HNDS energy LTD.

14.10.26

REGISTRAR OFFICE
Diary No: 10994
Dated: 14.10.26

1247-LET-HNDS-NEPR-6604

13 October 2026

Forwarded please:
For nec. action / For information

DG (Lic.)	DG (Admn/HR)
SA (M&E)	DG (CAD)
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DG (Tariff)	DG (Fin.)
SLA	Dir. (I.T)
Consult (Tech.)	Consult (CTBCM)

For kind information, please:
1. Chairman
2. M (Dev)
3. M (Trf. & Fin)
4. M (Tech)
5. M (Law)

The Registrar
National Electrical Power Regulatory Authority
NEPRA Tower Attaturk Avenue (East), G-5/1, Islamabad
Tel: +92 51 9206500
Fax: +92 51 2600021

Subject: Additional Submission in the Tariff Modification Petition dated 04 August 2026 – Incorporation of Bonus Energy Sharing Mechanism Consistent with License Modification-I

References:

1. Reference Tariff Determination dated 21 February 2020 issued in Case No. NEPRA/R/TRF-479/HNDS-2019/6094-6096.
2. Modification-I in Generation Licence No. SPGL/21/2017 approved vide NEPRA determination dated 28 September 2023 in Case No. LAG-369.
3. Tariff Modification Petition submitted by HNDS Energy Limited vide letter No. 1247-LET-HNDS-NEPR-6499 dated 04 August 2026.

Dear Sir,

This is with reference to the Tariff Modification Petition filed by HNDS Energy Limited (the "Applicant") seeking modification of the Reference Tariff Determination. In addition to the grounds already submitted in the petition, the Applicant respectfully submits that the Authority has approved Modification-I in the Applicant's Generation Licence No. SPGL/21/2017 ("Licence Modification-I") vide determination dated 28 September 2023 in Case No. LAG-369.

Through the said License Modification-I, the Authority approved, inter alia, the change in PV technology from polycrystalline to bifacial mono-crystalline modules and the associated changes in project parameters. While approving the modification, the Authority observed that the proposed technology change would have a positive impact on the Net Annual Capacity Factor of the project and assessed the same at approximately 23.97%.

The Authority, in paragraph D(vii) of the License Modification-I, revised the sharing mechanism earlier provided in Para 21(c) of the Reference Tariff Determination. Further, the Authority directed the Applicant to file a modification petition for incorporation of the aforesaid changes in its tariff determination.

Accordingly, the Applicant respectfully requests the Authority to incorporate the changes approved through License Modification-I in the Reference Tariff Determination, including replacement of the existing Net Annual Capacity Factor sharing mechanism with the following revised mechanism already approved by the Authority:

Sabir 15/10/2026

TARIFF DEPARTMENT
PTA-I ____ PTA-II ____
Dir (COD) ____ Dir (Hydro) ____
Dir (DISCOs) ____ Dir (RE) ✓
Dir (Thermal) ____ Add Dir (T)/ ____
Date 15 - 10 - 26

Tariff Division Record
Dy No. 9232
Dated 15-10-26

Net Annual Plant Capacity Factor	Percentage of the Prevalent Tariff Allowed to Power Producer
Above 23.27% to 23.97%	-
Above 23.97% to 24.72%	20%
Above 24.72% to 25.47%	40%
Above 25.47% to 26.22%	60%
Above 26.22%	70%

These changes follow directly from the Authority's own determination in the License Modification-I proceedings and are necessary to align the Reference Tariff Determination with the modified Generation Licence and the revised project parameters approved by the Authority.

This application may kindly be treated as an additional submission forming part of the Applicant's pending Tariff Modification Petition and without prejudice to the other reliefs already sought therein.

Yours Sincerely,

For an on Behalf of:
HNDS Energy Limited

Anas Bin Akram
Authorized Representative

Enclosed:

1. Extracts from Modification of Generation Licence No. SPGL/21/2017 (Modification-I), Licence Application No. LAG-369 (NEPRA letter no. NEPRA/DG(Lic)/LAG-369/33526-32 dated Sep 28, 2023)
2. Extracts from Reference Tariff Determination dated 21 February 2020 issued in Case No. NEPRA/R/TRF-479/HNDS-2019/6094-6096

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Encl. 1

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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

No. NEPRA/DG(Lic)/LAG-369/ 33526-32 September 28, 2023

Chief Executive Officer
HNDS Energy Limited
G-30/4, KDA Scheme No. 5
Block-8, Clifton Karachi

Subject: **Modification in Generation Licence No. SPGL/21/2017 (Modification-I)**
Licence Application No. LAG-369
HNDS Energy Limited (HEL), formerly HNDS Energy (Private) Limited

Reference: HEL's LPM submitted vide letter No. & dated nil (received on 01.02.2021)

It is intimated that the Authority has approved Modification-I in Generation Licence No. SPGL/21/2017 dated August 16, 2017 in respect of HNDS Energy Limited (HEL), formerly HNDS Energy (Private) Limited pursuant to Section 26 of the NEPRA Act read with Regulation 10(11) of the NEPRA Licensing Regulations.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification of HEL alongwith Modification-I in the Generation Licence No. SPGL/21/2017, approved by the Authority.

Enclosure: As Above

28/9/23

(Iftikhar Ali Khan)

Copy to:

1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
2. Managing Director, Private Power & Infrastructure Board (PPIB), Ground & 2nd Floors, Emigration Tower, Plot No. 10, Mauve Area, Sector G-8/1, Islamabad
3. Managing Director, NTDC, 414 WAPDA House, Lahore
4. Chief Executive Officer, CPPA(G), 73 West, A.K. Fazl-ul-Haq Road, Blue Area, Islamabad
5. Chief Executive Officer, Sukkur Electric Power Company (SEPCO), Thermal Power Station,, Old Sukkur, Sukkur
6. Director General, Environmental Protection Department, Government of Sindh, Plot No ST2/1, Sector 23, Korangi Industrial Area, Karachi

National Electric Power Regulatory Authority (NEPRA)

Determination of the Authority in the Matter of Licensee Proposed Modification in the Generation Licence of HNDS Energy (Private) Limited

September 28th, 2023
Case No. LAG-369

(A). Background

(i). HNDS Energy (Private) Limited (HDEPL) holds a Generation Licence (No. SPGL/21/2017, dated August 16, 2017) in terms of Section-15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act").

(ii). The Authority granted the above mentioned licence to HDEPL for setting up a Photo Voltaic (PV) Cell based generation facility of 50.00 MW_P to be located at Goth Gagrawara, Taluka Saleh Pat, district Sukkur in the province of Sindh.

(B). Communication of Modification

(i). HDEPL in accordance with Regulation-10(2) of the NEPRA Licensing (Application & Modification Procedure) Regulations, 1999 (the "Licensing Regulations") communicated a Licensee Proposed Modification (LPM) in its above mentioned Generation Licence on February 01, 2021.

(ii). In the "text of the proposed modification", HDEPL stated that it plans to change the type of the PV Cell from existing Poly Crystalline to Bi-facial Mono-crystalline. In view of the said, there will be changes in the Number of Panels/ Modules, Maximum Power (P_{max}), Installed Capacity, Expected Commercial Operation Date (COD), and Net Capacity Factor of the project.

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(iii). Regarding the "statement of the reasons in support of the modification", HDEPL, inter alia, submitted that the Project site is located in a desert area and has reflective sandy surface. In view of the said, HDEPL is considering the use of bifacial panels that best suit the site conditions. The use of the proposed technology will result in improvement in the energy production of the project. In this regard, HDEPL submitted that the company in its tariff petition has indicated and locked the above said technology. Accordingly, the Authority based on the parameters given in the petition and its own benchmarking determined the tariff through its determination dated February 21, 2020.

(iv). About the statement of "the impact on tariff", "Quality of Service (QoS)" and "the performance by the licensee of its obligation under the licence", HDEPL submitted that the proposed changes will not have any negative impact on any of the said parameters and in fact will have a positive impact on tariff as the new technology will result in higher energy yield resulting less per kWh of rate. Further, HDEPL confirmed that the proposed modification will not have any effect on the QoS and the performance by the Licensee of its obligations under its existing Generation Licence.

(C). Processing of Modification

(i). After completion of all the required information as stipulated under the Regulation-10(2) and 10(3) of the Licensing Regulations, the Registrar published the communicated LPM in one (01) English and one (01) Urdu daily newspaper on February 17, 2021, informing the general public, interested/affected parties and other stakeholders about the said LPM as required under the Regulation-10(4) of the Licensing Regulations.

(ii). The Registrar also invited comments of the relevant Govt. Ministries, their attached Departments, representative organizations and individual experts etc. for the assistance of the Authority, by sending separate letters to the said stakeholders dated February 17, 2021, in favour or against the communicated LPM as stipulated in Regulation-10(9) of the Licensing Regulations.

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(D). Comments of Stakeholders & Findings of the Authority

(i). In response to the above, the Authority did not receive any comment from any of the stakeholders. Accordingly, the Authority considered it appropriate to proceed further as stipulated in the NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules") and the Licensing Regulations. The Authority has examined the entire case in details including the already granted licence, communicated LPM, provisions of the relevant rules and regulations in the matter and the findings are elaborated in the following paragraph.

(ii). As explained above, the Authority granted HDEPL a Generation Licence (No. SPGL/21/2017, dated August 16, 2017) for setting up a PV based generation facility of 50.00 MWP to be set up at Goth Gagrawara, Taluka, Saleh Pat, district Sukkur in the province of Sindh. The above generation licence envisaged installing PV cells of 156,260 x 320Wp having polycrystalline technology on single axis tracking. Further, the generation licence envisaged a Net Capacity Factor of 20.00% with COD of the project December 31, 2018. HDEPL submitted the LPM to change the PV technology to Monocrystalline, having a total of 93,548 x 530 WP PV Modules with single axis tracking. Further, the LPM envisages making necessary changes in the Capacity Factor (23.27%) and COD (April 30, 2023) of the project.

(iii). The Authority observed that in terms of the Section-26 of the NEPRA Act read Regulation-10(5) of the Licensing Regulations, it is empowered to modify an existing licence of a licensee subject to and in accordance with such further changes as it may deem fit, if in the opinion of the Authority such modification (a). does not adversely affect the performance by the licensee of its obligations; (b). does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). is or is likely to be beneficial to the consumers; (d). is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e).is reasonably necessary to ensure the

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continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the licensee.

(iv). In consideration of the above, the Authority considers that (a). the LPM which is meant to utilize the latest technology for PV cells will not adversely affect the performance of the licensee of its obligations under its generation licence but will result in better performance due to lowering of tariff because of higher yield etc.; (b). the LPM will not cause it to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to it; (c). the LPM is likely to be beneficial to the consumers as it will result in lowering of end tariff; (d). the LPM is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; and (e). is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the licensee.

(v). During the course of processing of this LPM, the company informed the Authority that (a). its status has been changed from Private Limited to Public Limited i.e. HNDS Energy Limited (HDEL) there are further changes in the capacity and quantity of the PV modules to 540W_P and 545W_P instead of it a total of 92,008 modules (64,176 x 545Wp & 27,832 x 540Wp modules) as against a total modules of 93,548 (84,112 x 535Wp & 9,436 x 530Wp modules) as given at the time of communication of the LPM. In this regard, the Authority has observed that in terms of Regulation-10(11) of the Licencing Regulations it has the powers to approve the LPM with or without changes therefore, the above changes submitted during the processing of the LPM can be handled under the said provisions of the regulations and there is no need to have a fresh notice as had been done previously in the case of Access Solar (Pvt.) Limited and Access Electric (Pvt.) Limited.

(vi). Regarding the impact on tariff, it is hereby clarified that under Section-7(3)(a) of the NEPRA Act, the Authority has the sole prerogative to determine tariff, rate and charges etc. In this regard, the Authority at the time of the grant of the Original Licence (No. SPGL/21/2017, dated August 16, 2017) directed HDEPL

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through Article-6 of the said licence to charge the power purchaser only such tariff which the Authority has determined, approved or specified for the project. Further to the said, the Authority through its determination No. NEPRA/R/TRF-479/HNDS-2019/6094-6096 February 21, 2020 determined the tariff of the project with different parameters *inter alia,* fixing the net Annual CF to be 23.27%. As explained in the preceding paragraphs, HDEPL while submitting the current communicated modification for the change in technology and other associated parameters, has confirmed that the LPM will not have any negative impact on the tariff of the project.

(vii). In this regard, HDEPL submitted that the above mentioned changes in technology will have a positive impact on tariff as the new technology will result in higher energy yield resulting less per kWh of rate. In this regard, the Authority has observed that proposed changes in technology as explained in the preceding paragraphs, will have a positive impact on Net Annual CF of the project and according to assessments that the Authority has made it will now be around 23.97%. The Authority considers that extra yield that may arise from the use of bifacial Monocrytaline PERC Half-cell (144 cells) Double Glass modules that HDEPL has proposed and the same should also benefit the consumers. In view of the above, the Authority decides to change the sharing mechanism given in Para 21 (c) of the determination of the tariff of HDEPL dated February 21, 2020 as below:-

Net annual plant CF	% of the prevalent tariff allowed to Power Producer
Above 23.27% to 23.97%	-
Above 23.97% to 24.72%	20%
Above 24.72% to 25.47%	40%
Above 25.47% to 26.22%	60%
Above 26.22%	70%

(viii). The Authority directs the Licensee/Company/HDEPL/HDEL to adhere to the Article-6 of the generation licence in letter and spirit without any exception. Further, the Authority also directs the Licensee/Company/HDEPL/HDEL to file the modification petition to get the aforesaid changes incorporated in its tariff determination.

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(E). Approval of LPM

(i). In view of the above, the Authority is satisfied that the Licensee has complied with all the requirements of the Licensing Regulations pertaining to the modification. Therefore, the Authority in terms of Section-26 of the NEPRA Act read with Regulation-10(11) of the Licensing Regulations approves the communicated LPM of HDEPL/HDEL with changes.

(ii). Accordingly, the Generation Licence (No. SPGL/21/2017, dated August 16, 2017) of HDEPL/HDEL is hereby modified. The changes made in the said licence are attached as annexure to this determination. The approval is subject to the provisions contained in the NEPRA Act, relevant rules, regulations, terms & conditions of the generation licence and other applicable documents.

Authority

Maqsood Anwar Khan
(Member)

Rafique Ahmed Shaikh
(Member)

Mathar Niaz Rana (nsc)
(Member)

Amina Ahmed
(Member)

Tauseef H. Farooqi
(Chairman)

Retired

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28/9/23

Encl: 2 : Extracts from Reference Tariff Determination dated 21-Feb-2
(Case No. NEPRA/R/TRF-479/HNDS-2019/6094-6096

Δ I	=	P (REV) * (LIBOR (REV) – 1.90838%) / 4
Where;		
ΔI	=	The variation in interest charges applicable corresponding to variation in 3 month LIBOR. ΔI can be positive or negative depending upon whether 3 month LIBOR (REV) per annum > or < 1.90838%. The interest payment obligation will be enhanced or reduced to the extent of ΔI for each quarter under adjustment.
P (REV)	=	The outstanding principal (as indicated in the attached debt service schedule to this order), at the relevant quarterly calculations date. Quarter 1 shall commence on the commercial operations date (i.e. the first figure will be used for the purposes of calculation of interest for the first quarter after commercial operations date)
LIBOR (REV)	=	Revised 3 month LIBOR as at the last day of the preceding quarter.

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

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 23.27% net annual plant capacity factor. Net annual energy generation supplied to the power purchaser in a year, in excess of 23.27% net annual plant capacity factor, will be charged at the following tariffs:

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Net annual plant capacity factor	% of prevalent tariff allowed to power producer
Above 23.27% to 23.35%	-
Above 23.35% to 24.10%	20%
Above 24.10% to 24.85%	40%
Above 24.85% to 25.60%	60%
Above 25.60%	70%

- The risk of solar resource shall be borne by the power producer.
- The maximum plant PV capacity shall not exceed 50 MWp.
- In the 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 petitioner is required to ensure that all the equipment is installed as per the details/specifications given in the generation license and tariff determination.
- The petitioner is hereby directed to secure the maximum available loan under the SBP Scheme. The savings in the cost of financing under SBP Scheme shall be shared between power purchaser and power producer in the ratio of 60:40 at the time of COD or during any time of the loan tenor, as applicable. The savings in the approved limit of spread over foreign loan shall also be shared between power purchaser and power producer in the ratio of 60:40 at the time of COD or during any time of loan tenor, as applicable. .
- Allowed limit of degradation has been made part of the approved project cost. No extra financial compensation shall be provided in the EPA.
- The company will have to achieve Financial Close within one year from the date of issuance of tariff determination. The tariff granted to the company will no longer remain applicable/valid, if Financial Close is not achieved by the company, for whatever reason, in the abovementioned timeline or its generation license is declined/revoked by NEPRA.

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- The targeted maximum construction period from prescribed date/time of FC is 10 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 10 months will not invalidate the tariff granted to it.

- Pre COD sale of electricity is allowed to the power producer, subject to the terms and conditions of EPA, at the applicable tariff excluding debt servicing and return components. However, pre COD sale will not alter the required COD stipulated in the EPA 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.

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22. The Order part along with 3 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 21.2.2020

(Rafique Ahmed Shaikh)
Member 21/2/20

(Eng. Bahadur Khan)
Member

(Rehmatullah Baloch)
Vice Chairman 21/2/2020

(Tauseef H. Farooqi)
Chairman

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