



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/UTH-01/4943-4945

April 10, 2017

Subject: **Decision of the Authority in the matter of Upfront Tariff for Small Hydro Power Generation Projects up to 25 MW Installed Capacity – Extension of Date of Acceptance of Upfront Tariff**

Dear Sir,

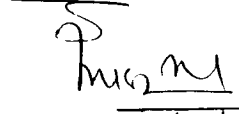
This is in continuation of this office letter No. NEPRA/UTH-01/15031-15033 dated April 10, 2017 whereby Decision of the National Electric Power Regulatory Authority in the matter of Motions for Leave for Review filed against Determination of the Authority dated April 2, 2015 regarding Upfront Tariff for Small Hydro Power Generation Projects Upto 25 MW Installed Capacity was sent to the Federal Government for notification in the official Gazette.

2. Please find enclosed herewith the subject decision of the Authority (02 pages) in the matter of Upfront Tariff for Small Hydro Power Generation Projects upto 25 MW installed capacity – extension of date of acceptance of Upfront Tariff.

3. The Decision is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

4. The Order at Paragraph 5 of the Authority's Decision needs to be notified in the official Gazette.

Enclosure: As above


10/04/17
(Syed Safer Hussain)

Secretary
Ministry of Water & Power
'A' Block, Pak Secretariat
Islamabad

CC:

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



**DECISION OF THE AUTHORITY IN THE MATTER OF UPFRONT TARIFF FOR SMALL HYDRO
POWER GENERATION PROJECTS UP TO 25 MW INSTALLED CAPACITY-
EXTENSION OF DATE OF ACCEPTANCE OF UPFRONT TARIFF**

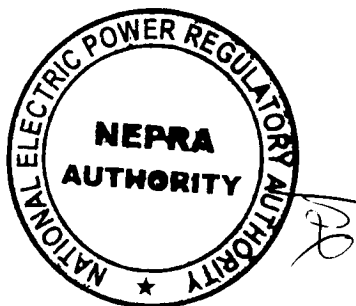
The National Electric Power Regulatory Authority (hereinafter referred to as the "Authority") has approved upfront tariff for small hydro power generation projects up to 25 MW installed capacity on April 2, 2015 (hereinafter referred to as the "Upfront Tariff Determination"). Subsequently, the Authority issued Decision in the matter of Motion for Leave for Review filed against the Upfront Tariff Determination dated April 02, 2015, on October 14, 2015 (hereinafter referred to as the "Review Motion Decision") containing the reference upfront tariff approved for 25 years along with the applicable terms and conditions for the small hydro power generation projects and notified by GoP vide S.R.O.260/(I)/2016 dated March 28, 2016. The Authority at clause xi of para 12(C) of the approved terms and conditions of Review Motion Decision dated October 14, 2015 and notified on March 28, 2016 has mentioned the validity period for acceptance of Upfront tariff by the hydro power generators as under:

"The choice to opt for this tariff will only be available up to 12 months, from the date of notification of this order."

2. The validity period for acceptance of the upfront tariff is expiring on March 27, 2017. Various stakeholders including Trident Power GR (Pvt.) Ltd. vide letter dated February 22, 2017, Riali Hydro Power Company (Pvt.) Ltd. vide letter dated February 24, 2017 and Blue Star Energy (Pvt.) Ltd. vide letter dated February 25, 2017 requested the Authority for extension of last date for opting the Upfront tariff.

3. The Authority considered the aforementioned requests in its meeting held on March 8, 2017, wherein it was observed by the Authority that the main objective to approve Upfront Tariff for small hydro power generation projects is to facilitate and galvanize the development of small hydro power generation projects. The Authority also noticed that up till now only two hydro power projects have been granted the Upfront Tariff, while there are several others who have either filed their applications or are in the process of fulfilling all the requirements applicable for acceptance of the approved Upfront Tariff. The Authority also observed that the requested extension of date of acceptance of Upfront Tariff by the hydropower companies would not have any effect on either the approved Upfront Tariff or other applicable terms and conditions.

4. The Authority after considering requests of the stakeholders and for development of hydro power generation has decided to extend the period for acceptance of Upfront Tariff by the small hydro power generation projects up to 25 MW installed capacity by 12 months while all other terms and conditions of Upfront Review Motion Decision will remain the same.





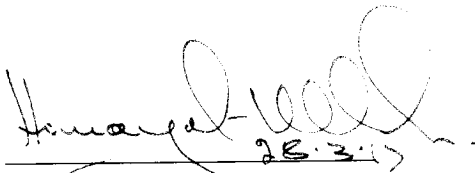
5. ORDER

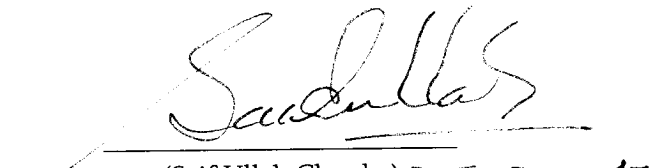
Pursuant to Section 7(2)(g) and Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with Regulation 3 (1) of the National Electric Power Regulatory Authority (Review Procedure) Regulations, 2009, the Authority has decided to review clause 12(C)(xi) of the Decision of the National Electric Power Regulatory Authority in the matter of Motions for Leave for Review filed against Determination of the Authority dated April 2, 2015 regarding Upfront Tariff for Small Hydro Power Generation Projects up to 25 MW Installed Capacity approved on October 14, 2015 and notified on March 28, 2016 and accordingly decided to substitute with the following:

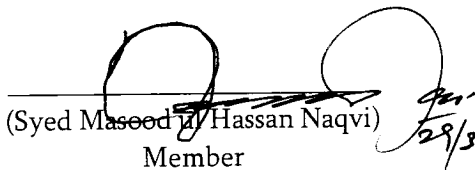
"The option for accepting Upfront Tariff by small hydro power projects will be applicable up to March 27, 2018"

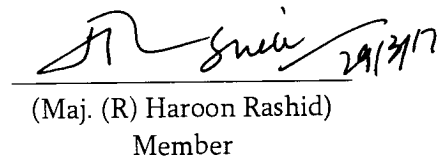
6. The order at paragraph 5 is recommended for notification by the Federal Government in the official gazette in accordance with Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

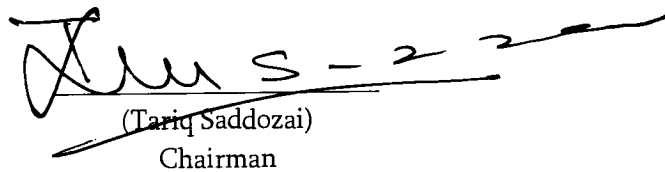
AUTHORITY


(Himayat Ullah Khan)
Vice Chairman/Member

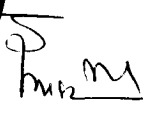

(Saif Ullah Chattha)
Member


(Syed Masood Hassan Naqvi)
Member


(Maj. (R) Haroon Rashid)
Member


(Tariq Sadozai)
Chairman




10.04.17