



# National Electric Power Regulatory Authority (NEPRA)

## NOTICE OF HEARING

### Development of Upfront Solar Tariff

1. In exercise of the powers conferred by Section 3(1) of Upfront Tariff (Approval & Procedure) Regulations, 2011, the Authority has decided to initiate suo moto proceedings for development of upfront tariff for 100MW/50MW/20MW/10MW solar power projects. Government of Punjab and Government of Sindh have also requested for announcement of upfront solar tariff. For the purpose of development of upfront solar tariff information has been sought from QA Solar (Private) Limited, a body, wholly owned by the Government of Punjab, incorporated under the Companies Ordinance for installation of 100 MW solar power plant in Quaid-e-Azam Solar Power Park. The summary of information is provided hereunder

i. **Project Cost.** Breakup of EPC Cost and Non- EPC Cost is as under:

Project Cost	USD
EPC Cost (including onshore taxes and duties USD 4,736,537)	156,719,341
Non-EPC Cost	1,850,000
Project Development Cost	3,665,751
Pre-COD Insurance	1,019,149
CAPEX	163,254,241
Financial Fees and charges	2,328,680
Interest During Construction	7,943,423
<b>Total</b>	<b>173,526,344</b>

ii. **Proposed Financial Arrangements:** Proposed financial arrangements are as under:

Equity	25%
Debt	75%
<b>Total</b>	<b>100%</b>

iii. **O&M Cost:** Proposed O&M cost for 25 Years is USD 73,786,216.

iv. **Mark-up Rate:** Mark-up rate is 6 Month KIBOR (10.09%) plus 300 bps (3%).

v. **Proposed Generation:** Based on plant factor of 17.5% as per IFE figure, the proposed energy generation from 100 MW project for the first year is 153,072 MWh.

vi. **Tariff:** No tariff has been submitted by QA Solar (Private) Limited. On the basis of the above information, the derived tariff is as under:

1-10 Years Tariff	Cents/kWh	23.3865
11-25 Years Tariff	Cents/kWh	8.0413
<b>Levelized Tariff for 25 Years</b>	<b>Cents/kWh</b>	<b>18.4290</b>

- The above tariff has been derived for Southern Punjab, Sindh and Balochistan. For the remaining parts of the country, appropriate adjustment will be made in the plant factor.
- Any interested person who desires to participate in the proceedings may file an intervention request within seven (7) days from the date of publication of this notice. Such intervention request shall state the name and address of the person filing the same, objections and the manner in which such person is or is likely to be substantially and specifically affected by any determination in the proceedings. The intervention request may also contain the contentions of the person making the same, the relief sought and the evidence, if any, in support of the case.
- Any person may also file the comments in the matter within seven (7) days of the publication and the Authority, if deemed fit, may permit participation of such person into the proceedings and also may consider those comments in the final determination.
- All stakeholders and interested/affected persons are also informed that in order to arrive at a just and informed decision, the Authority has also decided to hold a hearing in the subject matter according to the date, time and venue as mentioned below:

**Date:** 24th July 2014  
**Time:** 10:30 AM  
**Venue:** Avari Hotel, Shahr-ah Quaid-e-Azam Lahore

PID(I)204/14

**Registrar NEPRA**

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

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