



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

INTERIM POWER PROCUREMENT (PROCEDURES AND STANDARDS) REGULATIONS, 2005

Islamabad, the 16th March, 2005

S.R.O. 265 (I)/2005.— In exercise of the powers conferred by Section 32 read with Section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority for carrying out its functions under this Act and to prescribe interim power procurement procedures and standards for the transmission companies and the distribution companies, till the final approval of NEPRA Power Procurement (Procedures and Standards) Rules by the Federal Government, is pleased to make the following regulations, namely:—

PART-I

SHORT TITLE, COMMENCEMENT AND DEFINITIONS

1. **Short title and commencement.**— (1) These regulations may be called the National Electric Power Regulatory Authority Interim Power Procurement (Procedures and Standards) Regulations, 2005.

(2) They shall come into force at once.

(3) These regulations shall be applicable on the national grid company, all distribution companies including Karachi Electric Supply Corporation holding a distribution licence under the Act and any intending generator of electric power desirous of selling its power to the national grid company or a distribution company under a power acquisition contract.

2. **Definitions.**— (1) In these regulations, unless there is anything repugnant in the subject or context,—

(a) “Act” means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997);

(b) “Authority” shall bear the meaning ascribed thereto in the Act, and where the context so admits, shall mean the presiding officer;

(c) “communication” means any information, comments, data, filing, summary, written statement, representation, pleadings, correspondence or evidence filed

with the Registrar, the presiding officer or the Authority in connection with any proceedings under these regulations;

- (d) “filing” means the submission of a request for power acquisition or a power acquisition contract alongwith all the required information as provided under these regulations;
- (e) “power acquisition permission” means an authorization of the Authority sought by a distribution company or a transmission company on behalf of one or more distribution companies upon filing of a request for power acquisition;
- (f) “power acquisition contract” means a contract or other arrangement for the acquisition of power by a distribution company or a transmission company on behalf of one or more distribution companies whether through sale and purchase for consideration or otherwise including, where applicable a contract for purchase of electric power on the basis of difference in prices of electric power between the rate pursuant to the pooling and settlement arrangements and rates determined according to the method stated in such contract;
- (g) “proceedings” means the entire process commencing from the date of filing of a power acquisition contract with the Registrar and ending on the date the Authority makes its final determination on such power acquisition contract and shall include any stage during the proceedings;
- (h) “register” means the register maintained by the Registrar wherein shall be entered the title and number of all requests for power acquisition and power acquisition contracts in such manner and with such details as the Authority may from time to time direct;
- (i) “Registrar” means a person designated by the Authority to register and record the receipt of communications, requests for power acquisition and power acquisition contracts filed with the Authority and to perform such other duties under these regulations as may from time to time be assigned by the Authority; and
- (j) “request for power acquisition” means the request filed by a distribution company or a transmission company on behalf of a distribution company or companies alongwith the information as required under these regulations for the acquisition of power from a generation facility.

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

PART-II

POWER ACQUISITION PERMISSION

3. **Power Acquisition.**— (1) All offers for sale of power by a generating company shall be submitted for examination to the transmission company or a distribution company to which sale is intended.

(2) Upon satisfaction of a distribution company or a transmission company in respect of the offer for sale of power to be in accordance with its obligation to procure electric power at the best effective price obtainable or a transmission company's least cost expansion plan, a request for power acquisition shall be filed with the Registrar by a distribution company or a transmission company.

(3) The request for power acquisition filed by or on behalf of a distribution company shall provide information in respect of:

(a) the firm capacity expected;

(b) the technology, indicating primary fuel, alternate primary fuel and back up fuel;

(c) the expected time of commercial operation of the generation facility;

[(d) The expected rate of power to be acquired and the basis thereof including but not limited to the feasibility study report, contracts and agreements;]¹

[(e)]² the particular distribution company's demand which is going to be met through the proposed procurement;

[(f)]³ the adequacy of the transmission system or distribution company's sub-transmission system and the cost of transmission/inter connection to the Grid System involved in the procurement.

(4) All requests for power acquisition shall also declare information on the applicable forms attached to these regulations under **Schedule I**.

(5) The Registrar shall accept a request for power acquisition upon its filing and shall record its particulars in the register. The Registrar shall present a request for power acquisition with the Authority for admission [within fourteen days]⁴ of its filing with the Registrar.

4. **Power Acquisition Permission.**— (1) Upon admission of a request for power acquisition, the Authority shall satisfy itself in respect of the prudence of the procurement and grant the power acquisition permission to a distribution company for negotiating a power acquisition contract to meet its load growth or reduction in power purchase cost or a transmission company to initiate power acquisition contract negotiations for procurement on behalf of a distribution company or a group of such companies.

¹ Clause 3(d) inserted *vide* NEPRA Interim Power Procurement (Procedure and Standards) (Amendment) Regulations, 2009 notified *vide* S.R.O. 939(I)/2009 dated 20th October, 2009

² Earlier clause 3(d) is re-numbered as 3(e) *vide* *ibid*.

³ Earlier clause 3(e) is re-numbered as 3(f) *vide* *ibid*.

⁴ The words “on the next date” is substituted *vide* S.R.O. 45(I)/2012 dated 19th January 2012.

[(2) In case of procurement of power from a hydel/coal generation company including a foreign company, the Authority shall allow an advance tariff based on a feasibility study report duly endorsed by the PPIB/Power Purchaser for negotiating a power acquisition contract to be approved by the Authority under these regulations.

(3) A power acquisition contract to be executed by a distribution company or transmission company/CPPA shall take into account the advance tariff approved by the Authority under Regulation 4(2), the EPC contract, O&M contract and such other contracts constituting the power purchase cost of the distribution company or transmission company/CPPA.

(4) In the process of procurement of power from a hydel/coal generation company, the distribution company or the transmission company/CPPA shall adhere to these regulations and other guidelines as issued by the Authority from time to time.]⁵

[(5) All orders in respect of the grant of power acquisition permission shall be announced within 30 days of the admission of a request for power acquisition by the Authority.]⁶

5. Power Acquisition Contract.— (1) Before executing a power acquisition contract, a transmission company or a distribution company shall file its proposed power acquisition contract with the Registrar for its approval by the Authority.

(2) A transmission company or a distribution company shall file the proposed power acquisition contract in accordance with the guidelines issued by the Authority from time to time.

(3) All proposed power acquisition contracts shall accompany a statement providing justification of the rates, terms and conditions proposed to be agreed with the sponsor under the proposed power acquisition contract.

(4) The Registrar shall record the filing of a proposed power acquisition contract by a transmission company or a distribution company in its register and present the proposed power acquisition contract duly supported with the information required under these regulations for admission by the Authority immediately [within fourteen days]⁷ of its filing.

(5) The Authority shall process the approval of the proposed power acquisition contract in accordance with the information and forms provided at the time of filing of request for power acquisition or such other information as may be filed by a transmission company or a distribution company at the instance of the Authority.

(6) Subject to the grant of a generation licence under regulation 6, the decision of the Authority in respect of a proposed power acquisition contract shall be communicated to a transmission company or a distribution company within 60 days of the admission of the proposed power acquisition contract by the Authority.

⁵ Sub-clauses 4(2) (3) & (4) are inserted NEPRA Interim Power Procurement (Procedure and Standards) (Amendment) Regulations, 2009 notified *vide* S.R.O. 939(I)/2009 dated 20th October, 2009

⁶ Existing sub-clause 4(2) “All orders in respect of the grant of power acquisition permission shall be announced within 30 days of the admission of a request for power acquisition by the Authority” is re-numbered as 4(5) and reworded *vide* *ibid*.

⁷ The words “on the next date” is substituted *vide* S.R.O. 45(I)/2012 dated 19.01.2012

PART-III

MISCELLANEOUS

6. **Grant of Generation Licence.**— (1) In case the request for power acquisition filed by a transmission company or a distribution company is in respect of a generating company who intends to own, construct, operate and manage a generation facility within the territories of Pakistan, the latter shall submit an application for the grant of generation licence to NEPRA. The application for the grant of a generation licence may be filed along with a copy of the proposed power acquisition contract.

(2) A generating company may file its application for grant of generation licence with the Registrar prior to the filing of a corresponding request for power acquisition by a transmission company or a distribution company.

(3) An applicant for generation licence under these regulations shall observe all applicable rules and regulations of the Authority, as framed under the Act.

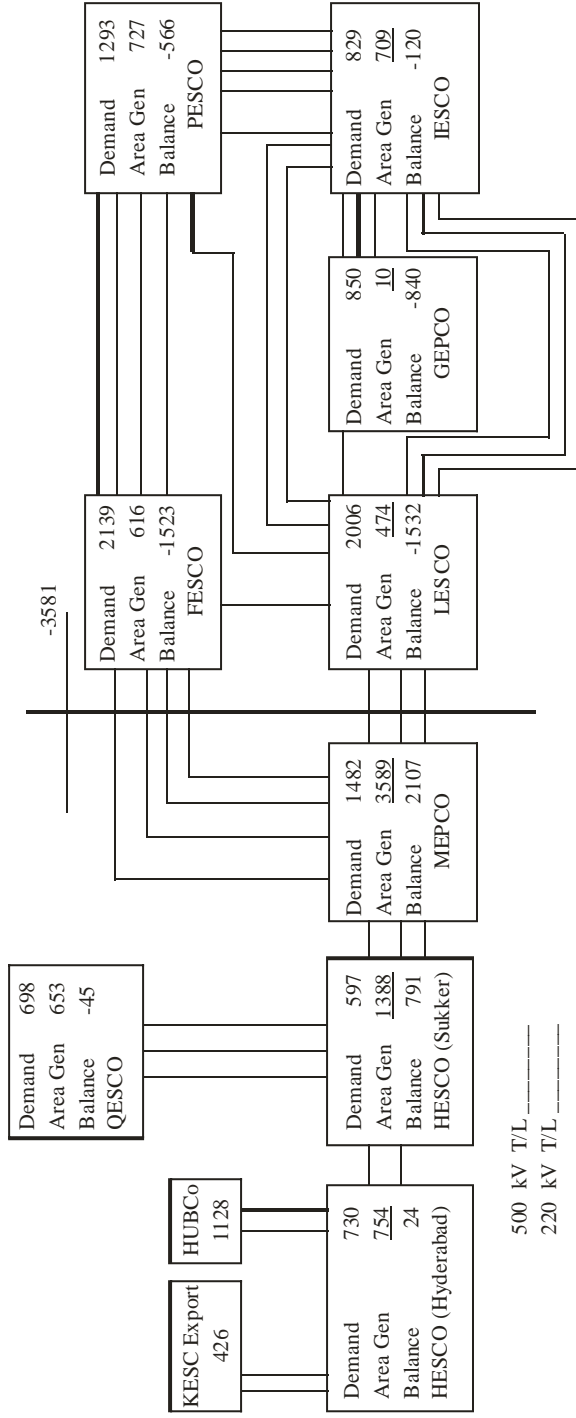
(4) The application for generation licence shall be processed under NEPRA Licensing (Application and Modification) Procedure Regulations, 1999 and shall clearly indicate the purchaser of power as per NEPRA Licensing (Generation) Rules, 2000, providing all such forms as indicated in sub-regulation 3 of regulation 3.

7. **Foreign Generating Company.**— In case of purchase of power from a generating company or an entity which is located outside the territories of Pakistan, the proposed power acquisition contract with such a company or an entity shall be filed alongwith necessary government approvals/understandings.

8. **Extension of time.**— Subject to the provisions of sub-regulation (2) of regulation 4, sub-regulation (5) of regulation 5 and sub-regulation (4) of regulation 6, the Authority may, only for causes beyond its control including, without limitation, the failure by any person to comply with the provisions of regulations or the orders and directions of the Authority, extend the afore-stated periods by such further period as the Authority deems fit. The reasons for such extension shall be recorded in writing.

MAHJOOB AHMAD MIRZA,
Registrar.

PEAK LOAD JANUARY 2007



500 kV T/L _____
220 kV T/L _____

- * All above values are in MW.
- * Above Generation Capability accounts for 6% & 11% outages to IPPs & WAPDA Thermal Plants respectively.
- * The auxiliary consumption are assumed as 1%, 2% & 4% for Gas Turbines, Combined Cycle and Steam Turbines respectively.
- * With a total Load shedding of 1663 MW proportionately in PESCO, IESCO, GEPCO, LESCO and FESCO.

**PEAK LOAD JANUARY 2007
(GENERATION DESPATCH)**

Q.S. Mand	19.5
Uch-ph-1	515
Habib-P	118
QESCO Gen.	653

Chash-N	282
SPS	85.5
GTPS-CC	183.5
Chashma-H	65
FESCO Gen.	616

Tarbel	560
Warsak	145
Small Hyd.	16
Jagran	6
FESCO Gen.	727

HUBCO	1128
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Jamshoro	594
Kotri	131
Lakhra	29
HESCO Gen.	754
(Hyderabad)	

Guddu	1191
Liberty	197
HESCO Gen.	1388
(Sukker)	

M. Garh	1078
Rousch	371
KAPCO	1261
FKPCL	141
Pak-Gen.	323
Lal-Pir	330
Piranghib	85
MEPCO Gen.	3589

Saba	116
Japan-P	101
SEPCOL	105
KEL	113
Shadara	35
Renala Kh.	1
Chichoki	3
LESCO Gen.	474

Rasul	4
Shadiwal	3
Nandipur	3
GEPCO Gen.	10

G. Brotha	580
Mangla	120
Altern	9
IESCO Gen.	709

* Above Generation Capability accounts for 6% & 11% outages to IPPs & WAPDA Thermal Plants respectively.

* The auxiliary consumption are assumed as 1%, 2% & 4% for Gas Turbines, Combined Cycle and Steam Turbines respectively.

Note : To be provided for other years - 2006, 2008, 2009 & 2010

**INFORMATION ABOUT GENERATION CAPACITY UNDER
PROPOSED PROCUREMENT REQUEST**

Description	Generator 1	Generator 2	Generator 3	Generator 4	Generator 5
Capacity MW					
Technology					
Fuel					
Weather forms part of least cost plan					
Availability of Power/energy					
Year of Commissioning					
Location					
Proposed Grid for interconnection Approximate distance					
Augmentation required in Grid					
Augmentation required in transmission network					
Estimated costs if augmentation required in the transmission network					
Steps taken or required for transmission augmentation					
Any other information					

SUMMARIZE: Total capacity proposed to be procured over the period (MW):
 Year 1:
 Year 2:
 Year 3:
 Year 4:

- Notes: 1 *NTDC or the DISCO would provide information for all the above factors of the matrix as applicable to their requests.*
- 2 *Use additional sheets to provide detailed information.*
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Oil fired Steam, Gas turbines, Gas fired Combined Cycle, Coal based steam, Hydro (run-of-the river)/ storage, other including wind, solar etc.

Indigenous, Imported.

If forms part of least cost plan a certificate to that effect would be attached. If not part of least cost plan, demonstrate that procurement would be an economic one and would not adversely affect the transfer price/ power purchase of DISCOs. Impact of the generation addition on transmission system.

Provide details about the Grid, including voltage, MVA capacity.

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Provide load flow and supporting studies for the future requirements to augment Grid or Transmission network.

**Amendments Made in National Electric Power Regulatory Authority
Interim Power Procurement (Procedures and Standards) Regulations, 2005**



Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 20th October, 2009

S.R.O. 939(I)/2009.— In exercise of powers conferred by Section 32 read with Section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority is pleased to approve the following additions and modifications/amendments in the Interim Power Procurement (Procedure and Standards) Regulations, 2005 notified *vide* SRO 265(I)/2005 dated 15 March 2005 and be published for general information, namely:—

WHEREAS it is expedient to amend the Interim Power Procurement (Procedure and Standards) Regulations, 2005 for the purposes hereinafter appearing;

AND WHEREAS the National Electric Power Regulatory Authority desires to provide for the procurement of power by a distribution company or a transmission company/CPPA for hydel/coal resources in a manner, which could encourage prudent procurement of power besides attracting investment in hydel/coal generation;

NOW THEREFORE, the National Electric Power Regulatory Authority is pleased to make and notify the following regulations:

1. Short title and commencement.—(1) These regulations may be called the NEPRA Interim Power Procurement (Procedure and Standards) (Amendment) Regulations, 2009.

(2) It shall come into force at once.

2. Addition of sub-clause 3(d) in place of existing 3(d) and adjustment of rest of sub-clauses as 3(e) and 3(f).

“In Regulation 3, following shall be inserted as sub-clause 3(d) and the existing sub-clauses 3(d) and 3(e) shall be re-numbered as sub-clauses 3(e) and 3(f) respectively:

3 (d) The expected rate of power to be acquired and the basis thereof including but not limited to the feasibility study report, contracts and agreements;”

3. Amendment of regulation 4.—(a) After sub-regulation(1) of regulation (4) the following sub-regulations (2), (3) and (4) shall be added, namely:—

“(2) In case of procurement of power from a hydel/coal generation company including a foreign company, the Authority shall allow an advance tariff based on a feasibility study report duly endorsed by the PPIB/Power Purchaser for negotiating a power acquisition contract to be approved by the Authority under these regulations.

(3) A power acquisition contract to be executed by a distribution company or transmission company/CPPA shall take into account the advance tariff approved by the Authority under Regulation 4(2), the EPC contract, O&M contract and such other contracts constituting the power purchase cost of the distribution company or transmission company/CPPA.

(4) In the process of procurement of power from a hydel/coal generation company, the distribution company or the transmission company/CPPA shall adhere to these regulations and other guidelines as issued by the Authority from time to time.”

(b) The existing sub-clause 4(2) of the Regulation 4 be re-numbered as 4(5) and reworded as under:

“4(5) All orders in respect of the grant of power acquisition permission shall be announced within 30 days of the admission of a request for power acquisition by the Authority.”

ARSHAD MAHMOOD,
Registrar.



Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 19th January, 2012

S.R.O. 45(I)/2012.— In exercise of powers conferred by Section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the National Electric Power Regulatory Authority is pleased to approve the following amendment in the Interim Power Procurement (Procedure and Standards) Regulations, 2005 notified *vide* SRO 265(I)/2005 dated 15 March 2005, namely:—

In the aforesaid Regulations' Part II – **Power Acquisition Permission**:—

- (1) In regulation 3, for sub-regulation (5), the words “on the next date” be substituted with the words “within fourteen days”.
- (2) In regulation 5, for sub-regulation (4), the words “on the next date” be substituted with the words “within fourteen days”.

SYED SAFEER HUSSAIN,
Registrar.