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National Electric Power Regulatory Authority
(Registrar Office)

No. NEPRA/CPAG-CC-01/ 8669

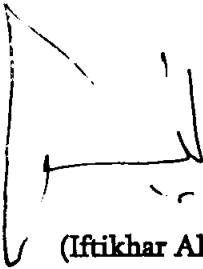
June 9, 2016

Subject: NOTIFICATION (SRO 538(I)/2016 DATED 08-06-2016) REGARDING AMENDMENTS IN AMENDMENT IN THE COMMERCIAL CODE, 2015 OF THE CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED (CPPA-G)

Enclosed please find herewith a copy of Notification (SRO. 528 (I)/2016 dated 08-06-2016) regarding amendments made in the "the Commercial Code, 2015 of the Central Power Purchasing Agency (Guarantee) Limited (CPPA)-G.

2. This is for information and record please

Encl: As Above


9/6/16.
(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 8th day of June, 2016

S.R.O. 538 (I)/2016: In exercise of powers conferred under section 35 of the Regulation of Generation, Transmission and Distribution of the Electric Power Act, 1997 (XI of 1997) read with rule 5 of the National Electric Power Regulatory Authority (Market Operator Registration, Standards and Procedure) Rules, 2015 and Article 3.4 of the Commercial Code, 2015 notified through SRO 542(I)/2015 dated June 2, 2015, in partial modification of SRO 542 (I)/2015 dated June 2, 2015 and SRO 912 (I)/2015 dated September 07, 2015, the National Electric Power Regulatory Authority is pleased to direct that the following amendments shall be made in the Commercial Code, 2015, namely:-

In the aforesaid Commercial Code,-

(a) in Article I,

i. clause 10, the definition of "Distribution Company (DISCO)" shall be substituted with the following words, "Distribution Company (DISCO)" means a market participant providing electricity distribution services other than K-Electric Limited.";

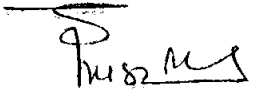
ii. clause 10a, the definition of "Energy Purchase Agreement (EPA)" shall be substituted with the following words, "Energy Purchase Agreement (EPA)" means an energy purchase agreement: (a) signed by NTDC with an IPP (to procure power on behalf of Distribution Companies); (b) signed or to be signed, by CPPA-G, (to procure power on behalf of Distribution Companies) with an IPP during the transition period of two years mentioned in rule 5 of the Market Rules and (c) any agreement signed by or to be signed by CPPA-G in furtherance of an agreement signed by the Islamic Republic of Pakistan and another State.";

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iii. clause 18, the definition of "Independent Power Producer (IPP)" shall be substituted with the following words, "Independent Power Producer (IPP)" means those IPPs established under: (a) 1994 power policy or prior thereto (b) the 1995 power policy, (c) the 2002 Power Policy, (d) the 2006 Renewable Energy Policy and (e) the Power Generation Policy 2015.";

- iv. clause 26, the definition of "Power Purchase Agreement (PPA)" shall be substituted with the following words, "Power Purchase Agreement (PPA)" means a power purchase agreement (a) signed by WAPDA with an IPP under or prior to 1994 Policy; (b) signed by NTDC (to procure power on behalf of Distribution Companies) with an IPP; (c) signed by NTDC with a GENCO and WAPDA Hydel; (d) signed or to be signed by CPPA-G (to procure power on behalf of Distribution Companies) with an IPP or GENCO during the transition period of two years mentioned in rule 5 of the Market Rules and; (e) any agreement signed by or to be signed by CPPA-G in furtherance of an agreement signed by the Islamic Republic of Pakistan and another State.";
- (b) in Article 2, clause 2.5, shall be substituted with the following words, "This Commercial Code is applicable to all Market Participants; provided, however, that nothing herein shall apply, or be deemed to apply, or be construed or interpreted in a manner which extinguishes, reduces, derogates from, is inconsistent or at variance with, or otherwise adversely affects, any rights, liabilities and terms set forth in any Implementation Agreement, Power Purchase Agreement, Energy Purchase Agreement, or in any license of any licensee.";
- (c) in Article 3, after clause 3.3.2, a clause "3.3.3" with the words "Unless a contrary indication appears herein, any reference to "Power Purchase Agreement or PPA" shall include a reference to "Energy Purchase Agreement or EPA.", shall be inserted;
- (d) in Article 5, after clause 5.1, a clause "5.2 titled Legal Capacity" shall be inserted; and
- (e) in Article 5, clause 5.2 following sub clauses shall be inserted:
- i. "5.2.1. CPPA-G has entered into back-to-back arrangements with NTDC to ensure that, following the transfer of business from NTDC to CPPA-G, the functions and obligations to be performed by NTDC or WAPDA under Power Purchase Agreements or Energy Purchase Agreements signed by NTDC or WAPDA, will continue to be assumed and exercised by NTDC as per its transmission license and the Grid Code, while CPPA-G will assume and exercise the functions assigned to it under the Market Rules, this Code and the agency agreements signed between CPPA-G and DISCOs. CPPA-G has, through back to back arrangements with NTDC/WAPDA, the power to succeed to all the other rights and obligations of NTDC/WAPDA under all existing Power Purchase Agreements and Energy Purchase Agreements upon execution of appropriate contractual instruments between the relevant contracting parties to those instruments." and
 - ii. "5.2.2. With respect to all Power Purchase Agreements and Energy Purchase Agreements signed or to be signed by CPPA-G, until the relevant concession

documents and the power policy are revised and approved by the competent authorities to provide for the new arrangements between CPPA-G, NTDC, power generation companies (IPPs and GENCOS) and GOP, CPPA-G shall be deemed to have the legal capacity and all required consents, licenses, authorisations, approvals and permissions to enter into, execute and perform its obligations under the Power Purchase Agreements, the Energy Purchase Agreements and where necessary, other related agreements. CPPA-G has entered into back-to-back arrangements with NTDC, to ensure that the functions and obligations of NTDC which are within its powers, as conferred by NTDC's transmission license, are assumed and exercised by NTDC with respect to such Power Purchase Agreements and Energy Purchase Agreements." A

No. NEPRA/NCC-01 /


(Syed Safer Hussain) 08.06.16
Registrar


08/06/16