



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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PRESS RELEASE

Islamabad, April 02, 2021

Subject: **REDUCTION IN TARIFF OF TWELVE (12) THERMAL POWER PLANTS
ESTABLISHED UNDER POWER GENERATION POLICY 2002**

NEPRA in a landmark decision has reduced the Return on Equity (ROE) and Return on Equity During Construction (ROEDC) components of twelve Thermal Power Plants having cumulative net capacity of 2412 MW. The reduction in tariff will result in estimated saving of Rs. 182 Billion over the remaining life of the projects.

It is apprised that Central Power Generation Agency (CPPA-G) filed tariff adjustment applications with NEPRA for reduction in ROE and ROEDC components of twelve thermal power plants. CPPA-G requested to revise ROE and ROEDC components on the basis of 17% return and fixed exchange rate of Rs. 148/US\$ without dollar indexation for local equity, whereas, revised ROE and ROEDC components on the basis of 12% return with dollar indexation for foreign equity.

The Authority under the prevailing rules and regulations admitted the applications and subsequently conducted a hearing in the matter on March 03, 2021. After detailed deliberations, the Authority decided today, the April 02, 2021 by revising the ROE and ROEDC components for local equity on the basis of 17% return and fixed exchange rate of Rs. 148/US\$ without future indexation and ROE and ROEDC components for foreign equity on the basis of 12% return with future dollar indexation.

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