

National Electric Power Regulatory Authority
(Registrar Office)

No. NEPRA/TRF-WEPR-2016/

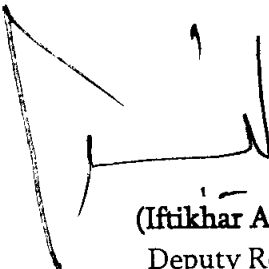
June 13, 2016

Subject: **NOTIFICATION (SRO 549(I)/2016 DATED 13-06-2016) REGARDING NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (WHEELING OF ELECTRIC POWER) REGULATIONS, 2016**

Enclosed please find herewith a copy of Notification (SRO. 549(I)/2016 dated 13-06-2016) regarding "NEPRA (Wheeling of Electric Power) Regulations, 2016"

2. This is for information and record please

Encl: As Above


13/6/16.
(Iftikhar Ali Khan)
Deputy Registrar

1. SA(Tech.)
2. SA(Tariff-I)
3. SA(CAD)
4. DG(M&E)
5. Consultant (Hydropower)
6. DG(C&I)
7. Director (Licensing)
8. Director (CAD)
9. LA(LLP)
10. LA(KIP)
11. LA(Legislation)
12. LA(Licensing)
13. DD(IT) *[Please post the above SRO at NEPRA's website for information of the licensees, stakeholders and the interested parties.]*
14. Mr. Khalid Rashid, AR
15. Mr. Rizwan Ali Paracha *[To scan and send the subject SRO to IT Section for uploading on NEPRA's website.]*

- CC
1. Chairman
 2. Vice Chairman/Member (Tariff)
 3. Member (Licensing)/ (M&E)
 4. Member (CA)

National Electric Power Regulatory Authority (NEPRA)



NOTIFICATION

Islamabad, the day of 13.06, 2016

S.R.O. 549 (I)/2016. In exercise of the powers conferred by Section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the National Electric Power Regulatory Authority, in order to facilitate wheeling of power is pleased to make the following regulations, namely:-

1. **Title and Commencement.**— (1) These regulations may be called the National Electric Power Regulatory Authority (Wheeling of Electric Power) Regulations, 2016.
 - (2) They shall come into force at once.
 - (3) These regulations shall be applicable in respect of wheeling services by Transmission Licensees/DISCOs.
2. **Definitions.**—(1) In these regulations, unless there is anything repugnant in the subject or context:
 - (i) “Act” means Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997;
 - (ii) “Applicable Documents” means the rules and regulation issued in pursuance of the Act by the Authority, from time to time, the generation, transmission and distribution licenses, the Grid and Distribution Codes and any documents, instruments, approvals, directions or authorizations issued or granted by the Authority in exercise of its powers under the Act and any document in each case of a binding nature applicable to the licensee;
 - (iii) “Applicant” means a generation company desirous of obtaining wheeling services from Transmission Licensees/DISCOs;
 - (iv) “Authority” means the National Electric Power Regulatory Authority constituted under Section 3 of the Act;
 - (v) “Bulk Power Consumer” means a consumer who purchases or receives electric power, at one premises, in an amount of one megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may determine and the Authority may determine different amounts and voltage levels and with such other characteristics for different areas.

Ali

- (vi) “**Committed Capacity**” means electrical power, expressed in MW that the Wheeler of Power is authorized by Authority to disperse to Transmission Licensee/DISCO as part of the Wheeler of Power’s Second-tier Supply Business;
- (vii) “**Connection Agreement**” means an agreement between a generator and a DISCO/Transmission licensee to connect to DISCO and/or transmission licensee’s network as the case may be, in terms of Connection Agreement as specified in Schedule-II as set out in Annexure;
- (viii) “**DISCO**” means a person engaged in the distribution of electric power and licensed by the Authority to this effect;
- (ix) “**Distribution Code**” means the Distribution Code prepared by the DISCOs with the approval of the Authority;
- (x) “**Distribution System**” means the distribution facilities situated within the Service Territory owned or operated by the DISCO for distribution of electric power including, without limitation, electric lines or circuits, electric plant, meters, interconnection facilities or other facilities operating at the distribution voltage, and shall also include any other electric lines, circuits, transformers, sub-stations, electric plant, interconnection facilities or other facilities determined by the Authority as forming part of the distribution system, whether or not operating at the distribution voltage.
- (xi) “**Entry Point(s)**” means the physical point(s) where Input Energy from the facility is delivered by the supplier to as agreed by the parties.
- (xii) “**Exit Point(s)**” means the physical point or points where the actual Output Energy exits the Transmission or Distribution system, as agreed by the parties and the relevant BPC.
- (xiii) “**Force Majeure Event**” shall mean any event or circumstance or a combination of events or circumstances (including the effects thereof) that is beyond the reasonable control of a person and materially and adversely affects the performance by such affected person of its obligations provided that such material and adverse effect could not have been prevented, overcome or remedied in whole or in part by the affected person by exercise of care and diligence. Force Majeure Events shall include the following events and circumstances provided that event or circumstance is limited to the following:
- (a) riot, war, acts of terrorism;
 - (b) ionising radiation or radio activity from any nuclear fuel or from any nuclear waste;
 - (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - (d) earthquakes, flood, fire or other physical natural disaster, but excluding weather conditions regardless of severity; and
 - (e) strikes or industrial disputes at a national level, which affect an essential portion of the works but excluding any industrial dispute which is specific to the performance of the works or this contract.
- (xiv) “**Generation Company**” means a person engaged in the generation of electric power and licensed by the Authority to this effect;
- (xv) “**Grid Code**” means the Grid Code prepared by the National Grid Company with the approval of the Authority.

Ah



- (xvi) **“Input Energy”** means the electrical energy, expressed in kWh, that is delivered to the Entry Point(s) of Transmission Licensee or DISCO for purposes of onward transport by respective Transmission Licensee or DISCO to the Exit Point(s), as measured by the Wheeling Meter(s).
- (xvii) **“Transmission Licensee”** means holder of Transmission Licence granted by the Authority.
- (xviii) **“Output Energy”** means the electrical energy, expressed in kWh, that Transmission Licensee or DISCO is obliged to transport to Exit Point(s) of the Transmission Licensee or DISCO, as measured by the Wheeling Meter(s).
- (xix) **“Scheduled Outage”** means a planned interruption of Transmission Licensee or DISCO’s ability to accept delivery of electrical energy generated by the generation facility of the Wheeler of Power at the Entry Point or its ability to transport the same to any Exit Point, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvement of the Transmission or Distribution system.
- (xx) **“Unscheduled Outage”** means an interruption or delay in Transmission Licensee or DISCO’s ability to accept delivery of electrical energy generated by the generation facility of the Wheeler of Power at the Entry Point or its ability to transport the same to any Exit Point that is not a result of a Schedule Outage or a Force Majeure Event;
- (xxi) **“Wheeling” or “Wheeling Services”** means the use of the Transmission or/and Distribution system(s) of the respective Transmission Licensee(s)/DISCO(s) for the transport of electric power.
- (xxii) **“Wheeling Agreement”** means the agreement between the Wheeler of Power and DISCO(s) or the agreement between the wheeler of power and DISCO(s)/Transmission licensees or the agreement between wheeler of power and transmission licensee(s), for Wheeling Services in accordance with Schedule-I as set out in Annexure.
- (xxiii) **“Wheeling Charges”** means the charges for Wheeling of Power as approved by the Authority.
- (xxiv) **“Wheeler of Power”** means an Applicant whose application for wheeling has been accepted by the Transmission Licensee or/and DISCO as the case may be; and
- (xxv) **“Wheeling Meters”** means meters having such technical specification as may be specified by the Transmission Licensee or DISCO, installed at Entry and Exit Point of respective Transmission Licensee/DISCO to measure the electrical power entering and exiting the that Transmission Licensee or DISCO network.

(2) Words and expressions used but not defined in these regulations shall have the same meaning as in the Act and the rules and regulations framed thereunder.

3. **Open Access.**— (1) Every Transmission Licensee and DISCO shall offer non-discriminatory open access to its respective Transmission or Distribution system and inter-connection services to the Applicants who are either connected or intend to be connected to the Transmission or Distribution system of the Transmission Licensee or DISCO.



- (2) Every Transmission Licensee and DISCO shall prepare and maintain a detailed report of the electric power capacity of its respective Transmission or Distribution system. Such information or any other relevant information shall be available on the website of the every Transmission Licensee and DISCO and provided to the potential Applicant within 14 days upon its request regarding the area where the Wheeling Services are intended to be availed.
- (3) Every Transmission Licensee and DISCO shall ensure that with the addition of a new Wheeler of electric Power, quality of service of the existing users or Wheelers of Electric Power are not adversely affected.

4. Dedicated Transmission/Distribution Facilities.— (1) Notwithstanding anything contained in Regulation 3, where technically not feasible to avail Wheeling Services on existing Transmission or Distribution system of a Transmission Licensee or DISCO, as the case may be, a generation company may construct a dedicated Transmission or Distribution system from its own expense to supply electrical power to its authorized BPC(s). Such Distribution system shall be handed over to DISCO for ownership, maintenance and operation. However, the cost incurred by the generation company for setting up such Transmission or Distribution system will be recovered by the generation company through the Wheeling Charges.

- (2) The Transmission Licensee and DISCO shall not connect such dedicated Transmission or Distribution system to its other Transmission or Distribution network without the consent of Generation Company.

5. Application Process for Wheeling of Power.— (1) Wheeling may be availed by generation companies who are already connected with a Transmission Licensee or DISCO system or those who have yet to establish connection with a Transmission Licensee or DISCO system.

- (2) An Applicant desirous of obtaining Wheeling Services shall submit an application to the concerned Transmission Licensee or DISCO accompanied by non-refundable application fee as determined by the Transmission Licensee or DISCO and shall include the following details:

- a) Proposed geographical location of the Applicant;
- b) Quantum of power to be wheeled;
- c) Entry Point(s) and Exit Point(s) of power;
- d) The proposed buyers of the Applicant, their consent and the Power Purchase Agreement if available;
- e) Proposed commencement date of the Wheeling and the duration thereof; and
- f) Any other necessary details as may be required by Transmission Licensee or DISCO.

- (3) The Transmission Licensee or DISCO shall acknowledge the receipt of the application within three (3) days of the receipt of the application if the same is complete and contains the requisite information for processing the application:

Provided that any application which is incomplete or is not accompanied by the required information shall be returned within three (3) days of filing thereof, identifying in writing the deficiencies in the application and the Applicant shall be given a reasonable time to re submit the application.

Qw

- (4) The application if found satisfactory shall be accepted by Transmission Licensee or DISCO within 10 days of acknowledgement of receipt thereof:

Provided that no application shall be accepted unless it fulfills all the requirements regarding interconnection as required under the Distribution Code and Grid Code;

Provided further that where the Applicant seeking wheeling is not connected with Transmission Licensee or DISCO system, an application for such connection shall be filed with Transmission Licensee or DISCO in terms of Distribution and Grid Codes and both parties shall enter into a Connection Agreement in this regard.

- (5) An Applicant whose application has been accepted shall be required to submit a bank guarantee upto 100 US\$ per MW.

6. **Rejection of Application for Wheeling of Power.**— The application for wheeling may be rejected by the Transmission Licensee or DISCO subject to conditions laid down in Regulation 5.

Provided that in case the Transmission Licensee/DISCO intends to reject the application, shall seek approval of the Authority and decision of the Authority shall be final in this regard.

7. **Wheeling Agreement.**— (1) The Applicant shall enter into a Wheeling Agreement with the Transmission Licensee(s) or/and DISCO(s) as the case may be within thirty (30) days of the acceptance of the Application and a copy thereof shall be submitted to the Authority within seven (7) days of execution of the Wheeling Agreement.

- (2) The Wheeler of Power shall have option of renewal after expiration of the original term of the Wheeling Agreement.

8. **Failure to commence Wheeling.**— (1) The Transmission Licensee or DISCO shall reserve a slot for the Wheeler of Power for 18 months from the date of acceptance of the application for commencement of Wheeling operation.

- (2) The failure of Wheeler of Power to commence Wheeling will result in cancellation of Wheeling Agreement and the Transmission Licensee and/or DISCO as the case may be, shall be discharged of obligation to provide Wheeling Services unless specifically permitted by the Transmission Licensee/DISCO for the reasons to be recorded in writing under intimation to the Authority.

9. **Wheeling Charges.**— The Transmission Licensee or DISCO shall charge the Wheeler of Power only those charges as per the Schedule-III as set out in the Annexure.

10. **Metering Requirement.**— (1) The Wheeling Meters shall be installed at the Entry and Exit Points of the Transmission or/and Distribution system of the respective Transmission Licensee(s)/DISCO(s) as the case may be.

- (2) The Wheeler of Power and its Bulk Power Consumer(s) shall be responsible to procure and install meters at the Entry Point and Exit Point of Transmission Licensee or/and DISCO respectively.

- (3) Wheeler of Power, Transmission Licensee/DISCO and BPC shall be liable for tampering of meter by any of their employees working in the course of employment.
11. **Banked Energy.**— (1) Where Transmission Licensee or DISCO fails to transport Input Energy to an Exit Point of Transmission Licensee or DISCO in terms of wheeling instructions in that month or a BPC is unable to accept delivery of Output Energy at Exit Point of Transmission Licensee or DISCO in that month such banked electrical energy shall be delivered to the Exit Point of Transmission Licensee or DISCO, requested by the Wheeler of Power within the time period as mutually agreed by the parties in the Wheeling Agreement.
- (2) A Transmission Licensee or a DISCO as the case may be, shall be liable to pay Liquidated Damages to the Wheeler of Power for its failure to transport Input Energy to Exit Point(s) of its respective Transmission/Distribution system.
- (3) In case a Transmission Licensee or a DISCO fails to deliver the banked energy to Exit Point(s) of that Transmission Licensee or DISCO within time period as requested by the Wheeler of Power, the Transmission Licensee or DISCO regardless of any liquidated damages under sub-clause (2) above shall also be liable to pay the Liquidated Damages for such failure.
12. **Optional Sale.**— On request of the Transmission Licensee or DISCO, the Wheeler of Power may have option (but not the obligation) to sell the banked energy to the Transmission Licensee or DISCO. Upon exercise of this option by the Wheeler of Power; the Transmission Licensee or DISCO shall pay for such banked energy at such rate approved by the Authority.
- Provided that the Wheeling Charges shall not be applicable for sale of any banked energy to the Transmission Licensee or DISCO.*
13. **Shortfall.**— (1) In the event of failure of the Wheeler of Power, except a Force Majeure Event, to deliver the Input Energy as stated in the wheeling instructions already notified to Transmission Licensee or DISCO in that month, such Transmission Licensee or DISCO shall be entitled to receive Liquidated Damages from the Wheeler of Power for any such shortfall.
- (2) For any shortfall in the Committed Capacity that the Wheeler of Power is unable to deliver to Transmission Licensee or DISCO, the Transmission Licensee or DISCO may opt to continue to supply to the relevant Bulk Power Consumer(s) for such shortfall of power on request of Wheeler of Power and shall invoice the Wheeler of Power at the tariff approved by the Authority.
14. **Overdrawing.**— Where a Bulk Power Consumer draws electrical power in excess of Output Energy at Exit Point(s) of the Transmission Licensee or DISCO, the Wheeler of Power shall pay to Transmission Licensee or DISCO according to tariff determined by the Authority.
15. **Liquidated Damages.**— (1) The amount of liquidated damages payable for failure of the Transmission Licensee or DISCO as the case may be, to transport the Input Energy under these regulations shall consist of the actual loss suffered by the Wheeler of Power.

- (2) The amount of liquidated damages payable for failure of the Wheeler of Power to deliver the Input Energy under these regulations shall consist of the actual loss suffered by Transmission Licensee or DISCO as the case may be.
16. **Set-off.**— The Transmission Licensee/DISCO and the Wheeler of Power shall have the right to set off any amounts due and payable by it to the other party under these regulations against any and all amounts due and payable to it by the other party under these regulations and such rights of set-off shall relate only to amounts that are then due and payable to and by a party and are undisputed or have been resolved in terms of Regulation 20.
17. **Second-tier Supply Authorization.**— (1) The Wheeler of Power shall only be permitted to supply the power to Bulk Power Consumers under second-tier supply authorization from the Authority as provided under the NEPRA Licensing (Generation) Rules, 2000.
- (2) The relationship between the Bulk Power Consumer and the Wheeler of Power shall be governed under their Power Purchase Agreement.
- Provided that the power purchase agreement shall not contain a clause to restrain a Bulk Power Consumer from purchasing power from any other source, including a Transmission Licensee or DISCO.*
- (3) The Wheeler of Power shall provide Transmission Licensee/DISCO a copy of the Power Purchase Agreement entered into with its BPC(s).
18. **Power of the Authority to give directions, instructions and guidelines.**—For carrying out the purposes of these regulations, the Authority may issue directions, instructions and guidelines to the Wheeler of Power, the Transmission Licensee and the DISCO in the form and manner determined by the Authority, which shall be complied with by the Wheeler of Power, the Transmission Licensee and the DISCO.
19. **Power to require information.**—The Authority may, at any time, by notice in writing require the Wheeler of Power, the Transmission Licensee and the DISCO, generally or in particular to furnish it within the time specified therein or such further time as the Authority may allow, with any statement or information and without prejudice to the generality of the foregoing power, may call for information, at such intervals as the Authority may deem necessary.
20. **Resolution of disputes.**—Any dispute or disagreement of Wheeler of Power, BPC, Transmission Licensee and the DISCO relating to any matter arising out of, or in connection with, the activities covered under these regulations shall be submitted for decision to the Authority.
21. **Penalty for failure, refusal to comply with, or contravention with any provision of the regulations.**—If any party fails or refuses to comply with, or contravenes any of the provisions of these regulations or any direction or order passed by the Authority under these regulations or knowingly or willfully authorizes or permit such failure, refusal or contravention, it shall, be punishable with a fine which may extend to 100 million rupees.

No. NEPRA/NCC-01 /


(Syed Safer Hussain)
Registrar

13.06.16

ANNEXURE

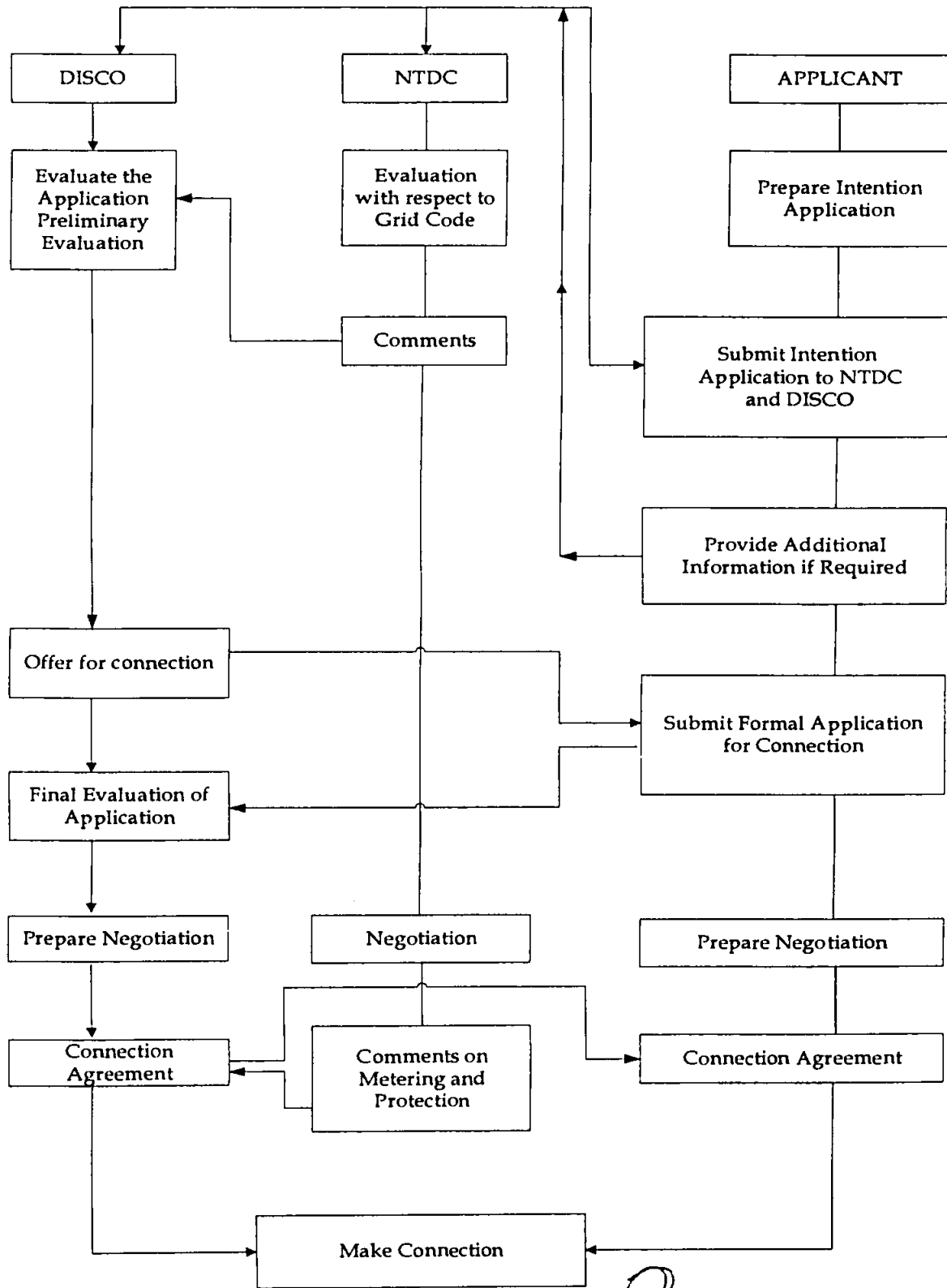
SCHEDULE-I
[See Regulation 2 (1) (xix)]
“Wheeling Agreement”

The Agreement shall have following base minimum provisions:

- (a) Detailed Description of parties along with addresses and authorized representatives
- (b) Effective Date and Term
- (c) Interconnection work
- (d) Transport of energy
- (e) Conditions with respect to shortfall in the committed capacity
- (f) Provisions related to transfer of title and ownership of the Input Energy
- (g) Arrangement related to metering
- (h) Procedure related to meter reading, attendance
- (i) Provisions related to tampering, testing of meters, use of check meters, matters related to inaccuracies
- (j) Provisions related to costs and expenses associated with the repair, testing, commissioning, calibration and recalibration of meters
- (k) Use of system payments
- (l) Invoicing and payments
- (m) Arrangement in case of failure to transport
- (n) Payment dispute
- (o) Treatment of banked Energy
- (p) Operational provisions including but not limited to manner and form of wheeling notice and revised wheeling notice
- (q) Provisions ensuring compliance of the regulations
- (r) Establishment and manner of functioning of the coordination committees
- (s) Notice of Force Majeure Events
- (t) Representation and Warranties
- (u) Provisions related to events of default
- (v) Termination notice
- (w) Remedies upon termination and obligations upon termination
- (x) Liquidated Damages
- (y) Restriction on Assignment
- (z) Relation and arrangement with third party contractors and financiers
- (aa) Provisions related to notices and service address
- (bb) Procedure of amendment to the Agreement
- (cc) methodology of calculation of use of system charges
- (dd) list and detailed particulars of Bulk Power Consumers



SCHEDULE-II
 [See Regulation 2 (1) (vi)]
 "Connection Agreement"



g
 20

SCHEDULE-III
[See Regulation 9]
“Wheeling Charges”

Wheeling Charges shall be the wheeling charges approved by the Authority in the tariff petition of relevant Transmission Licensee/DISCO and notified by the Authority.

