



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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PRESS RELEASE

Subject: **NEPRA announced Upfront Tariff for Municipal Solid Waste Power Plants**

Islamabad, January 15, 2018 (Monday): No more garbage, just use this for electricity generation. NEPRA keeping in view the environmental issues and waste abundance decided to initiate development of Upfront Tariff for generation of electricity from Municipal Solid Waste which has finally been announced today. This first ever Upfront Tariff for generation of electricity through MSW have been determined after consultative process with stakeholders i.e. Punjab Power Development Board, Alternative Energy Development Board, CPPA-G, Anwar Kamal Law Associates, Ministry of Petroleum & Natural Resources, Ministry of Climate Change etc. The levelled tariff of US Cents 10/kWh based on 25 years operational period has been announced with overall capacity cap of 250 MW wherein share of each province and Federal Territory have been kept at 50 MW each.

In Pakistan roughly more than 20 million tons of municipal solid waste is generated with annual growth rate of 2.4%. All major cities i.e. Islamabad, Lahore, Karachi, Peshawar, Quetta etc are facing enormous challenges in tackling the problem of urban waste. Thousands of people die every year due to waste-related diseases. Considering the environmental issues, most of the countries in the region have already announced the generation tariff for Municipal Waste Power Plants and they are getting dual benefits i.e. disposing off garbage and generation of electricity through garbage.

NEPRA initiative regarding Upfront Tariff for MSW power plants will not only provide electricity to the national grid but will also create employment opportunities and play vital role in economic growth of the country. The assessment of the tariff has been made on the basis of project cost of US\$ 3.5 million per MW keeping in view the available reference prices in the region. The construction period for such kind of power plants has been fixed as 24 months. For protection of the environmental hazards the power producer shall obtain necessary approvals from the relevant government agencies. The Upfront tariff will be in field for one year.