



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/SA(M&E)/LAG-292/1632

January 21, 2026

Chief Executive Officer
Huaneng Shandong Ruyi (Pakistan) Energy (PVT) Ltd. (HSRPEPL),
House no. 4-A & B, street No.20, F-8/2,
Islamabad

Subject: Order of the Authority in the matter of Show Cause Notice issued to M/S Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. under Regulation 4(8) & 4(9) of the NEPRA (Fine) Regulations, 2021

Please find enclosed herewith Order of the Authority (total 06 pages) in the subject matter for information.

Enclosure: As above


(Wasim Anwar Bhinder)

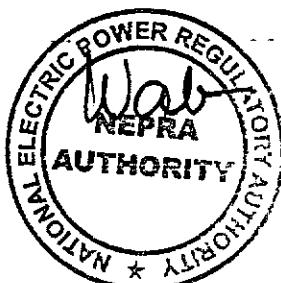


National Electric Power Regulatory Authority

In the matter of Show Cause Notice issued to M/s Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. under Regulation 4(8) & 4(9) of the NEPRA (Fine) Regulations, 2021

Order

1. The National Electric Power Regulatory Authority (herein after referred to as the "Authority" or the "NEPRA") established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (herein after referred to as the "NEPRA Act") is mandated to regulate the provisions of electric power services.
2. Pursuant to Section 15 of the NEPRA Act (now section 14B after promulgation of Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018), the Authority has granted a Generation License (No. IGSPL/60/2015, dated 10/06/2015) to Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Ltd. (hereinafter referred to as the "Licensee") to engage in the generation business as stipulated in its Generation License.
3. Pursuant to Section 14B(4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non-discriminatory, economic dispatch and operation of the national transmission grid and connected facilities.
4. According to Rule 10(6) of the NEPRA Licensing (Generation) Rules, 2000, the licensee shall at all times comply with the provisions of the Grid Code, including, without limitation, in respect of the availability of the net capacity or in respect of the outages, maintenance and operation of its generation facilities, and shall provide the national grid company with all information reasonably required by the later to enable it to dispatch the generation facilities of the licensee.
5. Clause OC 8.1.1 of Operation Code-System Recovery of Grid Code 2005 deals with the procedures for the restoration of power supplies following a Total Shutdown or a Partial Shutdown of the System and the re-synchronization of specific parts of the System that have been islanded.
6. Clause OC 8.1.4 of Operation Code-System Recovery of Grid Code 2005 states that OC 8 applies to the System Operator, NTDC, distribution companies, Operators of power plants,



and Users of the System. Contingency arrangements are required to be established by the System Operator with each externally-connected Party/consumers.

7. Clause OC 8.2.1 of Grid Code 2005 states that a total shutdown of the System is a situation when there is no internal generation online and operation and there is no power supply available from external-connections. The restoration of power supply from such a situation is a Black start recovery. A partial shutdown is when there is no online operating generation or External Connection to a part of the System Operator to instruct Black Start Recovery procedures to restore supplies to that part of the system.
8. Clause OC 8.2.2 of Grid Code 2005 states that during restoration of power supplies following a Total Shutdown or Partial Shut Down of the System, it may be necessary to operate the system outside normal frequency and voltage as stated in OC 4. It may also be necessary for the System Operator to issue instructions that are contrary to the balancing mechanism or code, and also to normal contractual obligations in order to ensure restoration of supplies.
9. Clause OC 8.2.3 of Grid Code 2005 states that following a total Shutdown of the System designated power plants that have the ability to Start Up without any External Connection to the system shall be instructed to commence Black Start recovery procedures. These procedures, which are to be agreed in advance, may include the restoration of blocks of focal load demand that can be restored in agreement with the local distribution company. Local procedures may include the restoration of power supplies via Embedded Generators. The System Operator has the responsibility for the re-energization of the interconnected transmission system, and the re-synchronization of the stem blocks of islanded blocks of locally restored supplies.
10. The power system breakdown occurred on 23.01.2023 at 07:34:43:800 Hrs which plunged the whole country into darkness and the system was completely restored on 24.01.2023 after 20 hours approximately. NEPRA, being a regulator of power sector, took serious notice of the above incident and constituted an Inquiry Committee (IC) to probe into the matter. The IC visited power houses, grid stations, sites and offices in the process of inquiry. During the course of inquiry, the matter was examined in detail by inquiring the concerned officials and in the process, relevant documents were also obtained to arrive at the right conclusion.
11. The information related to supply restoration time of power plants and synchronization of their units after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 22:21 Hrs on 23.01.2023 and the Licensee was instructed by the NPCC through Notice to Synch (NTS) as per PPA to synch its Units 1 & 2 at 06:24 Hrs on 24.01.2023. However, the Licensee had synchronized its above-mentioned units at 07:35 Hrs and 20:25 Hrs on 24.01.2023 respectively i.e. after a lapse of 01:11 Hrs and 14:01 Hrs respectively, thereby, *prima facie*, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system.



12. In view of the above, the Authority observed that the Licensee was bound to follow the instructions of the NPCC, which it failed to do so. Hence, the Authority observed that the Licensee has, *prima facie*, failed to comply with Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing (Generation) Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code. In view of the foregoing, the Authority decided to initiate legal proceedings against the Licensee under NEPRA (Fine) Regulations, 2021 (hereinafter referred to as the "Fine Regulations, 2021").

Explanation:

13. Accordingly, an Explanation dated 22.09.2023 was issued to the Licensee under Regulation 4(1) & 4(2) of the Fine Regulations, 2021. The salient features of the Explanation are as follows:

WHEREAS, the National Electric Power Regulatory Authority (herein after referred to as the "Authority" or the "NEPRA") established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (herein after referred to as the "NEPRA Act") is mandated to regulate the provisions of electric power services; and

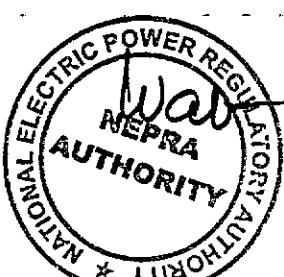
2. *WHEREAS, pursuant to Section 15 of the NEPRA Act (now section 14B after promulgation of Regulation of Generation, Transmission and Distribution of Electric Power Amendment Act 2018), the Authority has granted a Generation License (No. IGSPL/60/2015, dated 10/06/2015) to Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Limited (hereinafter referred to as the "Licensee") to engage in the generation business as stipulated in its Generation License; and*

3. *WHEREAS, the power system breakdown occurred on 23.01.2023 at 07:34:43:800 Hrs which plunged the whole country into darkness and the system was completely restored on 24.01.2023 after 20 hours approximately. NEPRA, being a regulator of power sector, took serious notice of the above incident and constituted an Inquiry Committee (IC) to probe into the matter. The IC visited power houses, grid stations, sites and offices in the process of inquiry. During the course of inquiry, the matter was examined in detail by inquiring the concerned officials and in the process, relevant documents were also obtained to arrive at the right conclusion; and*

4. *WHEREAS, the information related to supply restoration time of power plants and synchronization of their units after complete system breakdown dated 23.01.2023 was provided by System Operator (NPCC). The submitted information revealed that the supply at Licensee's bus bar was restored at 22:21 Hrs on 23.01.2023 and the Licensee was instructed by the NPCC through Notice to Synch (NTS) as per PPA to synch its Units 1 & 2 at 06:24 Hrs on 24.01.2023. However, the Licensee had synchronized its above-mentioned units at 07:35 Hrs and 20:25 Hrs on 24.01.2023 respectively i.e. after a lapse of 01:11 Hrs and 14:01 Hrs respectively, thereby, *prima facie*, the Licensee failed to comply with the NPCC's instructions in a timely manner as per terms & conditions of PPA which severely hampered the restoration process of power system; and*

5. *WHEREAS, pursuant to Section 14B (4) of the NEPRA Act, in the case of a generation facility connecting directly or indirectly to the transmission facilities of the national grid company, the licensee shall make the generation facility available to the national grid company for the safe, reliable, non discriminatory, economic dispatch and operation of the national transmission grid*

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and connected facilities, subject to the compensation fixed by the Authority for voltage support and uneconomic dispatch directed by the national grid company; and

6. *WHERAS, according to Rule 10 (6) of the NEPRA Licensing (Generation) Rules, 2000, the licensee shall at all times comply with the provisions of the grid code, including, without limitation, in respect of the availability of the net capacity or in respect of the outages, maintenance and operation of its generation facilities, and shall provide the national grid company with all information reasonably required by the latter to enable it to dispatch the generation facilities of the licensee; and*

7. *WHERAS, Clause OC 8.1.1 of Grid Code deals with the procedures for the restoration of power supplies following a Total Shutdown or a Partial Shutdown of the System and the re-synchronization of specific parts of the System that have been Islanded; and*

8. *WHERAS, Clause OC 8.1.4 of Grid Code states that OC 8 applies to the System Operator, NTDC, distribution companies, Operators of the power plants, and Users of the System. Contingency arrangement are required to be established by the System Operator with each Externally-connected Party/Consumers; and*

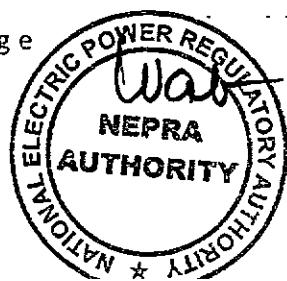
9. *WHERAS, Clause OC 8.2.1 of Grid Code states that a total shutdown of the System is a situation when there is no internal generation online and operation and there is no power supply available from external-connections. The restoration of power supply from such a situation is a Black start recovery. A partial shutdown is when there is no online operating generation or External Connection to a part of the System Operator to instruct Black Start Recovery procedures to restore supplies to that part of the system; and*

10. *WHERAS, Clause OC 8.2.2 of Grid Code states that during restoration of power supplies following a Total Shutdown or Partial Shut Down of the System, it may be necessary to operate the system outside normal frequency and voltage as stated in OC 4. It may also be necessary for the System Operator to issue instructions that are contrary to the balancing mechanism or code, and also to normal contractual obligations in order to ensure restoration of supplies; and*

11. *WHERAS, Clause OC 8.2.3 of Grid Code states that following a total Shutdown of the System designated power plants that have the ability to Start Up without any External Connection to the system shall be instructed to commence Black Start recovery procedures. These procedures, which are to be agreed in advance, may include the restoration of blocks of focal load demand that can be restored in agreement with the local distribution company. Local procedures may include the restoration of power supplies via Embedded Generators. The System Operator has the responsibility for the re-energization of the interconnected transmission system, and the re-synchronization of the stem blocks of islanded blocks of locally restored supplies; and*

12. *WHEREAS, the Licensee was bound to follow the instructions of the NPCC, which it failed to do. Hence, the Licensee, *prima facie*, failed to comply with Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing Generation Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code; and*

13. *WHEREAS, the Licensee is required to follow the provisions of NEPRA Act, Rules & Regulations made thereunder, generation license, tariff determinations and other applicable documents and any violation thereof attracts appropriate proceedings against the licensee including but not limited to the imposition of fines under NEPRA (Fine) Regulations, 2021; and*



14. **NOW THEREFORE**, in view of the above, Licensee is hereby called upon under Regulation 4(1) and 4(2) of the NEPRA (Fine) Regulations, 2021 to either admit or deny the occurrence of the above-mentioned violations of the Section 14B (4) of the NEPRA Act, Rule 10(6) of the NEPRA Licensing Generation Rules, 2000 and Clauses OC 8.1.1, 8.1.4, 8.2.1 8.2.2 & 8.2.3 of the Grid Code and in case of your failure to respond within fifteen (15) days of receipt thereof, the Authority shall proceed in accordance with law including but not limited to imposition of fine.

Licensee's Response:

14. In response, the Licensee submitted its reply vide letter dated 04.10.2023. The Authority after detailed deliberations rejected the response submitted by the Licensee against the above Explanation giving reasons for such rejection vide Order dated 13.09.2024.

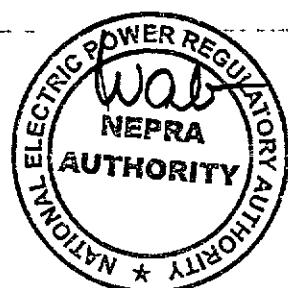
Show Cause Notice to the Licensee:

15. Accordingly, a Show Cause Notice dated 13.09.2024 was issued to the Licensee under Regulation 4(8) & 4(9) of the Fine Regulations, 2021, based on violations alleged in the Explanation.

Submissions of the Licensee:

16. In response, the Licensee submitted its reply vide letter dated 23.09.2024. The salient features of the response submitted by the Licensee are as follows:

- i. Our company was the first to reconnect to the grid after the January 23, 2023 blackout, taking 1 hour and 11 minutes longer due to black start conditions, whereas Saba Power and Rousch Power took 3 hours and 35 hours, respectively.
- ii. NPCC has requested NEPRA to increase black start time by 4 hours, confirming our compliance with regulations, while Schedule 5 of our PPA stipulates a normal warm start time of 480 minutes, not applicable in blackout scenarios.
- iii. Equipment damage occurred due to the blackout, including issues with valves, oil tanks, condenser membranes, and the DCS system; despite this, we made every effort to reconnect, and we believe NTDC should compensate us rather than NEPRA imposing fines.
- iv. OP negotiations are stalled due to CPPA-G and NPCC rejecting our approach to unit startup, despite our plant's technical limitations; we have suggested NEPRA investigate our startup boiler capacity.
- v. We reached a consensus with CPPA-G and NPCC in the third week of this month regarding OP signing, but CPPA-G has yet to arrange the final signing.
- vi. Additionally, CPPA-G has already imposed a forced outage penalty on us for the delayed start-up. Now NEPRA is considering further penalties, which we believe to be unjust and unreasonable.



Hearing:

17. The Authority considered the response submitted by the Licensee and decided to provide an opportunity of hearing to the Licensee under Regulation 4(11) of the Fine Regulations, 2021. Accordingly, hearing in the matter was held on 06.03.2025 at the NEPRA Head Office, Islamabad, wherein, the representatives of the Licensee participated and made their submissions.

Analysis/Findings of the Authority:

18. The Authority has gone through the submissions of the Licensee, and observes that the Licensee has provided satisfactory reply to the Show Cause Notice issued to it.

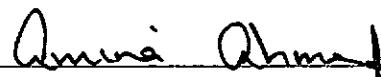
Decision of the Authority:

19. In view of the above, the Authority decides to accept the response submitted by the Licensee to the Show Cause Notice issued to it and order to close the matter in terms of Regulation 4(12) of the Fine Regulations, 2021.

Authority

Rafique Ahmed Shaikh
Member (Technical)

Amina Ahmed
Member (Law)



Engr. Maqsood Anwar Khan
Member (Development)



Waseem Mukhtar
Chairman



Announced on 21st Jan 2025 at Islamabad.

