompanying Tariff Modification Petition has been filed before the National Electric Power Regulatory Authority and the contents of the same may kindly be read as an integral part of this affidavit.
2. That the contents of the accompanying Tariff Modification Petition are true and correct to the best of my knowledge and belief and nothing has been concealed or mis-stated therein.


Deponent

Verification

Verified on oath at Karachi on this 12th September 2019 that the contents of the above affidavit are true and correct to the best of my knowledge and belief.


Deponent

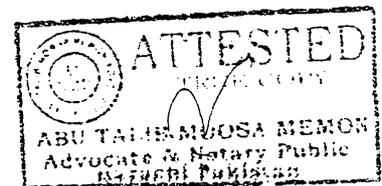
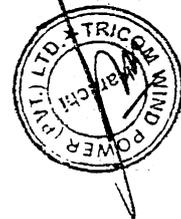


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1. DETAILS OF THE PETITIONER

NAME AND ADDRESS

Tricom Wind Power (Private) Limited.

Address: 7-A, Tabba Street, Muhammad Ali Society, Karachi-75350, Pakistan

Phone #: +92-21-34397701-03

Fax #: +92-21-34382436

REPRESENTATIVES OF TRICOM WIND POWER (PRIVATE) LIMITED

ABDUL SATTAR JUMANI
CHIEF EXECUTIVE OFFICER

DETAILS OF THE PETITIONER

TRICOM WIND POWER (PRIVATE) LIMITED (THE "PETITIONER") HEREBY APPLIES UNDER SECTION 31 OF REGULATION OF GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 READ WITH RULE 3 OF NEPRA TARIFF STANDARD AND PROCEDURE RULES, 1998 AND ALL APPLICABLE PROVISIONS OF OTHER NEPRA LAWS FOR THE MODIFICATION PETITION FOR THE AUTHORITY'S DECISION DATED 19TH NOVEMBER 2018 ("REFERENCE TARIFF DETERMINATION").



2. GROUNDS FOR MODIFICATION PETITION

F1A-6

Background Information

Tricom Wind Power (Private) Limited ("TWPL" or the "Project Company"), vide its letter dated 7th March, 2018 submitted its Application for Cost Plus Tariff Determination before the National Electrical Power and Regulatory Authority (the "Authority").

Tariff Determination and the Decision was announced by the Authority vide letter dated 19th November 2018 (Ref No: NEPRA/TRF-442/TWPL-2018/18056-18058) (the "Tariff Decision"). Following the Tariff Decision, TWPL commenced negotiations with EPC Contractors to conclude the EPC Contract at the price allowed by the Authority in the Tariff Decision. Accordingly, the Company entered into EPC Contract with Hangzhou Huachen Electric Power Control Co., Limited and Hydrochina International Engineering Company Limited Pakistan.

The Original Tariff Decision by the Authority was based on certain assumptions which the Petitioner requests the Authority to reconsider, modify and update in light of the prevailing circumstances, as detailed in the following paras.



GROUND FORS FOR MODIFICATION PETITION

(A) Debt Financing Mix and Repayment Term

The Authority in the Tariff Decision determined the tariff based on 100% financing under the SBP concessionary financing scheme at a fixed rate of 6%. The Authority also provided in its determination that in case the Petitioner is not able to secure financing under SBP Scheme, then conventional debt with 13 years repayment term will be allowed at rate of LIBOR plus 4.25% for foreign debt and KIBOR plus 2.25% for local debt.

In the tariff petition, the Petitioner requested for a tariff determination based on mix of local and foreign debt. However, the Authority determined the tariff based on 100% financing to be arranged under SBP RE Refinancing Scheme of 2016 (IH&SMEFD Circular No. 03 of 2016) (SBP Scheme) which was available for projects achieving financial close on or before 30 June 2019. Upon expiry of the SBP RE Refinancing Scheme in June 2019, SBP issued a revised scheme for Renewable Energy (RE) projects under IH&SMEFD Circular No. 10 of 2019 on 26 July 2019 (Revised SBP Scheme).

The Petitioner's Project fall under Category I of the Revised SBP Scheme, for which maximum amount available for Petitioner's project is 50% of the total debt requirement for the Project. Extracts of the Section 7(a)(iii) of Annexure -1 (Eligibility Criteria) of the Revised SBP Scheme is reproduced below for ready reference;

"The refinance under this Scheme shall be up-to 100% of total financing (debt) of an eligible RE project of upto 20 MW and up-to 50% of financing (debt) of an eligible RE Project of more than 20 MW, subject to adherence of other rules & regulations. However, maximum refinance allowed under the Scheme cannot be more than Rs. 6 billion for a single renewable energy project."

The above is confirmed by a letter received from local lenders confirming the financing arrangement under Revised SBP Scheme as attached at **Annexure A** to this petition.

In view of the above, the Project is only able to secure concessionary finance under Revised SBP Scheme for the maximum of 50% of the its debt financing requirements. Accordingly, the Company has arranged the balance debt financing in foreign currency from IFC (Terms Sheet attached at **Annexure B**).

Although the Tariff Determination provides that at the time of COD tariff adjustment the Authority will allow alternate financing in the event SBP financing is not available. Accordingly, since 50% of the financing is being provided by foreign lenders (IFC), they have requested the Company to obtain a revised decision from the Authority acknowledging and reflecting the financing structure based on mix of foreign and Revised SBP Scheme in the reference tariff determination. In this regard, IFC had also met the Authority on 4 April 2019 for the same request and advised the Authority vide its letter dated 25 April 2019 (attached at **Annexure C**).



Furthermore, the Revised SBP Scheme allows the repayment period of not more than 10 years, whereas for alternative financing (foreign or local), the Authority in its decision has directed that the repayment period should not be less than 13 years. The lenders require that the reference tariff table should reflect the repayment schedule and respective tariff components of both financing (i.e. local and foreign) separately with their applicable repayment term.

Based on the above, the Authority is requested to revise its Tariff Determination and tariff table to reflect the financing 50:50 mix of local and foreign financing instead of 100% SBP financing in the following manner;

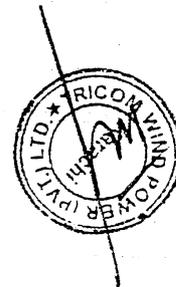
- (a) Local Debt (50% of the total debt requirement)
- | | |
|----------------|---------------------------------------|
| Financing Rate | 6% Fixed under Revised SBP Scheme |
| Repayment Term | 10 years after COD on quarterly basis |
- (b) Foreign Debt (50% of the total debt requirement)
- | | |
|----------------|---------------------------------------|
| Financing Rate | LIBOR plus 4.25% |
| Repayment Term | 13 years after COD on quarterly basis |

(B) Reference Exchange Rate

The Tariff Determination and the Reference Tariff Table is based on the USD/PKR exchange rate of PKR 120. The Authority would appreciate that the current prevailing exchange rate is PKR 160 to USD 1 and is further expected to increase by the time the Project achieves commercial operations.

The Reference Exchange Rate of PKR 120 to USD 1 is not reflective of the prevailing exchange rate. As the Authority would be aware the invoices are made in PKR as per the tariff determination, IFC as foreign lender to the Project, in its letter to NEPRA (Annexure C) and during its meeting with NEPRA also requested the Authority to revise the reference exchange rate so that it is reflective of the prevailing market exchange rate.

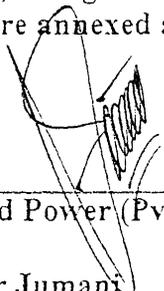
The Authority is requested to modify the Tariff Determination and the tariff table based on most recent exchange rate of USD conversion to PKR (PKR 160 to USD 1).



FLA-1

PRAYER

In light of the foregoing, it is respectfully prayed that the Tariff Determination and the Order may please be modified to reflect the changes in tariff assumptions pertaining to Revised SBP Scheme, foreign financing and exchange rate, the revised debt repayment table and the tariff table are annexed at Annexure D.



Tricom Wind Power (Pvt) Ltd.

Abdul Sattar Jumani
Chief Executive Officer



So

F1A-3

Account Payee Only

Bank AL Habib Limited

1024 MUHAMMAD ALI HOUSING SOCIETY
BLOCK NO. 288 (A) KATHIWAR CO-OPERATIVE HOUSING SOCIETY
LTD ADAMJEE NAGAR KH

NOT OVER PKR 710,752.00 ONLY

Pay to NATIONAL ELECTRIC POWER REGULATORY AUTHORITY A/C No. 10000000000000000000
TRIGOM WIND POWER PVT LTD
Rupees PAKISTAN RUPEES SEVEN HUNDRED TEN THOUSAND SEVEN HUNDRED
THIRTY TWO ONLY

B/C No: 06750219
Stationery/R# No: 00939506/2019/02

2	0	0	0	0	0
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PKR 710,752.00

PAYABLE AT ANY BRANCH IN PAKISTAN

Valid for Twelve Months from the date of issuance

Please do not write below this line



Signature: *[Handwritten Signature]*
 Attorney No: *[Handwritten]*
 Signature: *[Handwritten Signature]*
 PA/Attorney No: *[Handwritten]*

0675021902388888

020 *[Handwritten]*

SO-A



F/A-8

Bank AL Habib Limited

August 22, 2019

Tricom Wind Power (Private) Limited
7-A, Tabba Street, Muhammad Ali Society,
Karachi.
(the "Company")

SUBJECT: DEBT FUNDING PLAN OF COMPANY'S 50 MW WIND POWER GENERATION PROJECT

Dear Sir,

This is with reference to our ongoing discussions regarding arrangement of financing to the Company for its 50 MW wind power generation project at Jhimpir, District Thatta, Sindh (the "Project").

2. We understand that the Company has been awarded tariff determination under a "cost plus" mode with the following financing parameters:

Reference Project Cost	USD 63.906 M
Debt to Equity ratio	80:20
Equity	PKR equivalent of USD 12.781 M
Debt Financing Amount	USD 51.125 M

3. The tariff determination has been provided on the basis, *inter alia*, that the Company will avail financing under the Revised SBP Financing Scheme for Renewable Energy IH&SMEFD Circular No. 03 of 2016 dated 20 June, 2016 (the "SBP Financing Scheme") issued by the State Bank of Pakistan ("SBP"). In addition, the tariff determination allows the Company to arrange debt financing from alternate sources (local or foreign) only after the Company exhausted the option of availing financing under the SBP Financing Scheme up to a maximum of PKR 6,000 Million.

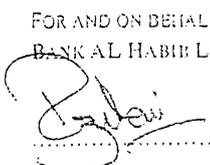
4. We would like to advise you that the SBP Financing Scheme as announced on July 26, 2019 stipulates that maximum financing available under the Scheme for projects more than 20 MW and upto 50 MW cannot exceed 50% of the total debt required for the project. Furthermore, while the overall financing rate under the SBP Financing Scheme remains at 6% for the end user, SBP's own rate has increased from the previous 2% to 3%, while the bank spread has reduced from 4% to 3%.

5. Therefore and given the stipulations under the SBP Financing Scheme, the maximum amount available to be arranged is capped at PKR 4,000 Million (at an assumed USD/PKR parity of 160), which remains subject to compliance with all provisions of the SBP Financing Scheme and final approval of SBP. The remaining Debt Financing Amount is being arranged through International Finance Corporation ("IFC" or the "Foreign Currency Lender") as USD denominated debt.

We remain available should the Company require any additional information or clarification.

Yours sincerely,

FOR AND ON BEHALF OF
BANK AL HABIB LIMITED






PRINCIPAL OFFICE: 2nd FLOOR MACKINNON'S BUILDING, 11, CHUNDRIGAR ROAD, KARACHI-PAKISTAN
PHONES: (92-21) 32412421-32412986 & 111-786-110 FAX: (92-21) 32419752 & 32401171
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51

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Singapore 049909
+65 6230 3800

wmccormack@shearman.com
(65) 6230 3877

11-September 2019

National Electric Power Regulatory Authority
("NEPRA")

Dear Sirs

Tricom Wind Power Project - Tariff Petition - Financing Term Sheet

We are instructed to act for International Finance Corporation ("IFC"), for its own account and as Implementing Entity for the Managed Co-Lending Portfolio Program ("MCP") and a consortium of local banks led by Bank AL Habib Limited ("BAHL", and together with IFC, the "Financiers") in relation to the financing of the 50MW wind power project developed by Tricom Wind Power (Private) Limited (the "Company") to be located in Jhimpir, Sindh Province, Pakistan (the "Tricom Project").

We attach a term sheet reflecting the proposed terms of the financing for the Tricom Project. The Financiers confirm that they have obtained initial concept clearance to provide project financing to the Company for the Tricom Project on the basis of this term sheet. The term sheet and the provision of the financing remain subject to each of the Financiers obtaining board and management approval and completing their due diligence on the Tricom Project, including legal, technical, environmental and financial due diligence.

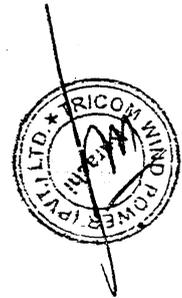
This letter is provided to you to assist the Company in obtaining approval of its revised Tariff Determination request. It is not legally binding and the Financiers make no representation regarding the Tricom Project or their participation therein. This letter does not indicate (and should not be construed as indicating) that the Financiers are committed to provide financing to the Company or the Tricom Project, nor the terms of any such financing.

Yours sincerely

Shearman & Sterling

Shearman & Sterling LLP

Attachment



SHEARMAN.COM

Shearman & Sterling LLP is a limited liability partnership organized in the United States under the laws of the state of Delaware, which laws limit the personal liability of partners.

**TRICOM WIND POWER PROJECT: INDICATIVE TERM SHEET
FOR THE PROPOSED FINANCING OF THE 50 MW WIND POWER PROJECT
TO BE LOCATED IN JHIMPIR, SINDH PROVINCE, PAKISTAN**

This Term Sheet is a summary of the principal terms that may apply to the proposed financing of the Project. It is intended to serve as a basis for discussion only.

This Term Sheet does not constitute an offer or a commitment by the Financiers. Each Financier's decision to invest in the Project is contingent upon approval by its management, credit committee and/or Board of Directors, satisfactory completion of the Financiers' legal, technical, insurance, environmental financial and general appraisal and due diligence and execution of final documentation in form and substance satisfactory to all Financiers.

- | | | |
|----|----------------|---|
| 1. | Borrower | Tricom Wind Power (Private) Limited (the “ Borrower ”). |
| 2. | Sponsors | Lucky Energy (Private) Limited and Lucky Textile Mills Limited, |
| 3. | Shareholders | The Sponsors in the following proportions: Lucky Energy (Private) Limited (49%) and Lucky Textile Mills Limited (51%) |
| 4. | Guarantors | Equity Guarantors: the Sponsors on a joint and several basis with respect to any financial obligations, and on several basis with respect to any other obligations.

EPC Guarantor: Power Construction Corporation of China Limited.
O&M Guarantor: Power Construction Corporation of China Limited. |
| 5. | EPC Contractor | Hangzhou Huachen Electric Power Control Co., Limited as Supplier and Hydrochina International Engineering Company Limited Pakistan as EPC Contractor |
| 6. | Financiers | International Finance Corporation (“ IFC ”), for its own account and as Implementing Entity for the Managed Co-Lending Portfolio Program (“ MCPP ”), and consortium of local banks led by Bank AL Habib Limited (“ BAHL ”). |
| 7. | O&M Operator | Hydrochina International Engineering Company Limited Pakistan. |
| 8. | Project | The development, financing, design, engineering, procurement, manufacture, construction, permitting, completion, testing, commissioning, insurance, operation and maintenance of a 50 MW wind power project to be located in Jhimpir, Sindh Province, Pakistan (the “ Project ”). |



9.

<i>Facilities</i>		
Financier	Indicative Commitment (assuming Project Cost of US\$63.9)	Margin ¹
IFC	Up to US\$25.8 million by way of a term loan facility (the “ IFC Facility ”) comprising of: <ul style="list-style-type: none"> • IFC A Loan of up to US\$12.9 million; and • MCPP Loan of up to US\$12.9 million⁵ 	3-month LIBOR + 425 bps 3-month LIBOR + 425 bps
Consortium of local banks led by Bank AL Habib Limited	Up to PKR 4,000 Million (equivalent of up to US\$ 25.8 million) by way of local financing facility (the “ Local BAHL Facility ”)	Fixed annual rate of 600 bps (based on availability of the SBP Scheme as defined below) or 3-month KIBOR + 225 bps (if the SBP Scheme is not available) ²

10. Purpose of Facilities To finance up to 80%³ (where [80:20]⁴ shall be the “**Project Debt to Equity Ratio**”) of the Project Cost to develop and construct the Project in accordance with a budget and financial model (“**Financial Model**”), as approved by the Financiers and resulting from the due diligence process on, inter alia, investment costs, tariff, energy generation, operation costs, maintenance capex requirements showing the banking base case agreed by the Financiers (the “**Base Case**”) to finance up to 80% of the Project Costs (where 80:20 shall be the “**NEPRA Debt to Equity Ratio**”) that are recoverable through the tariff mechanism approved by NEPRA from time to time.

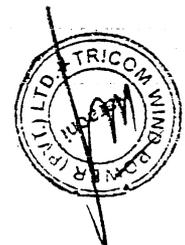
11. Working Capital Facility A revolving working capital facility of up to PKR equivalent of US\$ 4.50 million (assuming Project Cost of US\$63.9) shall be provided by Bank Al Habib Limited as working capital lender in accordance with agreed terms

¹ Financiers require that the NEPRA approval reflects the spread (and fees, if any) agreed with the Financiers prior to their first disbursement.

² The fixed interest rate of 600 bps assumes that the financing scheme for renewable energy issued by the State Bank of Pakistan (“**SBP**”) pursuant to circular no. 10 of 2019 dated 26 July 2019 (the “**SBP Scheme**”) is available with respect to the Local BAHL Facility. If the SBP Scheme is not available or only partly available prior to commitment/signing, a modified NEPRA tariff would need to be provided to reflect the terms of the Local BAHL Facility at KIBOR plus spread of 2.25% and the BAHL Repayment Schedule (currently included in Annex B) would need to be revised to be similar to that for the IFC Facility (as enclosed in Annex A). Detailed terms to be reflected in documentation.

³ Subject to Financiers’ financial model review.

⁴ Subject to Financiers’ financial model review and overall due diligence.



("Working Capital Facility") where the provider of such Working Capital Facility shall benefit from a second-ranking security over the Borrower's assets which is subordinated to the security of the Financiers.

12. Principal Repayment

Repayment of the Facilities will start on the Interest Payment Date falling on or immediately following the earlier of the date occurring: (i) 3 months after the Commercial Operation Date (as defined under the EPA), (ii) 27 months (grace period) after signing of the common terms agreement between the Borrower and the Financiers (the "**Common Terms Agreement**"), and (iii) 24 months (grace period) after the first disbursement under the Local BAML Facility. Subsequent principal repayments will be made on each subsequently occurring Interest Payment Date thereafter.

Principal repayment shall be made: (i) with respect to IFC Facility, in accordance with a schedule of up to 52 quarterly repayments reflecting a mortgage-style repayment profile consistent with the IFC Repayment Schedule attached as Annex A, and (ii) with respect to the Local BAML Facility, in accordance with a schedule of up to 40 quarterly repayments reflecting a mortgage-style repayment profile consistent with the BAML Repayment Schedule attached as Annex B.

The door-to-door tenor shall not exceed: (i) for the IFC Facility, 15.25 years from the signing of the Common Terms Agreement until the final repayment (the "**Foreign Final Maturity Date**"), and (ii) for the Local BAML Facility, 12 years from the date of the first disbursement until the final repayment (the "**Local Final Maturity Date**").

13. Fees

Front-end fee: 1% of the amount of the IFC Facility and the Local BAML Facility, to be paid no later than the earlier of:

- (i) 30 days after signing of the Common Terms Agreement; and
- (ii) the date of issuance of the disbursement request for the first disbursement.

Commitment Fee: 0.5% per annum, computed on the basis of the actual number of days elapsed and a year of 360 days, on the undisbursed amount of the Facilities, to be paid quarterly in arrears on each interest payment date and commencing to accrue upon signing of the Common Terms Agreement.

Portfolio Supervision Fee: of US\$10,000 per annum for expenses which are incurred by IFC for its portfolio supervision activities.

Other fees as set out in any relevant fee letter(s).



14. Interest Payment Dates Quarterly⁵ in each year.
15. Default Rate 2% per annum above the applicable interest rate.⁶
16. Debt-to-Equity Ratio No higher than 80:20 subject to results of financial model and approval by NEPRA of Project Costs to be financed.
17. Debt Service Reserve Account ("DSRA") and Major Maintenance Reserve Account ("MMRA") An offshore (US\$) debt service reserve account shall be established by the Borrower with the relevant Account Bank with respect to the IFC Facility and an onshore (PKR) debt service reserve account shall be established by the Borrower with the relevant Account Bank with respect to the Local BAHF Facility. The minimum required balance of each such account shall be sized to cover an amount equal to the highest amount of principal repayment and interest under the applicable facility indicated in the financial model for any consecutive 6-month period.
- Major maintenance reserve account to be established in accordance with Financiers' (and EPA) requirements.⁷
18. Sponsor Support The portion of the Project Cost which is not funded by the Facilities shall be funded by the Sponsors in the form of common equity ("**Base Equity**").
- In addition to the Base Equity and the obligation to fill up the DSRA, the Sponsors will undertake to provide to the Borrower additional funds / Standby Letter of Credit ("**Contingent Equity**") in a maximum aggregate amount to be agreed for the purpose of funding any Deficiency (defined below).
- The indicative amount of Sponsors' equity commitments is as follows:
- aggregate amount of [US\$15.6 million] of Base Equity, comprising of Base Equity funded by Lucky Energy of up to US\$ [7.6] million and Base Equity funded by Lucky Textile of up to US\$ [8.0] million; and
 - aggregate amount of [US\$4.3 million] of Contingent Equity, comprising of Contingent Equity funded by Lucky Energy of up to US\$ [2.1] million and Contingent Equity funded by Lucky Textile of up to US\$ [2.2] million.
- Deficiency:** Following full utilisation of the Base Equity, any shortfall of funds needed by the Borrower (as determined by the Borrower or the Financiers) for purposes of the Project achieving the applicable project completion date (other than the requirement to fund the initial minimum DSRA required balance), as further detailed in documentation.
- Excess Debt:** Following the determination or "true-up" by NEPRA of the final tariff for the Project, the Financiers may require the Sponsors to prepay

⁵ Dates to be discussed. Subject to confirmation of EPA base rate benchmark.

⁶ Default interest rate for the local facility to be aligned accordingly in accordance with the SBP structure.

⁷ Requirement for major maintenance reserve account subject to due diligence, including Financiers' Technical Advisor input. If required, minimum required balance to be agreed.



any amounts outstanding under the Facilities in excess of the debt amount that is ultimately approved by NEPRA in determining the true-up tariff after the Commercial Operation Date (as defined under the EPA) as such debt amount may be reduced by payments made or invoiced on account of the reference debt service component of the tariff ("Excess Debt") to the extent the Borrower fails to fully prepay the Excess Debt as allowed under the Financing Documents.

19. Share Retention

For so long as any part of the Facilities is outstanding or any amount is available for disbursement under the Financing Documents, the Sponsors shall be subject to share retention undertakings in respect of the shares the Borrower.

The Financiers' share pledge shall at all times be in respect of 100% of the shares in the Borrower, and any permitted transfer of the pledged shares shall be subject to the share pledge.

20. Other Payments

Borrower to pay or reimburse the Financiers in respect of:

- (i) increased costs resulting from a change of law or regulations;
- (ii) unwinding/breakage costs, i.e., any cost or loss in unwinding funding arrangements resulting from prepaying the Facilities or from failing to borrow or prepay in accordance with a request for disbursement or notice of prepayment;
- (iii) withholding taxes, if any (tax gross-up);
- (iv) all taxes (including stamp taxes) or other charges payable on any of the Financing Documents;
- (v) legal fees and expenses relating to (A) the preparation, execution, implementation, administration and enforcement of the Transaction Documents, (B) the protection of Financiers' interests under the Financing Documents and (C) the release of the Security after repayment of the Facilities;
- (vi) the fees described in item 12 above;
- (vii) amounts (to be agreed with the Borrower at the time) to compensate the Financiers for additional work required in connection with any restructuring; and
- (viii) any other expenses/fees incurred for the processing of waivers and amendments and/or fees for technical, environmental, social and other consultants, the scope of work for whom shall (in the absence of an event of default or potential event of default or an event likely to result in a material adverse effect) be agreed with the Borrower, such agreement not to be unreasonably withheld.

In addition to the above, the Borrower shall pay and reimburse to each of the Financiers the fees and expenses payable by the Borrower in accordance with the respective mandate letters signed between the Borrower and each Financier.



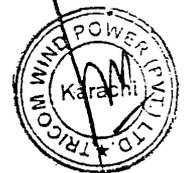
21. Voluntary Prepayment The Facilities are prepayable upon 30 days' notice, subject to terms and conditions to be agreed.
22. Mandatory Prepayment The Financing Documents will include customary mandatory prepayment provisions.
23. Representations and warranties;
Conditions of Disbursement;
Covenants; Events of Default Customary and appropriate for the Borrower and Sponsors, reflecting the Financiers' respective policies and requirements and subject to certain customary exceptions (relating to materiality and actual knowledge) and legal qualifications to be agreed in the documentation.
24. Security The obligations of the Borrower under the Financing Documents will be secured by a first ranking security interest in favour of the Financiers over, inter alia: (i) all tangible and intangible assets of the Borrower (other than any distribution and/or restricted payment accounts, receivables, inventories, etc.); (ii) all Project documents and concessions, including the Project site lease and, to the extent permitted under the relevant laws, all licences, consents, permits, etc. associated with the Project and any related performance/warranty bonds; (iii) any letters of credit provided by the Sponsors; (iv) all shares in the Borrower and its subordinated loans; (v) insurance and reinsurance policies; (vi) direct agreements or acknowledgments and consents with the counterparties to the Project documents; and (vii) other forms of security permitted by applicable country laws and appropriate for the Project.
25. Governing Law English Law (e.g. Common Terms Agreement, IFC Facility Agreement, Accounts Agreement, Sponsor Support Agreement and Intercreditor Agreement) and/or Pakistan Law (e.g. certain Security Documents and the Local BAHL Facility documentation), as appropriate.



[Please note that Annex A and Annex B reflect mortgage repayment schedules that the repayments should be based on. The second and final repayment % for each of the IFC Facility and the Local BAHL Facility may be adjusted depending on which date the first repayment falls on (see section 11 (*Principal Repayment*) above).]

ANNEX A: IFC REPAYMENT SCHEDULE

First Repayment Date	1.21%
Second Repayment Date	1.23%
Third Repayment Date	1.26%
Fourth Repayment Date	1.28%
Fifth Repayment Date	1.30%
Sixth Repayment Date	1.32%
Seventh Repayment Date	1.34%
Eighth Repayment Date	1.37%
Ninth Repayment Date	1.39%
Tenth Repayment Date	1.41%
Eleventh Repayment Date	1.44%
Twelfth Repayment Date	1.46%
Thirteenth Repayment Date	1.48%
Fourteenth Repayment Date	1.51%
Fifteenth Repayment Date	1.54%
Sixteenth Repayment Date	1.56%
Seventeenth Repayment Date	1.59%
Eighteenth Repayment Date	1.62%
Nineteenth Repayment Date	1.64%
Twentieth Repayment Date	1.67%
Twenty-first Repayment Date	1.70%
Twenty-second Repayment Date	1.73%
Twenty-third Repayment Date	1.76%
Twenty-fourth Repayment Date	1.79%
Twenty-fifth Repayment Date	1.82%
Twenty-sixth Repayment Date	1.85%
Twenty-seventh Repayment Date	1.88%
Twenty-eighth Repayment Date	1.91%
Twenty-ninth Repayment Date	1.94%
Thirtieth Repayment Date	1.98%
Thirty-first Repayment Date	2.01%
Thirty-second Repayment Date	2.05%
Thirty-third Repayment Date	2.08%
Thirty-fourth Repayment Date	2.11%
Thirty-fifth Repayment Date	2.15%
Thirty-sixth Repayment Date	2.19%
Thirty-seventh Repayment Date	2.22%
Thirty-eighth Repayment Date	2.26%

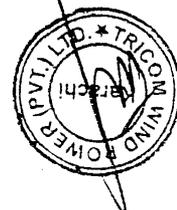


Thirty-ninth Repayment Date	2.30%
Fortieth Repayment Date	2.34%
Forty-first Repayment Date	2.38%
Forty-second Repayment Date	2.42%
Forty-third Repayment Date	2.46%
Forty-fourth Repayment Date	2.50%
Forty-fifth Repayment Date	2.54%
Forty-sixth Repayment Date	2.59%
Forty-seventh Repayment Date	2.63%
Forty-eighth Repayment Date	2.68%
Forty-ninth Repayment Date	2.72%
Fiftieth Repayment Date	2.77%
Fifty-first Repayment Date	2.81%
Fifty-second Repayment Date	2.81%



ANNEX B: BAHL REPAYMENT SCHEDULE

First Repayment Date	1.84%
Second Repayment Date	1.87%
Third Repayment Date	1.90%
Fourth Repayment Date	1.93%
Fifth Repayment Date	1.96%
Sixth Repayment Date	1.99%
Seventh Repayment Date	2.01%
Eighth Repayment Date	2.05%
Ninth Repayment Date	2.08%
Tenth Repayment Date	2.11%
Eleventh Repayment Date	2.14%
Twelfth Repayment Date	2.17%
Thirteenth Repayment Date	2.20%
Fourteenth Repayment Date	2.24%
Fifteenth Repayment Date	2.27%
Sixteenth Repayment Date	2.30%
Seventeenth Repayment Date	2.34%
Eighteenth Repayment Date	2.37%
Nineteenth Repayment Date	2.41%
Twentieth Repayment Date	2.45%
Twenty-first Repayment Date	2.48%
Twenty-second Repayment Date	2.52%
Twenty-third Repayment Date	2.56%
Twenty-fourth Repayment Date	2.60%
Twenty-fifth Repayment Date	2.63%
Twenty-sixth Repayment Date	2.67%
Twenty-seventh Repayment Date	2.71%
Twenty-eighth Repayment Date	2.75%
Twenty-ninth Repayment Date	2.80%
Thirtieth Repayment Date	2.84%
Thirty-first Repayment Date	2.88%
Thirty-second Repayment Date	2.92%
Thirty-third Repayment Date	2.97%
Thirty-fourth Repayment Date	3.01%
Thirty-fifth Repayment Date	3.06%
Thirty-sixth Repayment Date	3.10%
Thirty-seventh Repayment Date	3.15%
Thirty-eighth Repayment Date	3.20%
Thirty-ninth Repayment Date	3.24%
Fortieth Repayment Date	3.28%





IFC

International
Finance Corporation
WORLD BANK GROUP

April 25th, 2019

Mr. Saif Ullah Chattha
Member, National Electric Power Regulatory Authority

Mr. Syed Insaif Ahmed
Senior Advisor

Mr. Ali Feroz Khan
Dy Director

NEPRA Tower Attaturk Avenue (East)
Sector G-5/1, Islamabad
Islamabad, Pakistan

Dear Sirs,

Subject: Clarifications in respect of the Wind Power Projects

Thank you for meeting with us on 4 April 2019 at the offices of the National Electric Power Regulatory Authority ("NEPRA").

As discussed, International Finance Corporation ("IFC") are considering investments in six wind power projects (the "Projects") to be constructed by various independent power producers, and for which tariff determinations have been issued (the "Tariff Determinations").

The Tariff Determinations however raise a number of concerns in the context of the IFC proposed financing. Amongst others, the Tariff Determinations:

- Assume that all financing of the Projects will be denominated in PKR, subject to a 6% interest rate with a repayment period of ten (10) years.
- Assume an initial PKR/US\$ exchange rate of 120 until true-up.
- Provide for the actual financing mix to be reflected only upon true-up after COD.

The Projects will have a mix of US\$ and PKR financing in each case. If the tariff is not adjusted to reflect this and the terms of the US\$ financing to be provided by IFC until post-COD, it is a material divergence from precedents. Importantly, such assumptions will result in foreign lenders assuming risks typically not allocated to lenders pre-COD, the nature of which raise fundamental bankability issues for IFC.

We discussed these concerns during our meeting. We are extremely encouraged by our discussions with you that NEPRA recognizes these concerns and have proposed that the Projects file a tariff modification petition on the following basis:

- (i) To be submitted once the term sheet is finalized and before Financial Close.



(ii) Each petition to be accompanied by supporting documents evidencing the inapplicability of the SBP Scheme or the inability of the Project to obtain financing thereunder, along with the term sheet(s); and

(iii) A request for an updated PKR/US\$ exchange rate that reflects the prevailing exchange rate.

A determination issued by NEPRA upon a modification petition would indicate the reference tariff table based on the foreign debt financing as outlined in the term sheet submitted with the petition, reflecting the actual tenor agreed by the Project with the foreign financiers and the standard indexations as awarded to the Project based on foreign debt, including adjustments on account of exchange rate fluctuations and LIBOR. Such reference tariff table would form part of the EPA at Financial Close.

On a separate but related point, we ask for NEPRA's support and assistance in facilitating certain changes that CPPA-G need to initiate to the Commercial Code, 2015 (the "Code") to extend the benefits of the "savings provision" of the Code to the Projects¹. In view of NEPRA's role as regulator of the country's power sector, your support and approval to the amendments that need to be effected to the Code by CPPA-G will be key in ensuring that fundamental mismatches between the Code and the bilateral EPA to be entered into by the Projects are addressed, so as to ensure the financeability of these Projects.

We extend our sincere gratitude to NEPRA for understanding our concerns and giving us the platform to present our case in person. We would welcome your acknowledgement of the above.

We look forward to working with NEPRA and the relevant stakeholders to develop a bankable set of documents which takes into account the evolving nature of the power sector and balances the interest of all participants for the success of these Projects.

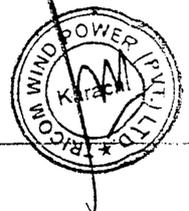
Yours sincerely,



Nadeem Siddiqui
Senior Manager
International Finance Corporation
Islamabad, Pakistan

CC:
CEO, Central Power Purchasing Agency (Guaranteed) Limited
CEO, Alternative Energy Development Board

¹ Certain changes to the Code effected by NEPRA pursuant to its order dated 16 November 2018 provide, inter alia, that all payment(s) to be made by CPPA-G to the relevant Projects shall be contingent upon payments being received from the relevant distribution companies and therefore any delay or failure in payment by the relevant distribution company would adversely affect the payments to be made by CPPA-G under the energy purchase agreement to be entered into with the Projects.



FLA-2

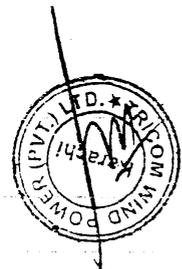
Annexure - D

Tricom Wind Power (Private) Limited
Revised Tariff Table

Year	O&M Local	O&M foreign	Insurance	ROE	ROEDC	Foreign Debt Repayment	Local Debt Repayment	Tariff PKR/kWh	Tariff US Cents/kWh
1	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
2	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
3	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
4	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
5	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
6	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
7	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
8	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
9	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
10	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	3.2888	9.2914	5.8071
11	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
12	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
13	0.5528	0.5528	0.2228	1.7218	0.1552	2.7973	-	6.0025	3.7516
14	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
15	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
16	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
17	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
18	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
19	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
20	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
21	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
22	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
23	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
24	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
25	0.5528	0.5528	0.2228	1.7218	0.1552	-	-	3.2053	2.0033
Levelized Tariff								7.6206	4.7629

Note:

For computation of Interest During Construction (IDC) and Return of Equity During Construction (ROEDC), we have used the same disbursement percentages and computation mechanism as used in the original Tariff Determination. However, IDC and ROEDC shall be adjusted at the time of COD tariff adjustment on the basis of actual disbursements of debt and equity.



57-A

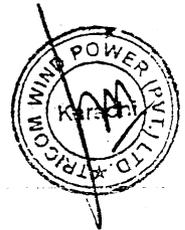
Tricom Wind Power (Private) Limited
Foreign Debt Servicing Schedule

Year	Base Amount (USD)	Repayment	Interest	Closing Balance	Principal Repayment PKR/kWh	Interest Repayment PKR/kWh
1	25,587,074	319,724	407,738	25,267,350		
1	25,267,350	324,819	402,643	24,942,531	1.2551	1.3381
1	24,942,531	329,995	397,467	24,612,535		
1	24,612,535	335,254	392,209	24,277,282		
2	24,277,282	340,596	386,866	23,936,686		
2	23,936,686	346,024	381,439	23,590,662	1.3413	1.4360
2	23,590,662	351,538	375,925	23,239,125		
2	23,239,125	357,139	370,322	22,881,985		
3	22,881,985	362,831	364,632	22,519,155		
3	22,519,155	368,612	358,850	22,150,542	1.4289	1.3684
3	22,150,542	374,486	352,976	21,776,056		
3	21,776,056	380,454	347,009	21,395,602		
4	21,395,602	386,517	340,946	21,009,085		
4	21,009,085	392,676	334,787	20,616,409	1.5221	1.2751
4	20,616,409	398,933	328,529	20,217,476		
4	20,217,476	405,290	322,172	19,812,186		
5	19,812,186	411,749	315,714	19,400,427		
5	19,400,427	418,310	309,152	18,982,127	1.6215	1.1757
5	18,982,127	424,976	302,486	18,557,151		
5	18,557,151	431,748	295,714	18,125,403		
6	18,125,403	438,628	288,834	17,686,774		
6	17,686,774	445,618	281,844	17,241,156	1.7274	1.0699
6	17,241,156	452,719	274,743	16,788,437		
6	16,788,437	459,933	267,529	16,328,504		
7	16,328,504	467,262	260,200	15,861,242		
7	15,861,242	474,708	252,754	15,386,533	1.8401	0.9571
7	15,386,533	482,273	245,189	14,904,260		
7	14,904,260	489,956	237,504	14,414,302		
8	14,414,302	497,766	229,697	13,916,536		
8	13,916,536	505,698	221,768	13,410,838	1.9603	0.8370
8	13,410,838	513,756	213,706	12,897,082		
8	12,897,082	521,943	205,519	12,375,139		
9	12,375,139	530,261	197,202	11,844,878		
9	11,844,878	538,710	188,752	11,306,168	2.0882	0.7090
9	11,306,168	547,295	180,167	10,758,873		
9	10,758,873	556,016	171,446	10,202,856		
10	10,202,856	564,877	162,588	9,637,980		
10	9,637,980	573,878	153,584	9,064,102	2.2246	0.5727
10	9,064,102	583,023	144,439	8,481,078		
10	8,481,078	592,314	135,149	7,888,765		
11	7,888,765	601,752	125,710	7,287,012		
11	7,287,012	611,342	116,121	6,675,671	2.3698	0.4275
11	6,675,671	621,083	106,379	6,054,587		
11	6,054,587	630,981	96,482	5,423,607		
12	5,423,607	641,036	86,427	4,782,571		
12	4,782,571	651,251	76,212	4,131,321	2.5245	0.2728
12	4,131,321	661,629	65,834	3,469,692		
12	3,469,692	672,172	55,291	2,797,520		
12	2,797,520	682,883	44,579	2,114,637		
13	2,114,637	693,765	33,697	1,420,872	2.6893	0.1080
13	1,420,872	704,820	22,642	716,052		
13	716,052	716,052	11,411	-		



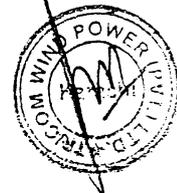
Tricom Wind Power (Private) Limited
SBP Debt Servicing Schedule

Year	Base Amount (PKR)	Repayment	Interest	Closing Balance	Principal Reayment PKR/kWh	Interest Reayment PKR/kWh
1	4,093,931,791	75,439,297	61,408,977	4,013,492,493		
1	4,018,492,493	76,570,887	60,277,387	3,941,921,606	1.8542	1.4346
1	3,941,921,606	77,719,450	59,129,824	3,864,202,156		
1	3,864,202,156	78,885,242	57,969,032	3,785,316,914		
2	3,785,316,914	80,068,521	56,779,754	3,705,248,394		
2	3,705,248,394	81,269,548	55,578,726	3,623,978,845	1.9680	1.3208
2	3,623,978,845	82,488,592	54,359,633	3,541,490,254		
2	3,541,490,254	83,725,921	53,122,354	3,457,764,333		
3	3,457,764,333	84,981,809	51,866,465	3,372,782,524		
3	3,372,782,524	86,256,535	50,591,738	3,286,525,987	2.0888	1.2001
3	3,286,525,987	87,550,385	49,297,890	3,198,975,603		
3	3,198,975,603	88,863,640	47,984,634	3,110,111,962		
4	3,110,111,962	90,196,595	46,651,679	3,019,915,368		
4	3,019,915,368	91,549,544	45,298,731	2,928,365,824	2.2169	1.0719
4	2,928,365,824	92,922,787	43,925,487	2,835,443,037		
4	2,835,443,037	94,316,629	42,531,646	2,741,126,408		
5	2,741,126,408	95,731,378	41,116,896	2,645,395,030		
5	2,645,395,030	97,167,349	39,680,925	2,548,227,681	2.3530	0.9359
5	2,548,227,681	98,624,839	38,223,415	2,449,602,822		
5	2,449,602,822	100,104,232	36,744,642	2,349,498,590		
6	2,349,498,590	101,605,795	35,242,479	2,247,892,795		
6	2,247,892,795	103,129,832	33,718,392	2,144,762,912	2.4974	0.7915
6	2,144,762,912	104,676,831	32,171,444	2,040,086,082		
6	2,040,086,082	106,246,933	30,601,291	1,933,839,098		
7	1,933,839,098	107,849,628	29,007,586	1,825,998,411		
7	1,825,998,411	109,488,298	27,389,876	1,716,540,112	2.6506	0.6382
7	1,716,540,112	111,160,173	25,748,102	1,605,439,940		
7	1,605,439,940	112,866,675	24,081,599	1,492,673,265		
8	1,492,673,265	114,453,175	22,390,099	1,378,215,089		
8	1,378,215,089	116,175,048	20,673,226	1,262,040,041	2.8133	0.4756
8	1,262,040,041	117,917,674	18,930,601	1,144,122,368		
8	1,144,122,368	119,688,439	17,161,836	1,024,435,929		
9	1,024,435,929	121,491,735	15,366,539	902,954,193		
9	902,954,193	123,303,961	13,544,313	779,650,232	2.9859	0.3030
9	779,650,232	125,153,521	11,694,753	654,496,711		
9	654,496,711	127,030,824	9,817,451	527,465,838		
10	527,465,838	128,936,286	7,911,938	398,529,602		
10	398,529,602	130,870,330	5,977,344	267,659,271	3.1691	0.1197
10	267,659,271	132,833,385	4,014,839	134,825,886		
10	134,825,886	134,825,886	2,022,388	-		



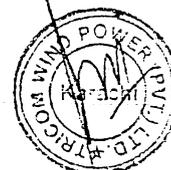
TRICOM WIND POWER (PRIVATE) LIMITED
REFERENCE TARIFF TABLE

Year	Foreign O & M	Local O & M	Insurance	Return on Equity	ROEDC	Loan Repayment	Interest Charges	Tariff
	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh
1	0.4146	0.4146	0.1671	1.2901	0.1163	2.7786	2.1499	7.3311
2	0.4146	0.4146	0.1671	1.2901	0.1163	2.9491	1.9793	7.3311
3	0.4146	0.4146	0.1671	1.2901	0.1163	3.1301	1.7894	7.3311
4	0.4146	0.4146	0.1671	1.2901	0.1163	3.3222	1.6063	7.3311
5	0.4146	0.4146	0.1671	1.2901	0.1163	3.5260	1.4024	7.3311
6	0.4146	0.4146	0.1671	1.2901	0.1163	3.7424	1.1861	7.3311
7	0.4146	0.4146	0.1671	1.2901	0.1163	3.9721	0.9564	7.3311
8	0.4146	0.4146	0.1671	1.2901	0.1163	4.2158	0.7127	7.3311
9	0.4146	0.4146	0.1671	1.2901	0.1163	4.4745	0.4540	7.3311
10	0.4146	0.4146	0.1671	1.2901	0.1163	4.7491	0.1794	7.3311
11	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
12	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
13	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
14	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
15	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
16	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
17	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
18	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
19	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
20	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
21	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
22	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
23	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
24	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
25	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
Levelized Tariff	0.4146	0.4146	0.1671	1.2901	0.1163	2.3818	0.9545	5.7388



TRICOM WIND POWER (PRIVATE) LIMITED
DEBT SERVICE SCHEDULE

Relevant Quarters	Base amount (USD)	Principal Repayment (USD)	Interest (USD)	Balance Principal (USD)	Total Debt Service (USD)	Annual Principal Repayment Rs. / kWh	Annual Interest Rs. / kWh
1	51,124,729	942,081	766,871	50,182,649	1,708,952		
2	50,182,649	956,212	752,740	49,226,437	1,708,952	2.7786	2.1499
3	49,226,437	970,555	738,397	48,255,882	1,708,952		
4	48,255,882	985,113	723,839	47,270,769	1,708,952		
5	47,270,769	999,890	709,062	46,270,879	1,708,952		
6	46,270,879	1,014,888	694,064	45,255,990	1,708,952	2.9491	1.9793
7	45,255,990	1,030,112	678,840	44,225,879	1,708,952		
8	44,225,879	1,045,563	663,389	43,180,315	1,708,952		
9	43,180,315	1,061,247	647,705	42,119,069	1,708,952		
10	42,119,069	1,077,166	631,786	41,041,903	1,708,952	3.1301	1.7984
11	41,041,903	1,093,323	615,629	39,948,580	1,708,952		
12	39,948,580	1,109,723	599,229	38,838,857	1,708,952		
13	38,838,857	1,126,369	582,583	37,712,489	1,708,952		
14	37,712,489	1,143,264	565,688	36,569,224	1,708,952	3.3222	1.6063
15	36,569,224	1,160,413	548,539	35,408,811	1,708,952		
16	35,408,811	1,177,819	531,133	34,230,992	1,708,952		
17	34,230,992	1,195,487	513,465	33,035,505	1,708,952		
18	33,035,505	1,213,419	495,533	31,822,086	1,708,952	3.5260	1.4024
19	31,822,086	1,231,620	477,332	30,590,466	1,708,952		
20	30,590,466	1,250,095	458,857	29,340,372	1,708,952		
21	29,340,372	1,268,846	440,106	28,071,526	1,708,952		
22	28,071,526	1,287,879	421,073	26,783,647	1,708,952	3.7424	1.1861
23	26,783,647	1,307,197	401,755	25,476,450	1,708,952		
24	25,476,450	1,326,805	382,147	24,149,645	1,708,952		
25	24,149,645	1,346,707	362,245	22,802,938	1,708,952		
26	22,802,938	1,366,907	342,045	21,436,031	1,708,952	3.9721	0.9564
27	21,436,031	1,387,411	321,541	20,048,620	1,708,952		
28	20,048,620	1,408,222	300,730	18,640,398	1,708,952		
29	18,640,398	1,429,346	279,606	17,211,052	1,708,952		
30	17,211,052	1,450,786	258,166	15,760,266	1,708,952	4.2158	0.7127
31	15,760,266	1,472,548	236,404	14,287,719	1,708,952		
32	14,287,719	1,494,636	214,316	12,793,083	1,708,952		
33	12,793,083	1,517,055	191,897	11,276,028	1,708,952		
34	11,276,028	1,539,811	169,141	9,736,217	1,708,952	4.4745	0.4540
35	9,736,217	1,562,908	146,044	8,173,308	1,708,952		
36	8,173,308	1,586,352	122,600	6,586,957	1,708,952		
37	6,586,957	1,610,147	98,805	4,976,809	1,708,952		
38	4,976,809	1,634,299	74,653	3,342,510	1,708,952	4.7491	0.1794
39	3,342,510	1,658,814	50,138	1,683,696	1,708,952		
40	1,683,696	1,683,696	25,256	-	1,708,952		





Registrar

FID

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
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-442/TWPL-2018/18056-18058
November 19, 2018

Subject: Determination of the National Electric Power Regulatory Authority in the matter of Tariff Petition filed by Tricom Wind Power (Pvt.) Limited for Determination of Reference Generation Tariff in respect of 50 MW Wind Power Project [Case # NEPRA/TRF-442/TWPL-2018]

Dear Sir,

Please find enclosed herewith the subject Determination of the Authority along with Annexure-I & II (25 pages) in Case No. NEPRA/TRF-442/TWPL-2018.

2. The Determination is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
3. The Order part along with Annexure-I & II of the Authority's Determination are to be notified in the official Gazette.

Enclosure: As above


17 11 18
(Syed Safer Hussain)

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



**DETERMINATION OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY IN THE
MATTER OF TARIFF PETITION FILED BY TRICOM WIND POWER (PVT.) LIMITED FOR
DETERMINATION OF REFERENCE GENERATION TARIFF IN RESPECT OF
50 MW WIND POWER PROJECT**

1. Tricom Wind Power (Pvt.) Ltd. ("TWPL" or "the petitioner" or " the project company") vide its letter dated March 7, 2018 filed a tariff petition before National Electric Power Regulatory Authority ("NEPRA" or the Authority") under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("NEPRA Act") and NEPRA (Tariff Standards & Procedure) Rules, 1998 for determination of reference generation tariff in respect of its 50 MW wind power project envisaged to be set up at Jhimpir, District Thatta, Sindh. The petitioner requested for the approval of levelized tariff of US Cents 7.0578/kWh (Rs. 7.4106/kWh) over the tariff control period of 25 years.

SUBMISSIONS OF THE PETITIONER

2. The petitioner submitted that it is a company registered under the laws of Pakistan. Letter of Intent ("LOI") has been issued by Directorate of Alternative Energy, Government of Sindh ("GOS") on August 28, 2015 for establishing a 50 MW wind power generation project. On March 19, 2018, the validity of the said LOI was extended by GOS upto April 29, 2019.
3. TWPL submitted the certificate of approval of system studies of the project company issued by National Transmission and Dispatch Company Limited ("NTDCL") on July 03, 2017. In the said letter, NTDCL certified that the power to be generated by the project company will not have any adverse effect on the national grid as required under the grid code.
4. TWPL also submitted the minutes of the meeting of Panel of Experts ("POE") of GOS dated December 13, 2017 which was conducted to review the feasibility study submitted by TWPL. In that meeting POE approved the feasibility study of the project and advised the project company for further perusal of tariff and generation license. The generation license was issued by NEPRA to TWPL on August 8, 2017.
5. Summary of the key information provided by the petitioner is as follows:





Determination of the Authority in matter of tariff petition filed by

Tricom Wind Power (Pvt.) Limited

Case No. NEPRA/TRF-442/TWPL/2018

Project company	:	Tricom Wind Power (Pvt.) Ltd.
Sponsors	:	JV of Yunus Brothers Group and Adamjee Group of Companies
Capacity	:	50 MW
Project location	:	Jhimpir, District Thatta, Sindh
Land area	:	347 acres
Concession period	:	25 years from Commercial Operations Date
Power purchaser	:	Central Power Purchasing Agency Guarantee Ltd.
Wind turbine	:	Siemens Gamesa
Model	:	G 114-2.0
Plant capacity factor	:	38%
Annual energy generation	:	166.440 GWh
EPC contractor	:	Orient Energy Systems (partners of Siemens Gamesa in Pakistan for the wind business)
Project cost		USD in millions
EPC cost	:	77.800
Project Development Cost	:	3.300
Insurance during construction	:	0.500
Financial Charges	:	2.100
Interest during construction	:	3.950
Total project cost	:	87.650
Financing structure	:	Debt 80% : Equity 20%
Debt composition	:	50% Local and 50% foreign loan
Interest rate	:	3 Month KIBOR (6%) + spread 2.5% 3 Month LIBOR (0.6%) + spread 4.5%
Debt repayment period	:	13 years
Return on equity	:	15% IRR based
O&M cost	:	USD 1.95 million per annum
Insurance cost	:	USD 0.389 million per annum
		PKR/kWh USD/kWh
Levelized Tariff	:	7.4106 7.0978
Exchange rate	:	1 USD = PKR 105





PROCEEDINGS:

6. The Authority considered the tariff petition and admitted the same for further processing. Notice of Admission/Hearing containing salient features of the petition, hearing schedule and issues framed for hearing was published in two national daily newspapers on May 01, 2018. Through the said notice, NEPRA invited comments and intervention requests from the interested parties within fourteen (14) days of publication of notice. Tariff petition and Notice of Admission/Hearing were also published on NEPRA's website for information of general public. Individual Notices of hearing were also sent to the stakeholders, considered to be relevant, and the petitioner on May 04, 2018 for participation in the proceedings. In response to Notice of Admission/Hearing, no comments and intervention request was received from any party.
7. The hearing on the subject matter was held on May 17, 2018 (Thursday) at 11:30 A.M. at NEPRA Tower, Islamabad, which was attended by a large number of participants including the petitioner, representatives of Private Power & Infrastructure Board ("PPIB"), International Finance Corporation ("IFC"), Asian Development Bank ("ADB") etc.

ISSUES FRAMED:

8. Following is the list of issues that were framed by the Authority for the hearing:
 - i. Whether the details provided for EPC cost are sufficient and whether the claimed EPC cost is competitive and comparative and based on the firm and final agreement(s)? and
 - ii. Whether the NEPRA (Selection of EPC Contractor by IPPs) Guidelines, 2017 have been fully complied with?
 - iii. Whether the details provided for Non-EPC cost are sufficient and claimed Non-EPC cost is justified? Also provide justification for land requirement as claimed by the petitioner.
 - iv. Whether the claimed annual energy generation and corresponding plant capacity factor are reasonable and justified? And
 - v. Whether the petitioner's proposed wind turbine technology satisfies the international standards of quality and operation?
 - vi. Whether the claimed O&M costs are justified? Provide rationale of claiming foreign & local O&M cost.



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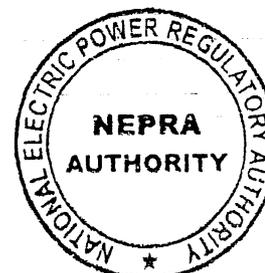
- vii. Whether the claimed insurance during operation cost is justified?
 - viii. Whether the claimed return on equity is justified?
 - ix. Whether the claimed financing/debt terms are justified?
 - x. Whether the claimed construction period is justified?
 - xi. Any other issue with the approval of the Authority.
9. The issue wise submissions of the petitioner and the Authority's findings and decision thereon are as under:

Whether the details provided for EPC cost are sufficient and whether the claimed EPC cost is competitive and comparative and based on the firm and final agreement(s)? And Whether the NEPRA (Selection of EPC Contractor by IFPs) Guidelines, 2017 have been fully complied with?

10. The petitioner has claimed USD 77.800 million on account of Engineering, Procurement and Construction ("EPC") cost in its tariff petition. In this regard the petitioner has submitted copies of EPC contracts signed on February 15, 2018. The breakup of the EPC cost as provided by the petitioner is given hereunder:

EPC cost	(USD in million)
Offshore contract	66.800
Onshore contract	11.000
Total	77.800

11. TWPL in its petition and during the hearing submitted that the claimed EPC price is competitive and based on in-house evaluation process. NEPRA vide letter dated July 03, 2018 directed TWPL to submit the complete documents related to bidding process followed by the project company for the selection of the EPC contractor. In response, the petitioner submitted the required documents with respect to the selection process of EPC contractor vide letter dated July 13, 2018. In the said letter, the petitioner informed that two stage process for the evaluation and selection of the EPC contractor was followed whereby technical Request for Proposal ("RFP") was prepared and circulated to the selected Wind Turbine Generator ("WTG") manufacturers with experience in Pakistan in order to select most suitable WTG considering project specific site





conditions and height restrictions. Based on the technical evaluation, Gamesa G114-2.0 MW was considered as the most preferred WTG for the project site. Having an ongoing experience in wind power projects, the company adopted a "Hurdle Rate and Target Pricing Method" whereby the highest ranked bidder as per the technical evaluation was offered the target price that was determined through comparison of the price of selected WTG model with the prices of the same machine offered to other projects. Based on discussions and negotiations with EPC contractors on offered target price, an EPC contract was signed with consortium of Orient Energy Systems FZCO and Orient Energy Systems (Private) Limited for Gamesa G114-2.0 MW. In its petition TWPL submitted that the Offshore contract was signed with Orient Energy System FZCO on February 15, 2018 which is related to procurement and supply of electrical and mechanical equipment outside Pakistan and the Onshore contract was signed with Orient Energy System (Pvt.) Ltd on February 15, 2018 which comprises of civil works, erection, commissioning, testing, etc. The petitioner submitted that the EPC contractor will install 25 Gamesa wind turbines (G114-2.0) at 93m hub height for the project. The petitioner further submitted that the selection of the WTGs and EPC Contractors was finalized before the issuance of "NEPRA (Selection of EPC Contractor by IPPs) Guideline, 2017" dated May 19, 2017. However, the Authority has noted that the petitioner has not mentioned any timelines with regard to the selection process of the WTG/EPC contractor in its tariff petition and other correspondence.

12. To evaluate the EPC cost claim of TWPL, the Authority has considered the latest available EPC cost data in different parts of the world. The information given in the reports published by International Renewable Energy Agency ("IRENA"), Bloomberg and other sources has been relied upon for this purpose. Furthermore, the tariff determinations approved by the regulators of countries in different regions have also been studied. The costs allowed by the Authority in previously determined wind power projects were also examined. After analysing all this information, the Authority is of the view that EPC cost of USD 77.800 million as claimed by TWPL is on the higher side. The process of selection of contractors followed by the petitioner may have been transparent; however, the same has not yielded prices which can be considered competitive and comparative. The considerations of the Authority for the assessment of the EPC costs to be allowed to the petitioner are given in the following paragraph.



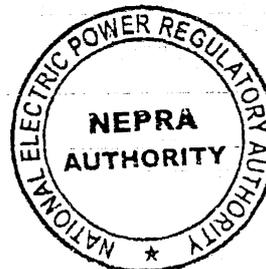


13. It was noted that the average wind turbine prices across most of the countries were below USD 1 million per MW in 2017. The most updated reports provide that average global cost of wind turbines for the contracts signed in 1st Half of 2018 have fallen to around USD 0.85 million per MW. Beside turbine cost, the absolute amount and proportion of other components that constitute the total EPC cost as given in the referred reports was also analysed. EPC costs in China and India were also checked and found lowest in the world due to their local manufacturing, low cost of land and labour etc. For instance, there are states in India where the total EPC cost of even less than USD 0.80 million per MW has been allowed recently by their respective regulators. However, the Authority is of the view that the cases of any particular country cannot be made exact reference for Pakistan owing to differences in market conditions, local manufacturing bases, tariff regimes, performance targets and other technological and economic factors. The trend of decrease in EPC prices over last couple of years and reasons thereof were also examined. The competition among WTG suppliers has been reported as the primary factor for the decline in turbine prices and corresponding EPC cost of wind power projects. The variations in the cost of turbine having different hub heights, rotor diameters, nameplate capacity, origin of manufacturing were also analysed. The differences in the civil cost part of the project due to variations in the number and size of the turbines were also considered. The Authority further noted that margins for EPC contractor, transportation costs, level of performance being approved in this determination etc. should also be taken into account to set the EPC cost. After detailed analysis of the available information and factoring in all the aforesaid factors, the Authority has decided to approve the EPC cost of TWPL as USD 57.940 million.

14. The allowed EPC cost is the maximum limit on overall basis. Applicable foreign portion of this cost shall be allowed variations at Commercial Operations Date ("COD") due to change in PKR/USD parity during the allowed construction period, on production of authentic documentary evidence to the satisfaction of the Authority.

Whether the details provided for Non-EPC cost are sufficient and claimed Non-EPC cost is justified? Also provide justification for land requirement as claimed by the petitioner.

15. The petitioner has claimed USD 9.850 million on account of non-EPC cost. Detail of non-EPC cost provided by the petitioner is hereunder:





Non-EPC Cost	(USD million)
Project Development cost	3.300
Insurance during construction	0.500
Financial fee and charges	2.100
Interest during construction	3.950
Total Non-EPC Cost	9.850

Project Development Cost

16. The petitioner has claimed Project Development Cost ("PDC") and land cost of USD 3.300 million. In its petition and during the hearing, the petitioner submitted that this claim includes the cost of feasibility and other studies, project management, administrative costs, fixed assets and office setup cost, various regulatory fees, travelling expenses, land lease charges, fees in relation to advisors of the project and contingency.
17. The petitioner submitted that the land lease for 347 acres has been signed with GOS on April 09, 2018. The petitioner has submitted the agreement of lease, as per which it has already paid an amount of Rs. 10.41 million for the first 10 years lease.
18. The Authority has noted that PDC of around USD 3.5 million had been allowed in the earlier tariff cases of wind power projects. The Authority also referred the recent tariff cases of solar power projects of comparable size where the maximum PDC to the tune of USD 1.782 million has been allowed. Considering these details while accounting for the difference in construction period between solar and wind power projects, the Authority has decided to allow USD 2.5 million on account of PDC to the petitioner. This cost shall be adjusted at actual, up to the maximum allowed cost, based on production of verifiable documents at the time of COD.

Insurance During Construction

19. The petitioner has claimed USD 0.500 million on account of insurance during construction cost and requested to adjust this component at actual subject to a cap of 1% of claimed EPC cost at COD. Following insurance coverage has been indicated by the petitioner as required by the lenders during the construction period:



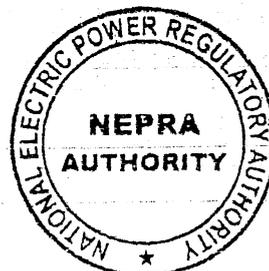


- a. Construction all risk insurances (CAR)
- b. CAR delay in start-up insurance
- c. Terrorism insurance
- d. Marine and inland transit insurance
- e. Marine – delay-in start-up insurance
- f. Comprehensive general liability

20. The Authority has analysed the available data with respect to during construction insurance incurred by a number of wind power projects that have achieved COD. It has also been noted that in the recent tariff cases of solar power projects, the Authority has allowed pre-COD insurance at the maximum rate of 0.50% of the approved EPC cost. Based on these considerations, the Authority has decided to allow insurance during construction to the maximum of 0.50% of the approved EPC cost for the project as well which works out to be around USD 0.290 million. Insurance during construction shall be adjusted at actual, subject to allowed amount as maximum limit, at the time of COD on production of authentic documentary evidence to the satisfaction of the Authority.

Financial Fee & Charges

21. The petitioner has claimed USD 2.100 million on account of financial fee and charges which includes fees and charges related to lenders up-front fee, lenders advisors & agents charges, commitment fee, management fee, charges related to various Letter of credit ("LC") to be established in favour of various contracting parties, fees payable and stamp duty applicable on the financing documents, agency fee, security trustee fee, LC commitment fee/charges for EPC, commitment fee and other financing fees and charges. The petitioner submitted that keeping in view the deteriorating country risk profile of the country and prevailing circular debt issue, higher financing cost is required to be incurred for obtaining financing for the project. The petitioner further submitted that due to foreign financing opening LC in favour of EPC contractor is not required. However, in case the company is required to provide LC confirmation cost for base equity LC and other LC's related to securing the sponsors obligations under the financing agreements then such costs shall be claimed at true-up on the basis of actual cost incurred.





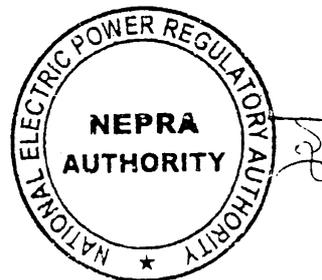
22. It was noted that in earlier tariff determinations for wind power projects, the Authority had allowed financial fee & charges at the rate of 3% of the debt portion of capital expenditures (EPC, PDC, pre-COD insurance). In recent cost plus tariff determinations of solar power projects, financial fee & charges at the rate of 2.5% of the debt portion of capital expenditures has been allowed. Considering the recent standards, the Authority has decided to approve financing fee and charges with the cap of 2.5% of the allowed debt portion of the approved capital cost as claimed by TWPL. Accordingly, the allowed amount under this head works out to be around USD 1.215 million. Financing charges shall be adjusted at actual, subject to allowed amount as maximum limit, at the time of COD on production of authentic documentary evidences to the satisfaction of the Authority.

Interest During Construction (IDC)

23. The petitioner has claimed interest during construction of USD 3.950 million for 18 month construction period which has been calculated on the basis of 3 month KIBOR (6%) plus spread of 2.50% for local financing and 3 month LIBOR (0.6%) plus spread of 4.5% for foreign financing. The petitioner submitted that actual IDC, however, shall be subject to change in base rate, funding requirement (drawdowns) of the project during the construction period, changes in project cost including changes due to taxes and duties, and variations in PKR / USD exchange rate. The loan repayment period of thirteen years has been claimed by the petitioner. The terms of financing as well as period for construction being approved in this determination are discussed in the ensuing relevant sections. Based on the approved financing terms, construction period, capital cost including financing fee and charges while considering notional drawdowns of 20% in each quarter, the IDC works out to be USD 1.961 million which is hereby approved.

24. Recapitulating the above, the approved project cost under various heads is given hereunder:

Project Cost	(USD million)
EPC Cost	57.940
Project Development Cost	2.500
Insurance during construction	0.290
Financing Fee & Charges	1.215
Interest During Construction	1.961
Total	63.906



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Whether the claimed annual energy generation and corresponding plant capacity factor are reasonable and justified? And whether the petitioner's proposed wind turbine technology satisfies the international standards of quality and operation?

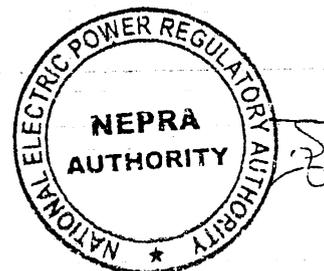
25. The petitioner submitted the following technical parameters in this regard:

Project capacity	50 MW
Annual power generation	166,440 MWh
Net capacity factor	38%
Hub Height	93m
Rotor Diameter	114m
Name plate capacity (Each Turbine)	2 MW

26. The petitioner has claimed annual energy production of 166,440 GWh and corresponding net plant capacity factor of 38%. The petitioner submitted Wind Resource and Energy Yield Assessment Report ("Energy Report") conducted by the technical consultant hired by TWPL. The petitioner during the hearing submitted that internationally proven software and prudent techniques have been used in determining the energy potential.

27. The petitioner during the hearing submitted that Gamesa is a global leader with 20 years' experience in the design, manufacture, installation and maintenance of wind turbines with over 28,800 MW installed in 43 countries across five continents. The petitioner also submitted that the selected technology i.e. Siemens-Gamesa G114-2.0 is IEC certified and conforms to international engineering standards and all relevant environmental standards.

28. To assess this parameter of tariff, the Authority has analysed the data of energy yields of currently operational wind power plants in the country. The data of energy yields in different regions of the world and their trend in last couple of years has also been reviewed. It has been noted that worldwide, the capacity factors have improved as new machines are yielding better energy output within a given wind resource regime. These improvements have also been noted while comparing the energy production of old and newly commissioned wind power projects in Jhimpir region. It is found that the primary reason of these better results has been the change in turbine design through improvement in hub height, nameplate capacity and especially the enhancement in rotor diameters. For TWPL also, it has been found that the mentioned three parameters are better than the turbines installed by the earlier wind power projects which are





under operation in the country. Keeping in view these considerations while comprehensively analysing the information with respect to wind resource, location, technology etc. the Authority understands that the net annual plant capacity factor as claimed by the petitioner is quite on the lower side. The Authority is of the view that the energy numbers provided in the Energy Report at each probability level are quite conservative. As per the workings of the Authority, it is considered that there exists high likelihood that the project can comfortably achieve yield higher than given in the Energy Report even when compared with energy numbers at P50 level.

29. The Authority also noted the recent tariffs of three wind power projects were approved based on capacity factor results as assessed by the Authority. However, those project companies filed review motions primarily objecting the capacity factor approved in those determinations. In addition, the financiers such as Asian Development Bank and International Finance Corporation approached the Authority stating that it may not be viable for them to finance wind power projects on the basis as adopted by NEPRA to assess capacity factor. They requested the Authority that tariff of wind power projects should be set on a good probability level, preferably as given in their Energy Reports. They further submitted that the tariffs of wind power projects throughout the world are set on energy yield having higher possibility, mainly for financing purpose.

30. In view of these considerations and primarily to ensure the bankability of the project, the Authority has decided to set the tariff of TWPL at net annual plant capacity factor of 38%. However, keeping in view the assessed potential of higher generation, the Authority has decided to approve the following sharing mechanism:

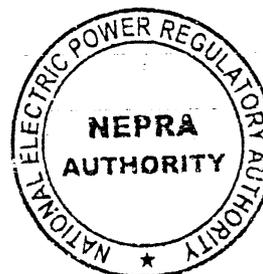
<u>Net annual plant capacity factor</u>	<u>% of prevalent tariff allowed to power producer</u>
Above 38% up to 40%	5%
Above 40% up to 42%	10%
Above 42% up to 44%	20%
Above 44% up to 46%	40%
Above 46% up to 48%	80%
Above 48%	100%





Whether the claimed O&M costs are justified? Provide rationale of claiming foreign & local O&M cost.

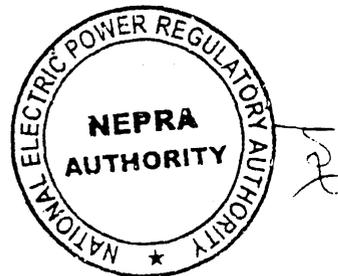
31. The petitioner has claimed O&M cost of USD 1.95 million per annum i.e. USD 39,000 per MW per annum. The petitioner submitted the O&M contract for the initial 2 years (i.e. warranty period) signed with Orient Energy Systems (Pvt.) Limited on February 15, 2018. In its petition and during the hearing, TWPL submitted that the claimed O&M cost includes cost of services rendered by the O&M operator and cost associated with replacement of parts necessitated due to regular operation/normal wear and tear etc. It also includes cost of administrative expense, security expenses, human resources, local general stores, utilities, land lease, corporate, audit & advisory fees, etc. The O&M cost has been claimed in the ratio of 50:50 for local and foreign costs respectively.
32. To evaluate the O&M cost claim of TWPL, the Authority has considered the latest available O&M cost data in different parts of the world. The information given in the reports published by IRENA, Bloomberg and other sources has been relied upon. Furthermore, the tariff determinations approved by the regulators of countries in different regions have also been studied. The costs allowed by the Authority in previously determined wind power projects were also examined. Analysing all this data and particularly the trend of decrease in this cost component, the Authority is of the view that O&M cost of USD 1.95 million as claimed by TWPL is not reasonable. The considerations made by the Authority for the assessment of the O&M costs to be allowed to the petitioner are given in the following paragraph.
33. The referred reports provide that the O&M cost has decreased sharply over the last couple of years and forecast further decrease in the upcoming years. The O&M cost of as low as USD 15,000 per MW per annum has been found in the referred sources for the initial term contracts. However, these sources qualify that O&M cost increases reasonably with turbines age as component failure becomes more common and manufacturer warranties expire. It has also been found that wind power projects being setup with larger turbines and more sophisticated design will have relatively lower overall O&M cost. The reported impact of size of project and turbines on the annual cost of O&M and differentials with their varying sizes was also analysed. O&M cost in India and China have also been checked and found to be lowest across different countries. Particularly in India, the O&M cost has been found in range of USD 10,000 per MW to USD



14,000 per MW in different states. Nevertheless, the Authority is cognizant of the fact that the costs of India and China cannot be replicated in Pakistan due to advanced development stage of wind industry in those countries and consequent available expertise in terms of manpower and required equipment as well as due to difference in tariff regimes. In addition, the Authority also noted that the level of performance being approved in this determination is relatively higher as compared to what is allowed in India and China which shall require more robust warranties from the O&M contractor that shall also result in comparatively higher O&M cost. Considering all these factors, the Authority has decided to approve O&M cost of USD 23,000 per MW per annum for TWPL. As claimed by the petitioner, the Authority has decided to allow the approved O&M cost into local and foreign components in the ratio of 50:50.

Whether the claimed insurance during operation cost is justified?

34. The petitioner has claimed USD 0.389 million per annum on account of insurance during operation per annum. The insurance cost consists of operations all risk insurance for the project as well as business-interruption insurance. The petitioner submitted that these are standard insurances required by all lenders' and also set out under the Energy Purchase Agreement ("EPA"). The petitioner submitted that since the Pakistan Insurance/Reinsurance industry does not have sufficient capacity and expertise to manage such huge risks entirely, therefore this risk is required to be insured/reinsured internationally. The risks to be covered through insurance will include machinery breakdown, natural calamities (like earthquake, floods, etc.), sabotage and consequential business interruption, etc.
35. The Authority has allowed insurance during operation at the rate of 0.4% of the EPC cost in the most recent determination of solar energy projects. The data of actual insurance of operational wind power projects has also been analysed for this purpose which shows that insurance during operation has been secured at the rate of even less than 0.4%. In view thereof, the Authority has decided to allow insurance during operation at maximum limit of 0.4% of the approved EPC cost to TWPL. This cost shall be allowed adjustment on annual basis as per the mechanism given in the order part of this determination.





Whether the claimed return on equity is justified?

36. The petitioner claimed return on equity (ROE) and return on equity during construction (ROEDC) of 15% (IRR basis) separately on invested equity net of withholding tax. The petitioner submitted that the withholding tax component has not been identified as a separate line item in the tariff as the same is assumed to be paid on all equity components i.e. ROE and ROEDC, at actual as a pass-through item under the tariff.
37. It was noted that over the passage of time, the Authority has revised the equity returns downward for a number of generation technologies keeping in view the developments in those sectors. The Authority has noted that nearly 1200 MWs of wind power projects are operational. Further, it has been learnt that wind power projects having capacity of more than 2,000 MWs to be setup in Sindh have obtained LOIs from different facilitating agencies. This makes it quite clear that risk profile for developing wind projects especially in Sindh province has reduced considerably. Moreover, the Authority noted that a number of under process wind power companies have claimed ROE of even less than 14%. In view thereof, the Authority has decided to approve the ROE for the petitioner at the rate of 14%. Regarding the petitioner's claim of withholding tax on dividend, the Authority noted that it has principally decided not to allow this tax as pass through in any of the tariff cases.

Whether the claimed financing/debt terms are justified?

38. The petitioner has submitted that 50% foreign loan and 50% local loan shall be secured for the project based on debt to equity ratio of 80:20. The interest rate of 3 month LIBOR (0.6%) plus 4.5% and 3 month KIBOR (6%) plus 2.50% for foreign and local loans respectively has been claimed in the petition each for the debt servicing period of thirteen years. The petitioner has submitted indicative term sheet signed with the lenders (IFC and Bank Al-Habib Limited).
39. The Authority has considered the terms of financing being claimed by the petitioner. The Authority has noted that the SBP has issued concessionary financing scheme in June, 2016. Under the said scheme, renewable energy projects having capacity up to 50 MW can secure loan up to the limit of Rs. 6 billion at the rate of 6% for the debt servicing tenor of ten years. The size of the project being setup by the petitioner is 50 MW which makes it eligible to avail financing





under SBP scheme. The Authority has therefore decided to approve the reference tariff of TWPL on the terms of financing scheme issued by SBP and hereby direct the petitioner to approach SBP for this purpose.

40. In case the petitioner is not able to secure financing under SBP scheme then the tariff of TWPL shall be adjusted on conventional local/foreign financing, or a mix of both, at the time of its COD. However, the petitioner shall have to prove through documentary evidence issued by SBP/commercial bank that it exhausted the option of availing 100% financing under SBP scheme before availing part/full of conventional local/foreign loan. For conventional full/part of local loan, if any, the tariff of the petitioner shall be approved on applicable KIBOR plus spread of 2.25% and foreign loan on applicable LIBOR plus spread of 4.25%. For conventional loans, the term of debt servicing shall not be lesser than thirteen years.
41. The Authority has decided to approve the tariff of TWPL on the basis of debt to equity ratio of 80:20 as claimed which shall remain same regardless of any form of financing secured by the petitioner.

Whether the claimed construction period is justified?

42. The petitioner has claimed eighteen months' time for the construction of the project. The Authority has noted that there are a number of under process wind power projects which are claiming construction period of fifteen months. In addition, it has also been seen that there are a number of operational wind projects that have been able to complete construction in fifteen month time. In view thereof, the Authority has decided to approve the construction period of fifteen months for the petitioner as well.

43. ORDER

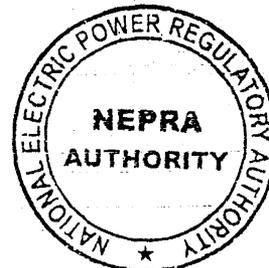
In pursuance of section 7(3) (a) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with NEPRA (Tariff Standards & Procedure) Rules, 1998, the Authority hereby determines and approves the following generation tariff along with terms and conditions for Tricom Wind Power (Pvt.) Limited for its 50 MW wind power project for delivery of electricity to the power purchaser:





Tariff Component	Rs./kWh	
	Year 1-10	Year 11-25
Operations and Maintenance Cost	0.8291	0.8291
Insurance during Operation	0.1671	0.1671
Return on Equity	1.4064	1.4064
Debt Servicing	4.9285	-
Total	7.3311	2.4026

- Levelized tariff works out to be US Cents 4.7824 /kWh.
- EPC cost of USD 57.940 million has been considered.
- IDC cost of USD 2.500 million has been taken into account.
- Insurance during construction at the rate of 0.5% of the EPC cost has been approved.
- Financing charges at the rate of 2.5% of the debt portion of the capital cost has been approved.
- Net Annual Plant Capacity Factor of 38% has been approved.
- O&M Cost of USD 23,000 per MW per year has been approved.
- Debt to Equity of 80:20 has been used.
- Debt Repayment period of 10 years has been taken into account.
- The cost of financing of 6% for construction and operation has been used.
- Return on Equity of 14% has been allowed.
- Construction period of fifteen (15) months has been used for the workings of ROEDC and IDC.
- Insurance during Operation has been calculated as 0.4% of the allowed EPC Cost.
- Reference Exchange Rates of 120 PKR/USD has been used.
- The aforementioned tariff is applicable for twenty five (25) years from COD
- Detailed component wise tariff is attached as **Annex-I** of this decision.
- Debt Servicing Schedule is attached as **Annex-II** of this decision.





A. One Time Adjustments at COD

- The EPC cost shall be adjusted at actual considering the approved amount as the maximum limit. Applicable foreign portion of the EPC cost will be adjusted at COD on account of variation in PKR/USD parity, on production of authentic documentary evidence to the satisfaction of the Authority. The adjustment in approved EPC cost shall be made only for the currency fluctuation against the reference parity values.
- The petitioner has submitted M/s DNV-GL certification No. TC-236603-A-2 date May 29, 2015 about the design, specification and country of origin of various component of the wind turbine to be installed for this project. At the time of COD stage tariff adjustments, the petitioner will have to provide a confirmation from the EPC contractor as to the fullest compliance of the equipment having same design and origin of manufacture as given in the type certificate. Where needed, the bill of lading and other support documents will also have to be submitted.
- PDC, Insurance during construction and Financing Fee and Charges shall be adjusted at actual at the time of COD considering the approved amount as the maximum limit. The amounts allowed on these accounts in USD will be converted in PKR using the reference PKR/USD rate of 120 to calculate the maximum limit of the amount to be allowed at COD.
- Duties and/or taxes, not being of refundable nature, relating to the construction period directly imposed on the company up to COD will be allowed at actual upon production of verifiable documentary evidence to the satisfaction of the Authority.
- IDC will be recomputed at COD on the basis of actual timing of debt draw downs (for the overall debt allowed by the Authority at COD) for the project construction period of fifteen months allowed by the Authority.
- For full/part of conventional local or foreign loans or a mix of both, if availed by the company, the IDC shall also be allowed adjustment for change in applicable KIBOR/LIBOR.





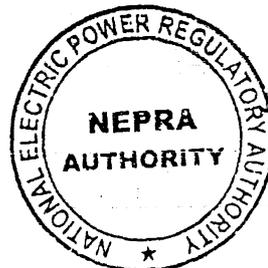
- The tariff has been determined on debt: equity ratio of 80:20. The tariff shall be adjusted on actual debt: equity mix at the time of COD, subject to equity share of not more than 20%. For equity share of more than 20%, allowed IRR shall be neutralized for the additional cost of debt: equity ratio.
- The reference tariff has been worked out on the basis of cost of 6% offered under SBP financing scheme. In case cost negotiated by the company under SBP scheme is less than the said limit of 6%, the savings in that cost shall be shared between the power purchaser and the power producer in the ratio of 60:40 respectively.
- For full or part of local or foreign loan, if any, the savings in the approved spreads shall be shared between the power purchaser and power producer in the ratio of 60:40.
- ROEDC will be adjusted at COD on the basis of actual equity injections (within the overall equity allowed by the Authority at COD) for the project construction period of fifteen months allowed by the Authority.

B. Indexations

Adjustment of O&M, return on equity, return on equity during construction shall be made on quarterly basis for the quarters starting from 1st July, 1st October, 1st January and 1st April based on latest available information. Adjustment of Debt Servicing Component (if any) shall be made either quarterly or bi-annually depending upon the final terms approved by the Authority. For bi-annual adjustments, the periods shall start from 1st July and 1st January. Insurance component shall be adjusted on annual basis starting from either 1st January or 1st July. The indexation mechanisms are given hereunder:

i) **Operation and Maintenance Costs**

O&M components of tariff shall be adjusted based on revised rates of local Inflation (CPI) as notified by Pakistan Bureau of Statistics, foreign inflation (US CPI) as notified by US Bureau of Labour Statistics and TT&OD selling rate of US Dollar as notified by National Bank of Pakistan according to the following formula;





F. O&M _(REV)	=	F. O&M _(REF) * US CPI _(REV) / US CPI _(REF) * ER _(REV) /ER _(REF)
L. O&M _(REV)	=	L. O&M _(REF) * CPI _(REV) / CPI _(REF)
Where;		
F. O&M _(REV)	=	The revised O&M Foreign Component of Tariff
L. O&M _(REV)	=	The revised O&M Local Component of Tariff
F. O&M _(REF)	=	The reference O&M Foreign Component of Tariff
L. O&M _(REF)	=	The reference O&M Local Component of Tariff
US CPI _(REV)	=	The revised US CPI (All Urban Consumers)
US CPI _(REF)	=	The reference US CPI (All Urban Consumers) of 252.146 of August, 2018
CPI _(REV)	=	The revised CPI (General)
CPI _(REF)	=	The reference CPI (General) of 229.27 for the month of August, 2018
ER _(REV)	=	The revised TT & OD selling rate of US dollar
ER _(REF)	=	The reference TT & OD selling rate of RS. 120/USD

Note: The reference indexes shall be revised after making the required adjustments in tariff components at the time of COD.

ii) **Insurance during Operation**

The actual insurance cost for the minimum cover required under contractual obligations with the Power Purchaser, not exceeding 0.4% of the approved EPC cost, will be treated as pass through. Insurance component of reference tariff shall be adjusted annually as per actual upon production of authentic documentary evidence according to the following formula:

AIC	=	Ins _(Ref) / P _(Ref) * P _(Act)
Where;		
AIC	=	Adjusted insurance component of tariff
Ins _(Ref)	=	Reference insurance component of tariff
P _(Ref)	=	Reference premium @ 0.4% of approved EPC Cost at Rs. 120





$P_{(Act)}$	=	Actual premium or 0.4% of the approved EPC Cost converted into Pak Rupees on exchange rate prevailing at the time of insurance premium payment of the insurance coverage period whichever is lower
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iii) **Return on Equity**

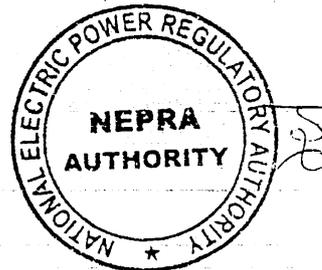
The total ROE (ROE + ROEDC) component of the tariff will be adjusted on quarterly basis on account of change in USD/PKR parity. The variation relating to these components shall be worked out according to the following formula;

$ROE_{(Rev)}$	=	$ROE_{(Ref)} * ER_{(Rev)} / ER_{(Ref)}$
Where;		
$ROE_{(Rev)}$	=	Revised ROE Component of Tariff
$ROE_{(Ref)}$	=	Reference ROE Component of Tariff
$ER_{(Rev)}$	=	The revised TT & OD selling rate of US dollar as notified by the National Bank of Pakistan
$ER_{(Ref)}$	=	The reference TT & OD selling rate of Rs. 120/USD

Note: The reference tariff component shall be revised after making the required adjustments at the time of COD.

iv) **Indexations applicable to debt**

For full or part of conventional foreign debt, if any, respective principle and interest components will be adjusted on quarterly/bi-annual basis, on account of revised TT & OD selling rate of US Dollar, as notified by the National Bank of Pakistan as at the last day of the preceding quarter, over the applicable reference exchange rate. The interest part of the foreign loan shall be allowed adjustment with respect to change in the applicable LIBOR. For full or part of conventional local loan, if any, the interest component shall be allowed adjustment with respect to change in applicable KIBOR.





C. Terms and Conditions

The following terms and conditions shall apply to the determined tariff:

- All plant and equipment shall be new and of acceptable standards. The verification of the plant and equipment will be done by the independent engineer at the time of the commissioning of the plant duly appointed by the power purchaser.
- This tariff will be limited to the extent of net annual energy generation supplied to the power purchaser up to 38% net annual plant capacity factor. Net annual energy generation supplied to the power purchaser in a year, in excess of 38% net annual plant capacity factor will be charged at the following tariffs:

<u>Net annual plant capacity factor</u>	<u>% of prevalent tariff allowed to power producer</u>
Above 38% up to 40%	5%
Above 40% up to 42%	10%
Above 42% up to 44%	20%
Above 44% up to 46%	40%
Above 46% up to 48%	80%
Above 48%	100%

- The petitioner is required to ensure that all the equipment is installed as per the details/specifications provided in the determination. Any change in the power curve of the turbines as provided in studies along with the petition and the relevant assumptions contained therein shall not be allowed.
- The petitioner is required to maintain the availability levels as declared in the Tariff Petition and the studies provided therein. Necessary clauses shall be included in the EPA so that the power producer cannot intentionally suppress the capacity factors. NPCC shall conduct detailed monitoring/audit of the operational record/log of all the wind turbines on quarterly basis to verify output/capacity of the power plant.
- The risk of wind resource shall be borne by the power producer.
- In the tabulated above tariff no adjustment for certified emission reductions has been accounted for. However, upon actual realization of carbon credits, the same shall be distributed between the power purchaser and the power producer in accordance with the applicable GOP Policy, amended from time to time.





- The savings in the cost under SBP scheme during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40.
- In case the company shall secure full or part of local conventional loan then the tariff of company shall be adjusted at the time of COD at applicable KIBOR + spread of 2.25%. The savings in the approved spreads during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40. The tenor of the debt servicing shall not be less than thirteen years for this loan.
- In case the company shall secure full or part of foreign conventional loan then the tariff of company shall be adjusted at the time of COD at applicable LIBOR + spread of 4.25%. The savings in the approved spreads during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40. The tenor of the debt servicing shall not be less than thirteen years for this loan.
- In case the company shall secure foreign loan under any credit insurance (Sinosure etc.) then the cost of that insurance shall be allowed to the maximum limit of 0.6% of the yearly outstanding principal and interest amounts. For that purpose, the spread over that full/part of loan shall be considered as 3.5% as the maximum limit. The savings in the spread during the loan tenor shall be shared between the power purchaser and power producer in the ratio of 60:40.
- The company will have to achieve financial close within one year from the date of issuance of this determination. The tariff granted to the company will no longer remain applicable/valid, if financial close is not achieved by the company in the abovementioned timeline or its generation license is declined/revoked by NEPRA.
- The targeted maximum construction period after financial close is fifteen months. No adjustment will be allowed in this tariff to account for financial impact of any delay in project construction. However, the failure of the company to complete construction within fifteen months will not invalidate the tariff granted to it.
- Pre COD sale of electricity is allowed to the project company, subject to the terms and conditions of Energy Purchase Agreement, at the applicable tariff excluding principal



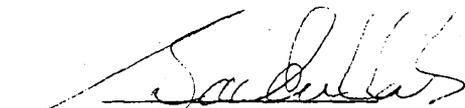


repayment of debt component and interest component. However, pre COD sale will not alter the required commercial operations date stipulated by the Energy Purchase Agreement in any manner.

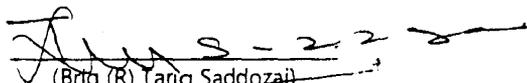
- In case the company is obligated to pay any tax on its income from generation of electricity, or any duties and/or taxes, not being of refundable nature, are imposed on the company, the exact amount paid by the company on these accounts shall be reimbursed on production of original receipts. This payment shall be considered as a pass-through payment. However, withholding tax on dividend shall not be passed through.
- No provision for the payment of Workers Welfare Fund and Workers Profit Participation has been made in the tariff. In case, the company has to pay any such fund, that will be treated as pass through item in the EPA.
- The approved tariff along with terms & conditions shall be made part of the EPA. General assumptions, which are not covered in this determination, may be dealt with as per the standard terms of the EPA.

44. The Order part along with two Annexures is recommended for notification by the Federal Government in the official gazette in accordance with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

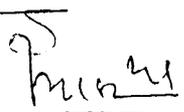
AUTHORITY


 (Saif Ullah Chattha)
 Member 31.10.2018


 (Rehmatullah Baloch)
 Vice Chairman 31/10/2018

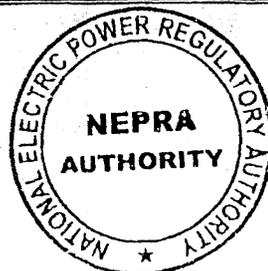

 (Brig (R) Tariq Saddozai)
 Chairman




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**TRICOM WIND POWER (Pvt) LIMITED
REFERENCE TARIFF TABLE**

Year	Foreign O&M	Local O&M	Insurance	Return on Equity	ROEDC	Loan Repayment	Interest Charges	Tariff
	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh	Rs. / kWh
1	0.4146	0.4146	0.1671	1.2901	0.1163	2.7786	2.1499	7.3311
2	0.4146	0.4146	0.1671	1.2901	0.1163	2.9491	1.9793	7.3311
3	0.4146	0.4146	0.1671	1.2901	0.1163	3.1301	1.7984	7.3311
4	0.4146	0.4146	0.1671	1.2901	0.1163	3.3222	1.6063	7.3311
5	0.4146	0.4146	0.1671	1.2901	0.1163	3.5260	1.4024	7.3311
6	0.4146	0.4146	0.1671	1.2901	0.1163	3.7424	1.1861	7.3311
7	0.4146	0.4146	0.1671	1.2901	0.1163	3.9721	0.9564	7.3311
8	0.4146	0.4146	0.1671	1.2901	0.1163	4.2158	0.7127	7.3311
9	0.4146	0.4146	0.1671	1.2901	0.1163	4.4745	0.4540	7.3311
10	0.4146	0.4146	0.1671	1.2901	0.1163	4.7491	0.1794	7.3311
11	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
12	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
13	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
14	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
15	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
16	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
17	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
18	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
19	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
20	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
21	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
22	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
23	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
24	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
25	0.4146	0.4146	0.1671	1.2901	0.1163	-	-	2.4026
Levelized Tariff	0.4146	0.4146	0.1671	1.2901	0.1163	2.3818	0.9545	5.7388



**TRICOM WIND POWER (PVT) LIMITED
DEBT SERVICING SCHEDULE**

Relevant Quarters	Base amount (USD)	Principal Repayment (USD)	Interest (USD)	Balance Principal (USD)	Total Debt Service (Million USD)	Annual Principal Repayment Rs./kWh	Annual Interest Rs./kWh
1	51,124,729	942,081	766,871	50,182,649	1,708,952		
2	50,182,649	956,212	752,740	49,226,437	1,708,952		
3	49,226,437	970,555	738,397	48,255,882	1,708,952	2.7786	2.1499
4	48,255,882	985,113	723,838	47,270,769	1,708,952		
5	47,270,769	999,890	709,062	46,270,879	1,708,952		
6	46,270,879	1,014,888	694,063	45,255,990	1,708,952		
7	45,255,990	1,030,112	678,840	44,225,879	1,708,952	2.9491	1.9793
8	44,225,879	1,045,563	663,388	43,180,315	1,708,952		
9	43,180,315	1,061,247	647,705	42,119,069	1,708,952		
10	42,119,069	1,077,166	631,786	41,041,903	1,708,952		
11	41,041,903	1,093,323	615,629	39,948,580	1,708,952	3.1301	1.7984
12	39,948,580	1,109,723	599,229	38,838,857	1,708,952		
13	38,838,857	1,126,369	582,583	37,712,489	1,708,952		
14	37,712,489	1,143,264	565,687	36,569,224	1,708,952	3.3222	1.6063
15	36,569,224	1,160,413	548,538	35,408,811	1,708,952		
16	35,408,811	1,177,819	531,132	34,230,992	1,708,952		
17	34,230,992	1,195,487	513,465	33,035,505	1,708,952		
18	33,035,505	1,213,419	495,533	31,822,086	1,708,952		
19	31,822,086	1,231,620	477,331	30,590,466	1,708,952	3.5260	1.4024
20	30,590,466	1,250,095	458,857	29,340,372	1,708,952		
21	29,340,372	1,268,846	440,106	28,071,526	1,708,952		
22	28,071,526	1,287,879	421,073	26,783,647	1,708,952		
23	26,783,647	1,307,197	401,755	25,476,450	1,708,952	3.7424	1.1861
24	25,476,450	1,326,805	382,147	24,149,645	1,708,952		
25	24,149,645	1,346,707	362,245	22,802,938	1,708,952		
26	22,802,938	1,366,907	342,044	21,436,031	1,708,952		
27	21,436,031	1,387,411	321,540	20,048,620	1,708,952	3.9721	0.9564
28	20,048,620	1,408,222	300,729	18,640,398	1,708,952		
29	18,640,398	1,429,346	279,606	17,211,052	1,708,952		
30	17,211,052	1,450,786	258,166	15,760,266	1,708,952		
31	15,760,266	1,472,548	236,404	14,287,719	1,708,952	4.2158	0.7127
32	14,287,719	1,494,636	214,316	12,793,083	1,708,952		
33	12,793,083	1,517,055	191,896	11,276,028	1,708,952		
34	11,276,028	1,539,811	169,140	9,736,217	1,708,952		
35	9,736,217	1,562,908	146,043	8,173,308	1,708,952	4.4745	0.4540
36	8,173,308	1,586,352	122,600	6,586,957	1,708,952		
37	6,586,957	1,610,147	98,804	4,976,809	1,708,952		
38	4,976,809	1,634,299	74,652	3,342,510	1,708,952		
39	3,342,510	1,658,814	50,138	1,683,696	1,708,952	4.7491	0.1794
40	1,683,696	1,683,696	25,255	(0)	1,708,952		

