



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/DG(Licensing)/LAG-283/41259-66

November 22, 2021

Chief Executive Officer
Etihad Power Generation Limited (EPGL)
178 C & D, Upper Mall Scheme,
Lahore
Tele: 042 – 111 888 333, 3576 2903

Subject: Modification in Generation Licence No. IGSP/56/2015
Licence Application No. LAG-283
Etihad Power Generation Limited

Reference: EPGL's letter No. EPGL/FIN/2021/514 dated 26.08.2021.

It is intimated that the Authority has approved Modification in Generation Licence No. IGSP/56/2015 dated 02.04.2015 in respect of Etihad Power Generation Ltd. Pursuant to Section 26 of the NEPRA Act read with Regulation 10(4) of the NEPRA Licensing Regulations.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification of Etihad Power Generation Ltd. along with Modification-I in the Generation Licence No. IGSP/56/2015, approved by the Authority.

Encl: As above


22.11.21.
(Syed Safeer Hussain)

Copy to:

1.	Secretary, Ministry of Energy (Power Division), 'A' Block, Pak Secretariat, Islamabad
2.	Secretary, Ministry of Energy (Petroleum Division), 'A' Block, Pak Secretariat, Islamabad
3.	Secretary, Energy Department, Govt. of the Punjab, EFU House, 8 th Floor, 6-D, Gulberg, Jail Road, Lahore. Tele: 042 - 9926 8017 – 19
4.	Managing Director, National Transmission & Despatch Co. Ltd. (NTDC) 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore Tele: 042 - 9920 2229
5.	Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6.	Chief Executive Officer, Multan Electric Power Co. Ltd., MEPCO Headquarter, Khanewal Road, Multan
7.	Director General, Punjab Environment Protection Agency. National Hockey Stadium, Gate No. 8, Opposite, LCCA Ground, Near Gaddafi Stadium, Ferozepur Road, Lahore.

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Licensee Proposed Modification in the
Generation Licence of Etihad Power Generation Limited

November 22 , 2021
Case No. LAG-283

(A). Background

(i). The Authority granted a Generation Licence (No. IGSPL/56/2015, dated April 02, 2015) to Etihad Power Generation Limited (EPGL) for its 74.40 MW bagasse based generation facility, located in tehsil & district Rahim Yar Khan in the province of Punjab.

(ii). In consideration of the above, in its determination for the grant of Licence, the Authority not only allowed EPGL for supplying to the National Grid but also to a Bulk Power Consumer (BPC) in the name of Etihad Sugar Mills Limited (ESML).

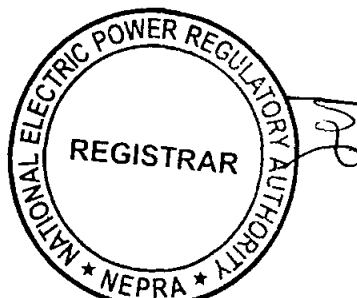
(B). Communication of Modification

(i). EPGL in accordance with Regulation-10 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 (the "Licensing Regulations") communicated a Licensee Proposed Modification (LPM) in its above mentioned Generation Licence on August 16, 2021.

(ii). In the "text of the proposed modification", EPGL submitted that it plans to reduce the installed capacity of its generation facility to 37.20 MW from 74.40 MW. The supply to Multan Electric Supply Company Limited (MEPCO) is not being envisaged now therefore, the same may be deleted from the licence. Further, Etihad Alloys (Private) Limited (EAPL) may be added in the list of BPC(s).







(iii). Regarding statement of the “reasons in support of the modification”, EPGL, *inter alia*, submitted that the company has decided not to supply to National Grid and instead use it for supplying to BPC(s) only for which the installed capacity of the generation facility is being optimized to 37.20 MW.

(iv). About the statement of “the impact, if any, of the proposed modification on tariff, quality of service or fulfilment of licence obligation”, EPGL submitted that the proposed changes will not have any impact on the tariff. Further, confirmed that the proposed modification will not have any adverse impact on tariff, quality of service and its performance under the licence.

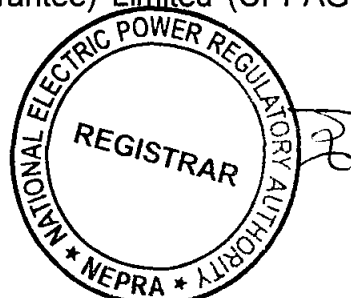
(C). Processing of Modification

(i). After completion of all the required information as stipulated under the Regulation-10(1) and 10(2) of the Licensing Regulations, the Registrar published the communicated LPM in one (01) English and one (01) Urdu daily newspaper on September 22, 2021, informing the general public, interested/affected parties and other stakeholders about the said LPM as required under Regulation-10(3) of the Licensing Regulations.

(ii). The Registrar also invited comments of the relevant Government Ministries, their attached Departments, representative organizations and individual experts etc. for the assistance of the Authority, by sending separate letters to the said stakeholders on September 23, 2021, either in favour or against the communicated LPM of the company/EPGL, as stipulated in Regulation-11(5) of the Licensing Regulations.

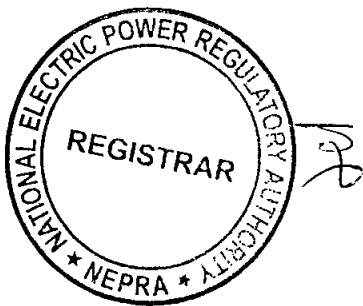
(D). Comments of Stakeholders

(i). In response to the above, the Authority received comments from three (03) stakeholders which included Multan Electric Power Company Limited (MEPCO), Alternative Energy Development Board (AEDB) and Central Power Purchasing Agency (Guarantee) Limited (CPPAGL). The salient points of the



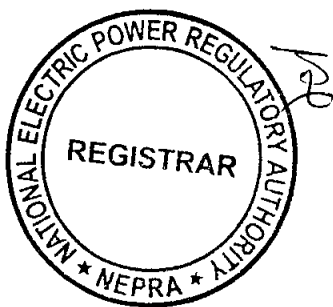
comments offered by the above mentioned stakeholders are summarized in the following paragraphs: -

- (a). MEPCO submitted that EPGL plans supplying to two (02) BPC(s) in the name of ESML and EAPL which will require wheeling through its system. In this regard, MEPCO previously submitted its comments raising various issues pertaining to the said arrangement which included (a). non-recovery of cost of losses; (b). avoiding cross subsidy; (c). non-recovery of use of system charges [UoSC(s)] of National Transmission and Despatch Company Limited (NTDC); (d). non-recovery of stranded cost; (e). issues pertaining to banking of energy; and (f). role of DISCO(s) in settling imbalances etc.
- (b). AEDB stated that the company through its letter dated March 18, 2021 placed a request for abandonment of the project and also requested for the return of the Performance Guarantee (PG). The very reason for the said request was that project has become commercially unviable for the inactions of the various entities of the Govt. In this regard, an in depth analysis has been carried out and it has been concluded that failure of the company to achieve Financial Close (FC) cannot be attributed to the entities of the Govt. and largely due to its own inefficiency and due to the said, the company is in default of the Letter of Support (LOS) and the board has the right to en-cash the PG. The company has filed two review petitions before the Authority, whereby it primarily sought an extension in the Required Commercial Operation Date (RCOD) under its upfront Tariff. Notably, via its decision in the second review petition on January 01, 2020, the Authority has turned down the request of the company for extension in the RCOD, with an option to seek



re-determination of its tariff. The decisions of the Authority in the two review petitions filed by the company before are presently sub judice before the Honourable Islamabad High Court (IHC) in W.P. No. 286 of 2020. In view of the said, the AEDB Board in its 49th meeting held on January 15, 2021 has decided that the extension in the LOS issued to the company will only be considered and granted according to the new tariff determination, as and when made by the Authority on the request of the project company. In furtherance to the above, it is also of significance to highlight that the IHC via its Order dated January 30, 2020 in W.P.No. 286 of 2020, has imposed a restriction upon taking any adverse action against the Company until the next date of hearing. Due to this restriction, AEDB has not pursued any action in respect of the PG as yet. The Authority should consider the aforementioned facts while deciding upon the LPM application of the company; and

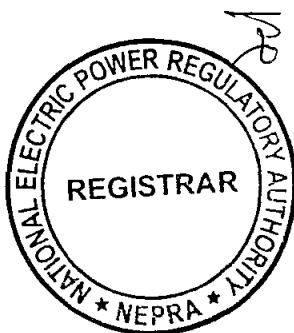
- (c). CPPAGL remarked that the project of EPGL was envisaged as an Independent Power Producer (IPP) under the relevant Renewable Energy (RE) policy however, the project failed to achieve the Commercial Operation Date (COD) within the prescribed time. Now the LPM proposes that EPGL will only sell to the BPC(s). As the Generation Licence was earlier granted on the premise that it will be selling to CPPAGL and the size of the project was also about 74.40 MW and now EPGL has proposed to decrease the generation capacity to 37.2 MW. Therefore, it would be more appropriate to grant a new generation licence to EPGL for its new arrangement. Additionally, it is important to highlight here, that if any person wants to supply power to any consumer it is mandatory to obtain the supply licence under Section-23E of



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the amended NEPRA Act. In the LPM application it is not clear that under which arrangement the EPGL wants to supply power to BPC(s) either through wheeling (by using the network of the MEPCO) or through off grid solution. It is also not clear in the LPM application that the EPGL will remain connected with the grid of MEPCO or not. Further information regarding BPC(s), is also required that whether these are the existing consumer of the MEPCO or not? In case these BPC(s) are the consumer of the DISCO then the exit notice under Section-22 of the NEPRA Act has to be given to the utility. According to judgement of IHC regarding the exclusivity of the DISCO(s), the sale of electric power to BPC(s) can only be allowed with express consent of the concerned DISCO. Therefore, while deciding the instant LPM the Authority may take into consideration the orders of IHC passed in the case of Fatima Energy Limited. Moreover, in a recent correspondence made between CPPAGL and the company, it has been communicated that the generation project is under cessation since last two (02) years and no further activities are in progress or planned in near future. Further to that due to prevailing various stalemates on account of Energy Purchase Agreement (EPA) and FC related bottlenecks, the company does not foresee any development on the project.



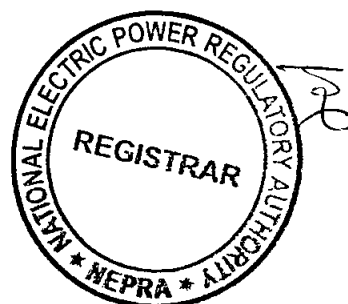
(ii). The Authority considered the above mentioned comments and in view of the observations of MEPCO, AEDB and CPPAGL, considered it appropriate seeking perspective of EPGL. On the observations of MEPCO, it was submitted that both of its BPC(s) are located within the same boundary in which the generation facility of EPGL is located. The supply to these BPC(s) will be made by laying feeder(s) located on private property without involving any network of MEPCO therefore, there will not be any issue of wheeling.

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(iii). About the comments of AEDB, it was submitted that the company/EPGL confirms that it has approached the board for the conversion of its status from IPP to BPC mode. Further, EPGL stated that AEDB has already confirmed the delay on part of various Govt. functionaries and entities. EPGL submitted that by communicating the LPM under consideration of the Authority, the granted tariff and the review motions filed by it, have become irrelevant as the project will not be supplying to the National Grid instead to BPC(s) which will under a bilateral agreement as a P2P arrangement. EPGL further confirmed that it will be withdrawing all the litigations with the exception of the case against AEDB relating to its Performance Guarantee under the LOS. In consideration of the said, EPGL submitted that the comments of AEDB have no bearing on the communicated LPM and the same may be disregarded and the modification in licence be approved/allowed as permission of the Authority is mandatory for supplying to BPC(s).

(iv). Regarding the observations of CPPAGL, it was remarked that the contention that EPGL should apply for a new licence is not correct as there is an explicit provision in the law for modification of an existing licence. EPGL reiterated that it will be supplying to its proposed BPC(s) through an off-grid solution as the same are adjacent to its generation facility and therefore there will not be any wheeling of electricity and further EPGL will not be supplying to MEPCO anymore. About its proposed BPC(s), it was confirmed that already allowed BPC in the name of ESML is connected to the system of MEPCO whereas the other BPC, namely EAPL is not a consumer of the utility. About the decision of IHC, it was submitted that EPGL will respect the exclusivity of MEPCO and will not sell electricity to the proposed BPC(s) without the explicit consent of the utility for the duration of its exclusivity which is till April 24, 2022. Further, EPGL clarified that at the time of the communication, the project was on hold however, following the approval of the communicated LPM the development of the project will be resumed and expedited.



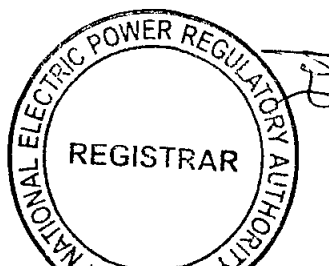
(v). The Authority considered the above submissions of EPGL and considered it appropriate to hold a hearing of the parties to further deliberate the matter with the parties.

(E). Hearing of Parties

(i). In consideration of the above, a hearing of the parties was held on October 18, 2021 wherein representatives from EPGL, MEPCO, AEDB and CPPAGL participated to express their views. In this regard, issues as detailed below were discussed.

- (a). What is the exact status of the project including the import of equipment?
- (b). Has the company availed Tax Exemption under the relevant RE Policy?
- (c). Why the company is still in litigation if it plans supplying to BPC(s)?
- (d). Is the proposed BPC i.e. EAPL is a consumer of the utility or not?
- (e). Any other issue which the Authority may allow.

(ii). The representative of EPGL submitted that company envisaged the project in terms of the RE Policy 2006 and the upfront tariff of 2013. The sponsors of the project got registered the project with AEDB pursuant to the RE Policy. In response to the proposal of EPGL and upon submission of the requisite performance guarantee, AEDB issued to EPGL a Letter of Intent (LOI) on May 29, 2014 for the project, *inter alia*, directing EPGL to conduct a feasibility study and subsequently, CPPAGL issued its consent to purchase power from the project vide its letter dated December 28, 2016. After extensive negotiations, on September 26, 2016, EPGL finalized the turn-key engineering, procurement and



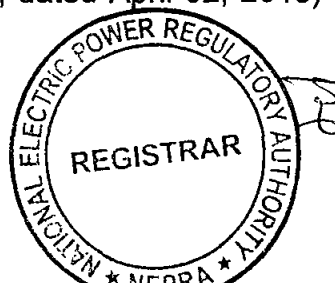
construction contracts (EPC Contract) and signed the Offshore Supply Contract and Onshore Supply and Services Contract with Descon Engineering FZE and Descon Engineering Limited. Further, the Authority granted the Generation Licence on April 02, 2015 and approved/allowed an Upfront Tariff on February 20, 2017. The project has completed significant development milestones and a sum of U.S. \$ 37 million, equivalent to Pak Rs. 5.2 billion, has already been expended.

(iii). The above mentioned issues were also deliberated at length and in this regard on the progress of the project, EPGL submitted that the development of the project was paused after completion of about 40-45% of physical work including civil works and import of equipment and the same has now been resumed. About availing of tax exemptions, EPGL confirmed that it had availed the same as available under the relevant laws. In this regard, it is pertinent to mention that such exemptions are not specific to IPP(s) only therefore, there is no exception that has been availed. About the issue of litigation, EPGL submitted that it will be withdrawing all litigation cases with the exception of the case relating to the release of its performance guarantee under the LOS, which has no bearing on its plan to supply BPC(s). About the proposed BPC(s), it was stated ESML was an existing consumers of MEPCO whereas EAPL was not a consumer of the utility.

(iv). The Authority considered the above submissions of the EPGL and decided to proceed further in the matter, as stipulated in the Licensing Regulations and NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules").

(F). Evaluation/Findings

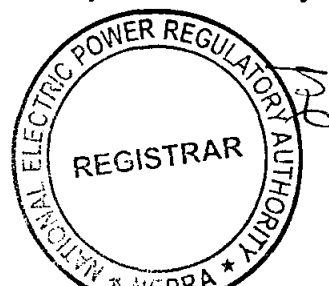
(i). The Authority has examined the entire case in detail including the already granted licence, the communicated LPM, comments of the stakeholder and rejoinder from the Licensee. In this regard, the Authority observed that a Generation Licence (No. IGSPL/56/2015, dated April 02, 2015) was granted to



EPGL, for setting up a bagasse based generation facility/Co-generation facility/Thermal Power Plant with a cumulative installed capacity of 74.40 MW consisting of 2 x 37.20 MW Steam Turbines. The project was envisaged to be developed as an IPP under the RE Policy 2006 for supplying to MEPCO as well to a BPC in the name of ESML however, due to various reasons the project could not proceed as planned.

(ii). The Authority has observed that according to the communicated LPM, the company/Licensee/EPGL now plans (a). reduction in the installed capacity of the generation facility from 74.40 MW to 37.20 MW; (b). exclusion of the MEPCO/CPAG as a purchaser and (c). addition of another BPC i.e. EPAL. In this regard, the Authority in terms of Section-26 of the NEPRA Act read with Regulation-9(2) of the Licensing Regulations, is empowered to modify a licence as it may deem fit if, in the opinion of the Authority, such modification (a). will not adversely affect the performance by the licensee of its obligations; (b). is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the licence; (c). is likely to benefit consumers; or (d). is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to consumers, keeping in view the financial and technical viability of the licensee.

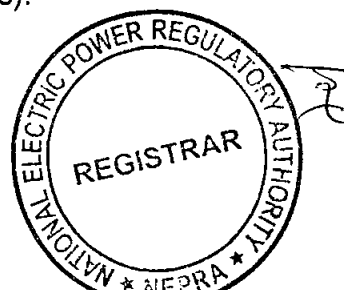
(iii). In consideration of the above, the Authority observes that the communicated LPM mainly pertains to reduction in installed capacity to be consisting of 1 x 37.20 MW Steam Turbine instead of 2 x 37.20 MW Steam Turbines and allowing supplying to another BPC i.e. EAPL. In consideration of the said, the Authority considers that (a). the proposed LPM will not adversely affect the performance of the licensee of its obligations under its Generation Licence considering the fact it will be able to discharge its obligation towards its BPC(s). The current LPM of EPGL envisages supplying to another BPC under Section-22 of the NEPRA Act, however it will not have any impact on the supply to any of the stakeholder as per the agreed terms and conditions; (b). the LPM is reasonably necessary for the Licensee to effectively and efficiently perform its



obligations under the licence; (c). the LPM will be beneficial to the BPC(s) as it will be having continuous supply of reliable electric power from the Licensee; and (d).is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the proposed BPC(s), keeping in view the financial and technical viability of the licensee.

(iv). In consideration of the above, EPGL has provided details of location, technology, size, net capacity, interconnection arrangements, technical details and other related information for its generation facility which will be incorporated in the modified Generation Licence. Further to the said, the Authority has observed that generation facility of EPGL will now be supplying to above mentioned entities as BPC(s). According to Section-2(ii) of the NEPRA Act, a consumer which purchases or receives electric power at one premises, in an amount of one (01) MW or more or in such amount and voltage level and with such characteristics as the Authority may specify, is treated as BPC. The Licensee/EPGL will be supplying electric power to ESML and EAPL to the tune of 16.00 MW (during crushing season) and 32.00 MW which is well above the benchmark set in the NEPRA Act therefore, the Authority allows the above mentioned entities to be BPC(s) of EPGL.

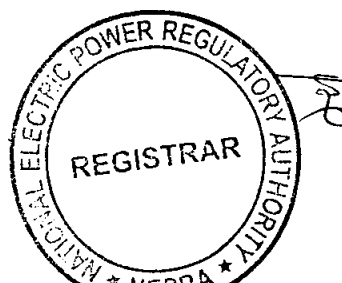
(v). Regarding supply to ESML and EAPL, the Authority observes that the proposed BPC(s) and the generation facility of EPGL are located within the same premises and the BPC will be supplied through underground cable/feeder of 11 KV. In this regard, under Section-2(v) of the NEPRA Act, ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof has not been included in the definition of "distribution". Based on the said considerations that the proposed BPC(s) are located within the same premises and no public areas are involved, the supply of power to BPC(s) by EPGL does not constitute a distribution activity under the NEPRA Act, and EPGL will not require a distribution licence for supplying to the BPC(s).



(vi). In accordance with Rule-6 of the Generation Rules, the Licensee is allowed to charge only such tariff for the provision of electric power as may be determined approved or specified by the Authority. Regarding the matter of rates, charges, terms and conditions of tariff between EPGL and its proposed BPC(s), the same will not affect any other consumer or third party. Therefore for the purpose of tariff, the Authority considers it appropriate directing EPGL and its proposed BPC(s) agreeing to a bilateral rate agreement and submitting the same to it for approval and record. Accordingly, EPGL will then be allowed to charge the agreed tariff subsequent to the approval of the LPM in the Generation Licence, in accordance with Rule-6(1)(b) of the Generation Rules.

(vii). The Authority has considered the comments of stakeholders including MEPCO, AEDB and CPPAGL. In this regard, the Authority has observed that the said stakeholders had made different observations including (a). proposed BPC(s) will require wheeling through system of MEPCO; (b). the company is in litigation with NEPRA and AEDB; (c). allowing LPM viz-a-viz grant of a new generation licence for the new arrangement; (d). mandatory to obtain the supply licence under Section-23E of the NEPRA Act; (e). BPC(s) are the existing consumer of the utility or not and (f). decision of the IHC regarding the exclusivity of the DISCOs, the sale of electric power to BPC(s) can only be allowed with express consent of the concerned DISCO.

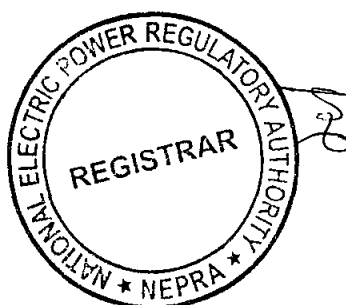
(viii). In consideration of the above, the Authority has observed that the proposed BPC(s) are located within the same premises as that of the generation facility of EPGL and the same will be supplied directly by laying 11 KV feeder(s) without having any connection with the network of MEPCO therefore, no wheeling of energy is involved. About the observations that the company is in litigation with NEPRA and AEDB, the Authority has considered the submissions of AEDB and EPGL and is of the considered opinion that company in order to safeguard its rights has approached IHC and the petition is still pending for final decision. In view of the said, the Authority considers that LPM can be decided without



prejudice to the litigation pending at IHC. Regarding, the comments that instead of LPM, it will more appropriate issuing a new generation licence to EGPL, the Authority has considered the provisions of the relevant rules and regulation and has observed that it is the prerogative of the Authority to determine which option is permitted under the law. In this regard, the Authority considers that even the LPM is worth consideration to allow the proposed arrangement. As far as the judgment dated July 08, 2021 of the IHC in Writ Petitions No.1592/2020 and 1605/2020 is concerned, it is noted that EPGL and MEPCO were not parties in the said proceedings. Regarding the requirement of electric power supply licence under Section-23E, the generation licence entails right to sell electric power as evident from definition of generation provided in Section-2(xi) of the NEPRA Act. As long as a company has licence of generation, it may not be required to obtain electric power supply licence separately. It is also noted that the regime for generation licensing is to cease as provided in Section-14(B)(5) of the NEPRA Act and thereafter the requirement of electric power supplier licence may apply for generation companies intending to supply/sale electric power to the consumers. Keeping in view the exclusivity of MEPCO given in its licence and its status as deemed supplier, a generation licensee may not sell electric power to any consumer without obtaining NOC from MEPCO. In consideration of the said, EPGL has undertook that it shall not sell electric power to any consumer without first obtaining an NOC from the MEPCO till the time its exclusivity continues.

(G). Approval of LPM

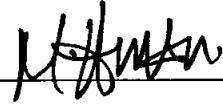
(i). In view of the above, the Authority is satisfied that the Licensee has complied with all the requirements of the Licensing Regulations pertaining to the modification. Therefore, the Authority in terms Section-26 of the NEPRA Act read with Regulation-10(4) of the Licensing Regulations approves the communicated LPM with changes, *inter alia*, allowing EPGL to supply electric power to BPC(s) in the name of ESML and EAPL. Further, if EPGL violates the terms of its undertaking, this LPM shall stands cancelled.




(ii). In consideration of the above, the Generation Licence (No. IGSP/L/56/2015, dated April 02, 2015) granted to EPGL is hereby modified. The changes made in the Generation Licence are attached as annexure to this determination. The approval of the LPM is subject to the provisions contained in the NEPRA Act, relevant rules framed there under, terms & conditions of the Generation Licence and other applicable documents.

Authority

Engr. Maqsood Anwar Khan
(Member)



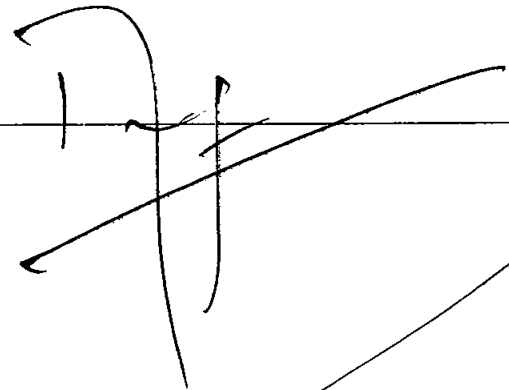
Engr. Rehmatullah Baloch
(Member)



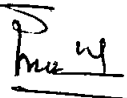
Engr. Rafique Ahmed Shaikh
(Member)/Vice Chairman

Did Not Attend

Engr. Tauseef H. Farooqi
(Chairman)






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**National Electric Power Regulatory Authority
(NEPRA)
Islamabad – Pakistan**

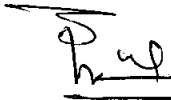
GENERATION LICENCE

No. IGSP/56/2015

In exercise of the Powers conferred under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended from time to time), the Authority hereby modifies the Generation Licence (No. IGSP/56/2015, dated April 02, 2015) granted to Etihad Power Generation Limited to the extent of changes mentioned hereunder: -

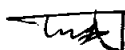
- (a). The expiry date of the Licence mentioned on the face sheet of the original licence may be read as **30th day of April 2052;**
- (b). The Changes made in Articles of the Generation Licence are attached as **Revised/Modified Articles of Generation Licence;**
- (c). The Changes made in Schedule-I of the Generation Licence are attached as **Revised/Modified Schedule-I;**
- (d). The Changes made in Schedule-II of the Generation Licence are attached as **Revised/Modified Schedule-II;**
- (e). The Changes made in Second Tier Supply Authorization are attached as **Revised/Modified Second Tier Supply Authorization.**

This **Modification-I** is given under my hand on this **22nd day** of **November Two Thousand & Twenty-One.**


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Registrar



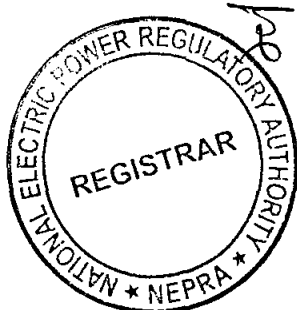




Article-1 **Definitions**

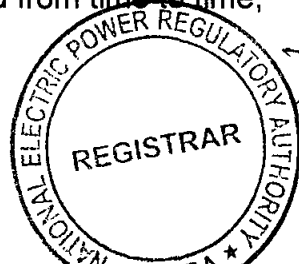
1.1 In this Licence

- (a).** "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended or replaced from time to time;
- (b).** "Applicable Documents" mean the Act, the rules and regulations framed by the Authority under the Act, any documents or instruments issued or determinations made by the Authority under any of the foregoing or pursuant to the exercise of its powers under the Act, the Grid Code, the applicable Distribution Code, the Commercial Code if any, or the documents or instruments made by the Licensee pursuant to its licence, in each case of a binding nature applicable to the Licensee or, where applicable, to its affiliates and to which the Licensee or any of its affiliates may be subject;
- (c).** "Applicable Law" means all the Applicable Documents;
- (d).** "Authority" means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (e).** "Bulk Power Consumer (BPC)" means a consumer which purchases or receives electric power, at one premises, in an amount of one (01) megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may specify and the Authority may specify different amounts and voltage levels and with such other characteristics for different areas;
- (f).** "Bus Bar" means a system of conductors in the generation facility/Co-Generation Facility/Thermal Power Plant of the



Licensee on which the electric power from all the generators is collected for supplying to the Bulk Power Consumer(s);

- (g). "Co-Generation Facility" means the generation facility for simultaneous production of both electric power and heat or steam for industrial processes from a common fuel source;
- (h). "Commercial Operations Date (COD)" means the day immediately following the date on which the generation facility /Co-Generation Facility/Thermal Power Plant of the Licensee is Commissioned;
- (i). "Distribution Code" means the distribution code prepared by the concerned XW-DISCO and approved by the Authority, as may be revised from time to time with necessary approval of the Authority;
- (j). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (k). "Grid Code" means the grid code prepared and revised from time to time by NTDC with necessary approval of the Authority;
- (l). "Licence" means this generation licence granted to the Licensee for its generation facility/Co-Generation Facility/Thermal Power Plant;
- (m). "Licensee" means Etihad Power Generation Limited or its successors or permitted assigns;
- (n). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 as amended or replaced from time to time;



- (o). "NTDC" means National Transmission and Despatch Company Limited or its successors or permitted assigns;
- (p). "Power Purchaser" means the BPC which will be purchasing electric power from the Licensee, pursuant to a PPA for procurement of electric power;
- (q). "Power Purchase Agreement-PPA" means the power purchase agreement, entered or to be entered into by and between the Power Purchaser and the Licensee, for the purchase and sale of electrical energy generated by the generation facility, as may be amended by the parties thereto from time to time;
- (r). "Thermal Power Plant" means a generation facility/Co-Generation Facility or power plant using fossil fuel for generation of electric power;
- (s). "XW-DISCO" means an Ex-WAPDA distribution company engaged in the distribution of electric power".

1.2 The words and expressions used but not defined herein bear the meaning given thereto in the Act or rules and regulations issued under the Act.

Article-2 **Applicability of Law**

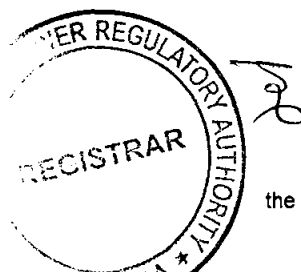
This Licence is issued subject to the provisions of the Applicable Law, as amended or replaced from time to time.

Article-3 **Generation Facilities**

3.1 The location, size (capacity in MW), technology, interconnection arrangements, technical limits, functional specifications and other details







specific to the generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee are set out in Schedule-I of this Licence.

3.2 The total installed capacity, the de-rated capacity, the auxiliary consumption of the and the net capacity generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee and the amount of electric power available to BPC are set out in Schedule-II of this Licence.

Article-4 **Term of Licence**

4.1 This Licence is effective from the date of the issuance of the original licence i.e. April 02, 2015 and will have a term of thirty (30) years from the COD of the generation facility/Co-Generation Facility/Thermal Power Plant, subject to the provisions of Section-14(B) of the Act.

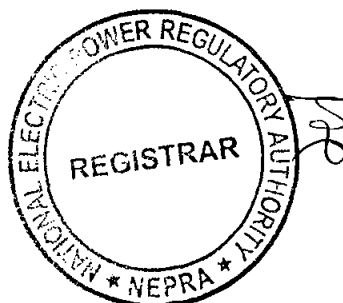
4.2 Unless suspended or revoked earlier, the Licensee may apply for renewal of this Licence ninety (90) days prior to the expiry of the above term, as stipulated in the Generation Rules read with the Licensing Regulations.

Article-5 **Licence fee**

The Licensee shall pay to the Authority the Licence fee as stipulated in the National Electric Power Regulatory Authority (Fees) Rules, 2002 as amended or replaced from time to time.

Article-6 **Tariff**

The Licensee is allowed to charge the Power Purchaser/BPC(s) a mutually agreed tariff.



Article-7 **Competitive Trading Arrangement**

7.1 The Licensee shall participate in such manner as may be directed by the Authority from time to time for development of a Competitive Trading Arrangement.

7.2 The Licensee shall in good faith work towards implementation and operation of the aforesaid Competitive Trading Arrangement in the manner and time period specified by the Authority. Provided that any such participation shall be subject to any contract entered into between the Licensee and another party with the approval of the Authority.

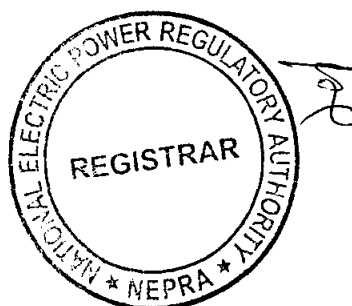
7.3 Any variation or modification in the above-mentioned contracts for allowing the parties thereto to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.

Article-8 **Maintenance of Records**

For the purpose of sub-rule (1) of Rule-19 of the Generation Rules, copies of records and data shall be retained in standard and electronic form and all such records and data shall, subject to just claims of confidentiality, be accessible by authorized officers of the Authority.

Article-9 **Compliance with Performance Standards**

The Licensee shall comply with the relevant provisions of the National Electric Power Regulatory Authority Performance Standards (Generation) Rules 2009 as amended or replaced from time to time.



Article-10
Compliance with Environmental & Safety Standards

10.1 The generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee shall comply with the environmental and safety standards as may be prescribed by the relevant competent authority as amended or replaced from time to time.

10.2 The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/Co-Generation Facility/Thermal Power Plant is in conformity with required environmental standards as prescribed by the relevant competent authority as amended or replaced from time to time.

Article-11
Power off take Point and Voltage

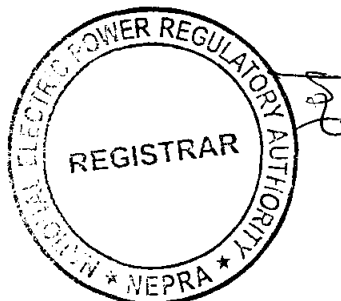
The Licensee shall deliver the electric power to the Power Purchaser at the outgoing Bus Bar of its generation facility/Co-Generation Facility/Thermal Power Plant. The Licensee shall be responsible for the up-gradation (step up) of generation voltage up to the required dispersal voltage level.

Article-12
Provision of Information

In accordance with provisions of Section-44 of the Act, the Licensee shall be obligated to provide the required information in any form as desired by the Authority without any exception.

Article-13
Compliance with Applicable Law

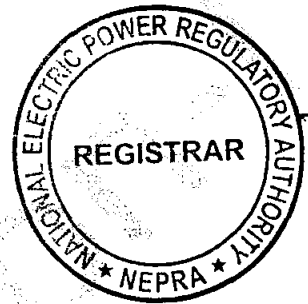
The Licensee shall comply with the provisions of the Applicable Law, guidelines, directions and prohibitory orders of the Authority as issued from time



to time.

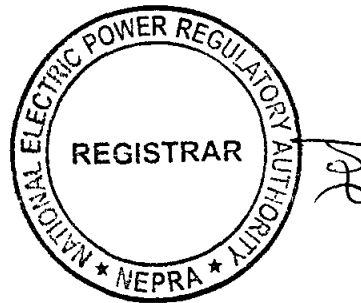
Article-14
Corporate Social Responsibility

The Licensee shall provide the descriptive as well as monetary disclosure of its activities pertaining to corporate social responsibility (CSR) on an annual basis.

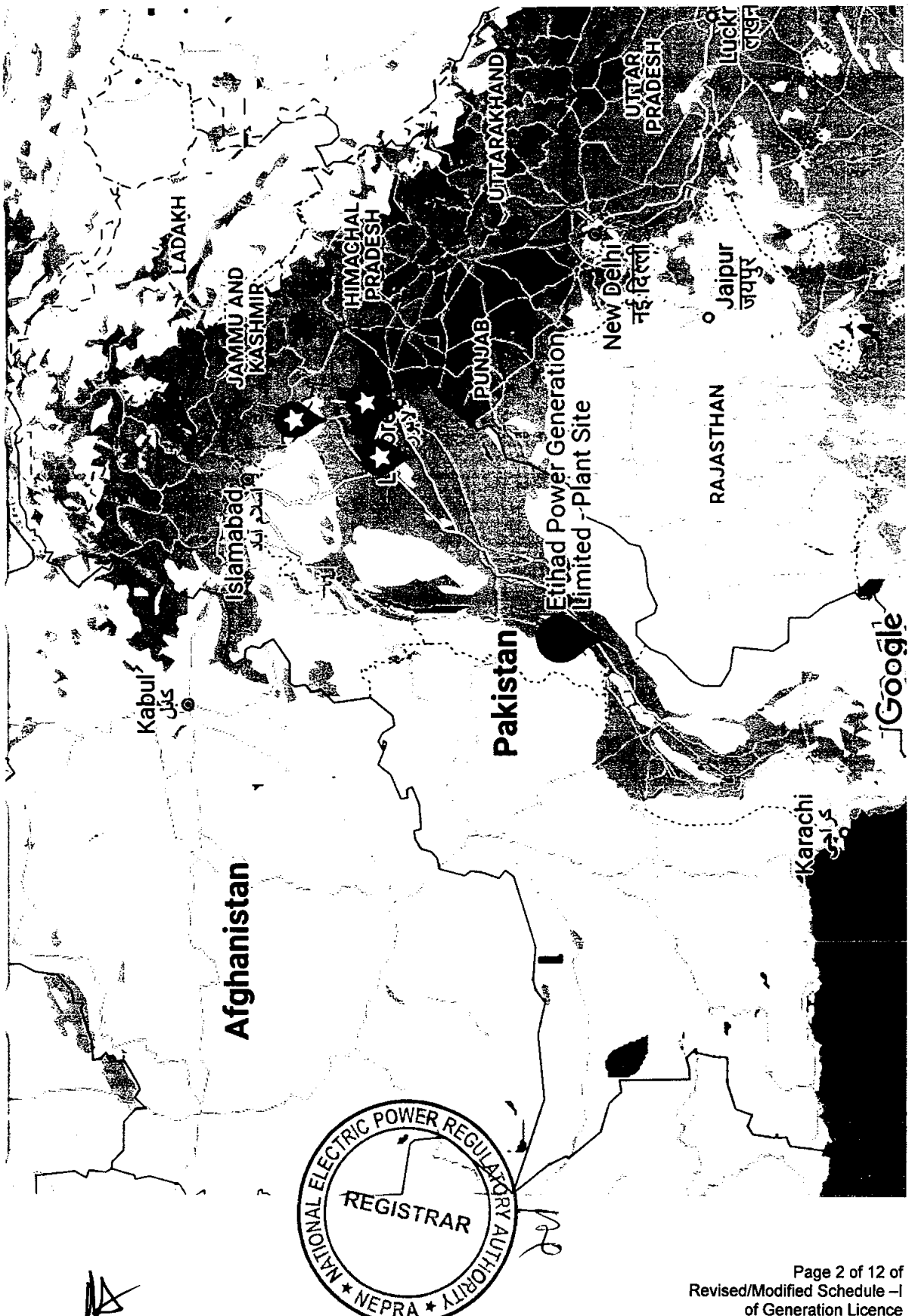


SCHEDULE-I

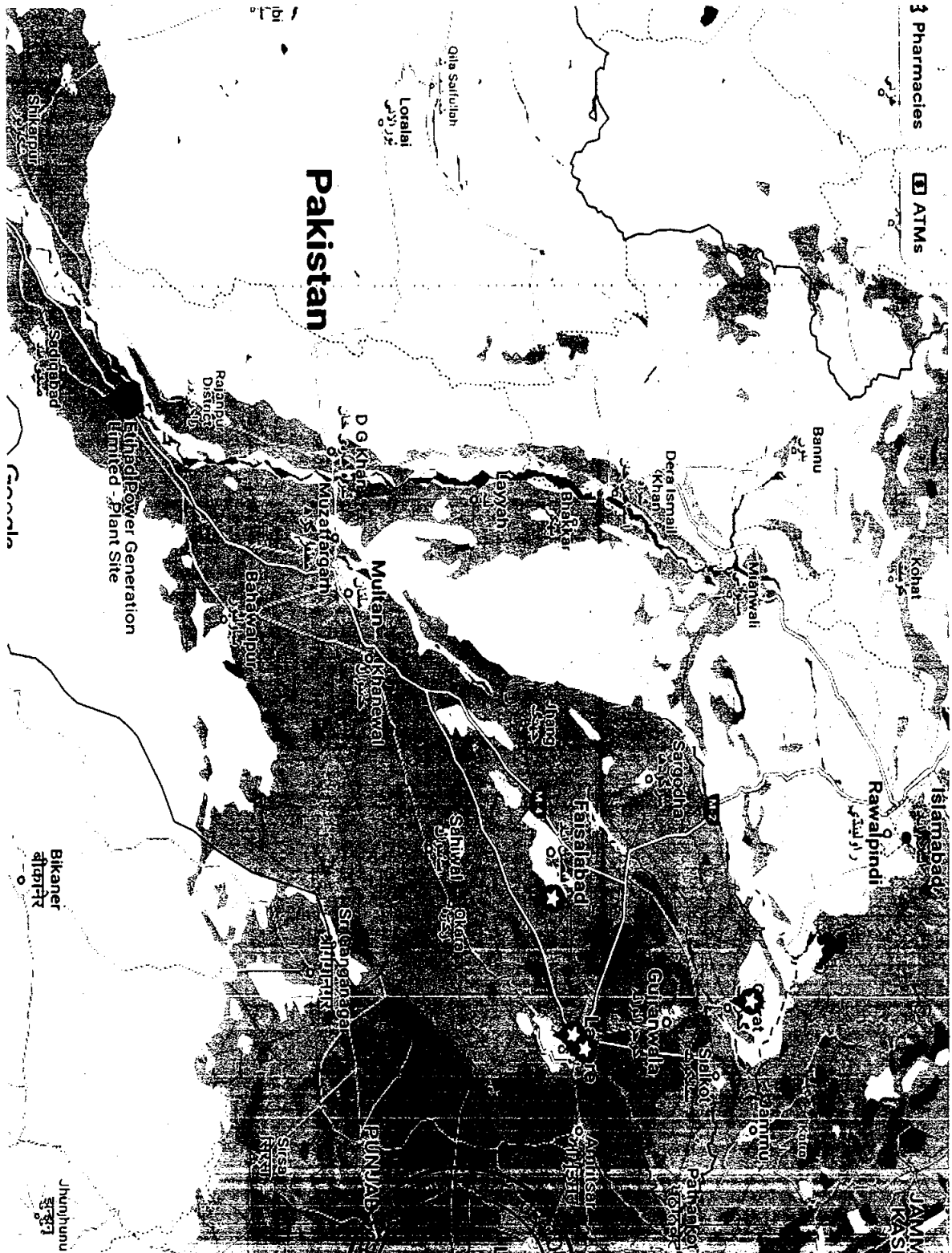
The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facilities of the Licensee are described in this Schedule.



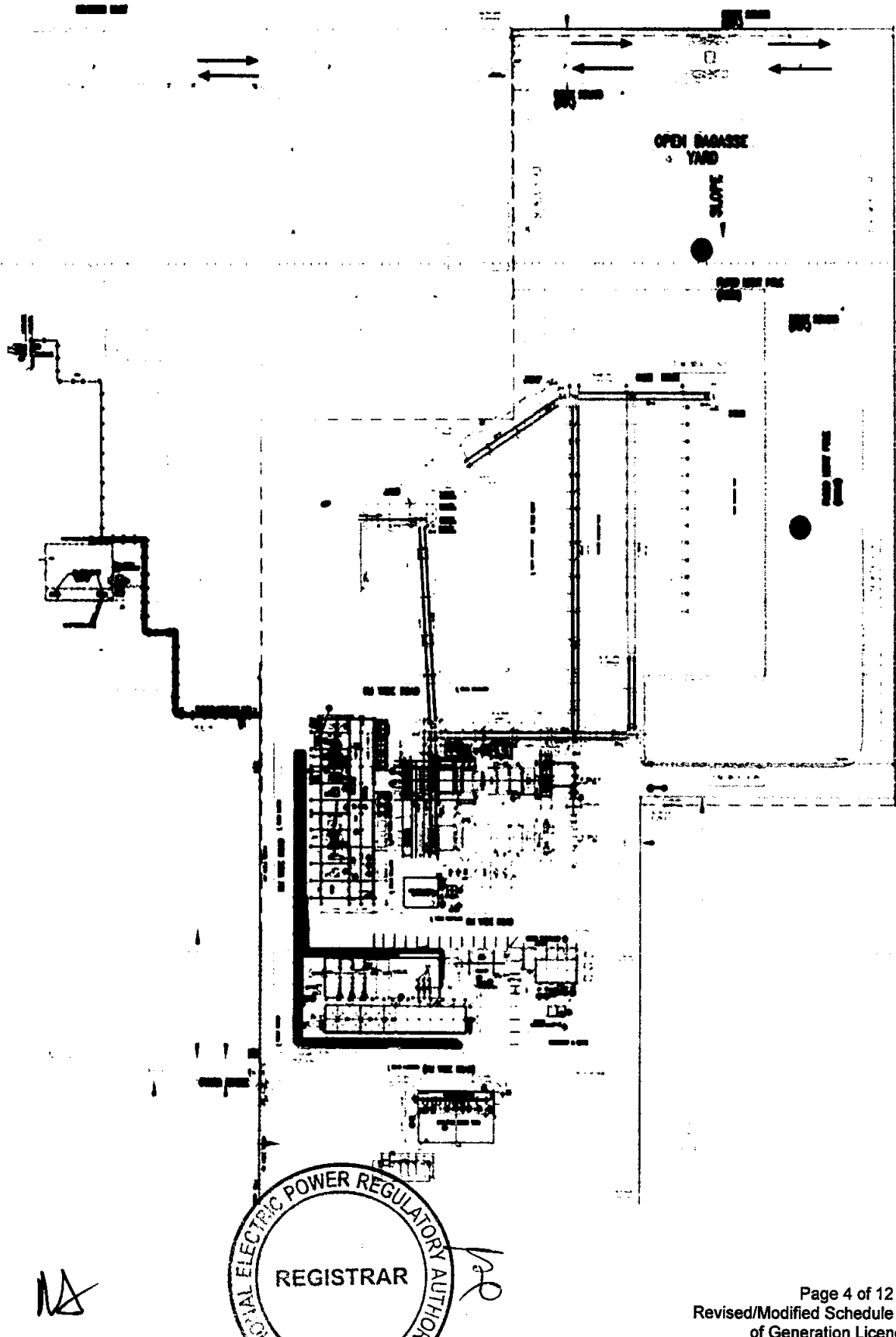
**Location of the
Generation Facility/Co-Generation Facility/Thermal Power
Plant of the Licensee on Map of Pakistan**



**Location of the
 Generation Facility/Co-Generation Facility/Thermal Power
 Plant of the Licensee on Map of Province of Punjab**



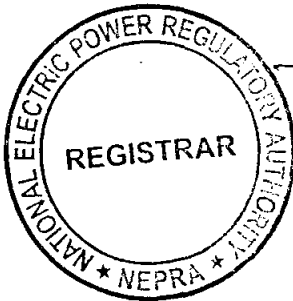
Layout of the
Generation Facility/Co-Generation Facility/Thermal Power
Plant of the Licensee



**Interconnection Arrangement/
Transmission Facilities for Dispersal of Electric Power
from the Generation Facility/Co-Generation
Facility/Thermal Power Plant**

The electric power generated from the generation facility/Co-Generation Facility/Thermal Power Plant of Etihad Power Generation Limited-EPGL/Licensee will be delivered/supplied to Bulk Power Consumers [BPC(s)] only.

(2). The details pertaining to the BPC(s), supply arrangement and other relating information are provided in the subsequent description of this schedule. Any changes in the said, shall be communicated to the Authority in due course of time.



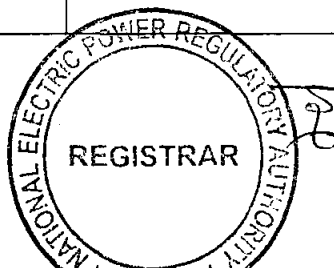
Details of
Generation Facility/Co-Generation Facility/
Thermal Power Plant

(A). General Information

(i).	Name of the Company/ Licensee	Etihad Power Generation Limited
(ii).	Registered Office/ Business Address of the Company/Licensee	4-Bawa Park, Upper Mall, Lahore, Punjab
(iii).	Location of the Generation Facility	Village Karamabad, Tehsil & District Rahim Yar Khan in the province of Punjab.

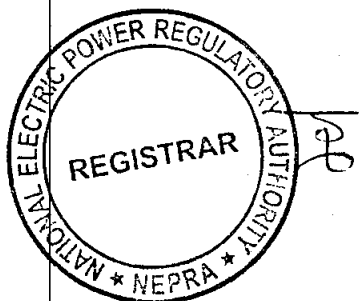
(B). Technology & Configuration

(i).	Type of Generation Facility	Bagasse based, High-Pressure generation facility/Co-Generation Facility/Thermal Power Plant
(ii).	Type of Technology	Conventional Steam Turbine based Power Plant (with Extraction cum condensing Steam Turbine with 110 bar (kg/cm ²) boiler.
(iii).	Number of Units/Size (MW)	1 x 37.20 MW
(iv).	Unit Make & Model	Doosan Skoda Power Czech Republic (DST- G20)
(v).	Commissioning/ Commercial Operation date of Unit of the Generation Facility	May 01, 2022
(vi).	Expected Useful Life of Unit of the Generation Facility from its COD	Thirty (30) years



(C). Fuel Details

(i).	Primary Fuel	Bagasse		
(ii).	Alternative/Secondary Fuel	Biomass (i.e. Corn Cobs and Cane Trash)		
(iii).	Start Up Fuel	As above		
(iv).	Fuel Source (Imported/Indigenous)	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		Indigenous	Indigenous	Indigenous
(v).	Fuel Supplier	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		Etihad Sugar Mills Limited-ESML (primary)/ Other Bagasse /Biomass Biomass suppliers (if available in the nearby area of the Generation Facility)	Biomass suppliers (if available in the nearby area of the Generation Facility)	Biomass suppliers (if available in the nearby area of the Generation Facility)
(vi).	Supply Arrangement	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		Through Conveyor Belts/Loading Trucks/ Tractor Trolleys Etc.	Through Conveyor Belts/Loading Trucks/ Tractor Trolleys Etc.	Through Conveyor Belts/ Loading Trucks/ Tractor Trolleys Etc.
(vii).	Sugarcane Crushing Capacity of ESML	12,500 Tons Crushing Per Day (Existing)/ 15,000 Tons Crushing Per Day (after extension)		



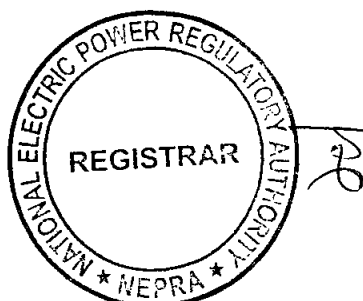
(viii).	Bagasse Generation Capacity of ESML	3875 Tons Per Day (as per Existing Capacity)/4650 Ton Per Day (after extension in)		
(ix).	Fuel Storage facilities	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		Bulk Storage		
(x).	Capacity of Storage facilities	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		46,500 Metric Tons bulk storage	Included as part of the Primary Fuel Storage	
(xi).	Gross Storage Capacity	Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
		46,500 Metric Tons Bulk Storage	Included as part of the Primary Fuel Storage	

(D). Emission Values

		Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
(i).	SO _x	<361.9 kg/hour	<361.9 kg/hour	<361.9 kg/hour
(ii).	NO _x	<80 p.p.m.	<80 p.p.m.	<80 p.p.m.
(iii).	CO ₂	11% to 13%	11% to 13%	11% to 13%
(iii).	CO	Traces	Traces	Traces
(iv).	PM ₁₀	50 mg /n.cu.m	50 mg /n.cu.m	50 mg /n.cu.m

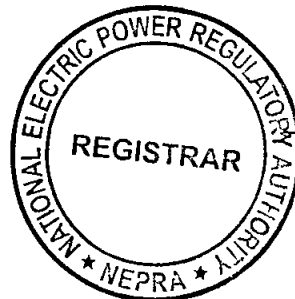
(E). Cooling Water System

(i).	Cooling Water Source/Cycle	RCC Cooling tower of induced draft counter flow type. Make up water will be drawn from the bore wells/Closed Loop.
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(F). Plant Characteristics

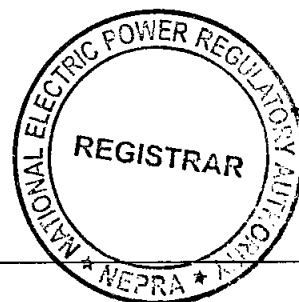
(i).	Generation Voltage	11KV	
(ii).	Frequency	50 Hz	
(iii).	Power Factor	0.80 lagging - 0.95 leading	
(iv).	Automatic Generation Control	Yes	
(v).	Ramping Rate	Cold Start	0.50 MW/Minute
		Warm Start	1.00 MW/Minute
		Hot Start	2.75 MW/Minute
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	Not applicable/Not connected to grid	



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Information
Regarding Bulk Power Consumer/BPC to be Supplied by the
Company/ Etihad Power Generation Limited/Licensee

(i).	No. of Consumers	02 (Two)	
(ii).	Location of consumers (distance and/or identity of premises)	Village Karamabad, Tehsil & District Rahim Yar Khan in the Province of Punjab	
(iii).	Contracted Capacity and Load Factor for consumer	Etihad Sugar Mills Limited/ESML-BPC-I	Etihad Alloys (Private) Limited-BPC-II
		Approximately upto 16.00 MW/40%	Approximately upto 32.00 MW/60%
(iv).	Specify Whether		
	(a).	The consumer(s) is an Associate undertaking of the Licensee -If yes, specify percentage ownership of equity;	Yes
	(b).	There are common directorships:	Yes
	(c).	Either can exercise influence or control over the other.	Yes
(v).	Specify nature of contractual Relationship		
	(a).	Between each consumer and the Licensee	Etihad Power Generation Limited-EPGL/Licensee owns and operates the generation facility and will provide electricity to supply to above mentioned BPC(s) for their use.
	(b).	Consumer and DISCO.	The connection from MEPCO/DISCO for BPC-I already exists whereas for BPC-II, the same is not there.

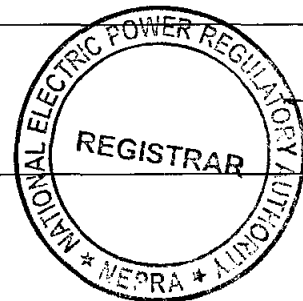


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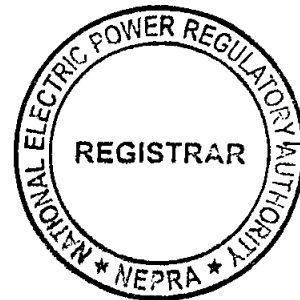
Information
Regarding Distribution Network for Supply of Electric Power to
Bulk Power Consumers

(i).	No. of Feeders	Five (05)
(ii).	Length of Each Feeder (Meter)	500-600 meter
(iii).	Length of Each Feeder to each Consumer	Same as above
(iv).	In respect of all the Feeders, describe the property (streets, farms, Agri land, etc.) through, under or over which they pass right up to the premises of customer, whether they cross-over.	The cable from the generation facility to BPC(s) is located on private property owned by BPC(s).
(v).	Whether owned by Licensee, Consumer or DISCO-(deal with each Feeder Separately)	
	(a).	If owned by DISCO, particulars of contractual arrangement
	(b).	Operation and maintenance responsibility for each feeder
(vi).	Whether connection with network of DISCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)	The connection from MEPCO/DISCO for BPC-I already exists whereas for BPC-II, the same is not there.
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority.	N/A.



SCHEDULE-II

The Installed/ISO Capacity (MW), De-Rated Capacity At Mean Site Conditions (MW), Auxiliary Consumption (MW) and the Net Capacity At Mean Site Conditions (MW) of the Generation Facilities of Licensee is given in this Schedule

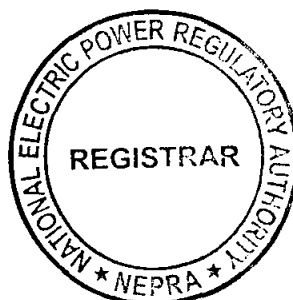


SCHEDULE-II

(1).	Total Gross Installed Capacity of the Generation Facility/Co-Generation Facility/Thermal Power Plant (1 x 37.20 MW Steam Turbine)	37.20 MW
(2).	De-rated Capacity of Generation Facility/Co-Generation Facility/Thermal Power Plant (1 x 37.20 MW Steam Turbine) at Reference Site Conditions	37.20 MW
(3).	Auxiliary Consumption of the Generation Facility/Co-Generation Facility/Thermal Power Plant (1 x 3.00 MW Steam Turbine)	03.00 MW
(4).	Total Net Capacity of Generation Facility/Co-Generation Facility/Thermal Power Plant at Reference Site Conditions	34.20 MW

Note

All the above figures are indicative only and the capacity available to Power Purchaser(s)/BPC(s) will be determined through procedure(s) contained in the Power Purchase Agreement (PPA) or any other Applicable Document(s).



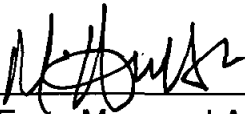
Authorization
by National Electric Power Regulatory Authority (NEPRA) to
Etihad Power Generation Limited

Incorporated under Section-32 of
the Companies Ordinance, 1984 (XLVII of 1984) having Corporate Universal
Identification No. 0087957 dated April 21, 2014


NEPRA GENERATION LICENCE No. IGSPL/56/2015, Dated
April 02, 2015 as Amended/Modified from time to time
For Sale to Bulk Power Consumer(s)

Pursuant to Section-22 of the Act and Rule-7 of the NEPRA Licensing (Generation) Rules-2000, the Authority hereby authorize Etihad Power Generation Limited-EPGL/(the "Licensee") to engage in second-tier supply business, limited to the following consumers:-

1. Etihad Sugar Mills Limited; and
2. Etihad Alloys (Private) Limited.



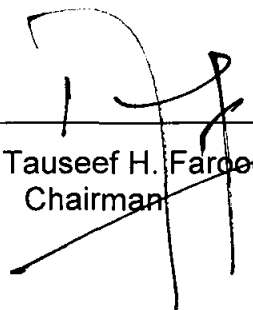
Engr. Maqsood Anwar Khan
(Member)



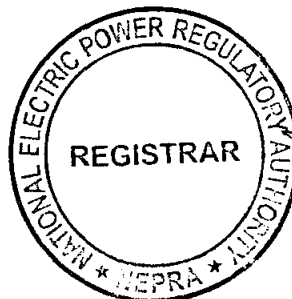
Engr. Rehmatullah Baloch
(Member)


Did not attend

Engr. Rafique Ahmad Shaikh
(Member)/Vice Chairman



Engr. Tauseef H. Farooqi
Chairman





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