



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/DG(Lic)/LAG-355/ 9552-60

June 26, 2025

**Mr. Abdul Waheed Qureshi**

Resident Director

Shahtaj Sugar Mills Limited

72/C-1, M.M. Alam Road

Gulberg-III, Lahore

**Subject: Modification in Generation Licence No. IGSP/L/72/2016 (Modification-I)  
Licence Application No. LAG-355  
Shahtaj Sugar Mills Limited, (SSML)**

*Reference: SSML's LPM submitted vide letter No. SSM/RD/135 dated 27.12.2022*

It is intimated that the Authority has approved Modification in Generation Licence No. IGSP/L/72/2016 (issued on November 10, 2016) in respect of Shahtaj Sugar Mills Limited (SSML) pursuant to Section-26 of NEPRA Act read with Regulation 10(4) of NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification of SSML alongwith Modification-I in the Generation Licence No. IGSP/L/72/2016, approved by the Authority.

Enclosure: As Above

  
(Wasim Anwar Bhinder)

**Copy to:**

1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
2. Secretary, Energy Department, Government of Punjab, EFU House, 8th Floor, 6-D Jail Road, Lahore
3. Managing Director, Private Power & Infrastructure Board (PPIB), Ground & 2nd Floors, Emigration Tower, Plot No. 10, Mauve Area, Sector G-8/1, Islamabad
4. Managing Director, National Grid Company of Pakistan (Formerly NTDC) 414-WAPDA House, Shahra-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. 73 West, A.K. Fazl-ul-Haq Road, Blue Area, Islamabad
6. CEO, Independent System and Market Operator of Pakistan (Guarantee) Limited (ISMO), Faiz Ahmed Faiz Road, H-8/1, Islamabad
7. Chief Executive Officer, Gujranwala Electric Power Company (GEPCO), 565/A, Model Town, G.T Road, Gujranwala
8. Director General, Environmental Protection Department, Government of the Punjab, National Hockey Stadium, Ferozpur Road, Lahore

**National Electric Power Regulatory Authority**  
**(NEPRA)**

**Determination of the Authority**  
**in the Matter of Licensee Proposed Modification in the**  
**Generation Licence of Shahtaj Sugar Mills Limited**

June <sup>H</sup>26, 2025  
**Case No. LAG-355**

**(A). Background**

(i). The Authority in terms of Section-15 (now Section-14B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), granted a Generation Licence (No. IGSPL/72/2016 dated November 10, 2016) to Shahtaj Sugar Mills Limited (SSML/the "Licensee").

(ii). The Authority granted the above Generation Licence to SSML for its bagasse based Co-generation facility of 32.0 MW to be located at Khewa Muhabbat Pur Road, district Mandi Bahauddin, in the province of Punjab. The said generation facility envisaged supplying power to the National Grid.

**(B). Communication of Modification**

(i). In accordance with Regulation-10 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 (the "Licensing Regulations"), SSML communicated a Licensee Proposed Modification (LPM) in its existing Generation Licence on December 29, 2022.

(ii). In the "Text of the Proposed Modification", SSML submitted that through its communicated modification/LPM it proposes to modify the 'Time Required to Synchronize to Grid' of the generation facility as given in its existing Generation Licence. About the "Statement of the Reasons in Support of the Modification", the company/Licensee/SSML explained that in the already granted Generation Licence, different parameters including 'Time Required to Synchronize to Grid' have been fixed which were based on the generic values at the time of submission of application for the grant of generation licence. After the grant of same, the said parameters have now been firmed up based on detailed





Engineering, Procurement and Construction (EPC) contract and data from the vendor/Original Equipment Manufacturer (OEM) which needs to be made consistent with the applicable documents including Generation Licence.

(iii). Regarding the "Statement of the Impact on the Tariff, Quality of Service and the Performance by the Licensee of its obligations under the Licence", SSML *inter alia*, explained that the proposed modification will not have any impact on its tariff which the Authority has already granted through its Determination. Further, it was also confirmed that the LPM will not have any adverse impact on the Quality of Service, Fulfillment of obligations or its Performance as a Licensee.

**(C). Processing of LPM**

(i). After completion of all the required information as stipulated under Regulation-10(1) and 10(2) of the Licensing Regulations by the Licensee, the Registrar published the communicated LPM on January 19, 2023, in one (01) English and one (01) Urdu newspaper in terms of Regulation-10(3) of the Licensing Regulations, informing the general public and inviting their comments in the matter.

(i). Apart from the above, the Registrar also sent letters on January 19, 2023 to the various/relevant Government Ministries, their attached Departments, representative organizations and individual experts etc. informing the said stakeholders about the communicated LPM of SSML, either in favor or against it, for the assistance of the Authority.

**(D). Comments of Stakeholders**

(i). In response to the above, the Authority received comments from three (03) stakeholders including Chamber of Commerce & Industry Mandi Bahauddin (CC&IMBD), Board of Investment (BoI) and Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). The salient points of the comments that the said stakeholders have offered are summarized as below :-

(a). CC&IMBD in its comments submitted that being a representative organization of area and an important stakeholder in the matter it supports the communicated LPM that SSML has submitted to the Authority to make various



applicable documents consistent;

- (b). Bol supported the application of SSML for modification in its Generation Licence subject to fulfilment of all the codal formalities and pre-requisites under the relevant rules & regulations; and
- (c). CPPA-G remarked that the Authority may consider the proposed modification however, the startup charges already negotiated and agreed as per the approved Energy Purchase Agreement (EPA) shall remain unchanged and will not be reopened if the modification is approved.

(ii). The Authority reviewed the above comments of stakeholders and in view of observations of CPPA-G, considered it appropriate seeking perspective of SSML on the same. On the said, the company/SSML/the Licensee confirmed that it shall not approach the power purchaser/CPPA-G for re-opening/re-negotiation of approved EPA for revision of start-up charges once the Authority approves the modification.

(iii). The Authority considered the above submissions of SSML and considered it appropriate to proceed further in the matter as stipulated in the NEPRA Act, NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules") and the Licensing Regulations.

**(E). Observations/Findings of the Authority**

(i). The Authority has considered the complete case in detail, including the already granted Generation Licence, communicated LPM, comments of the stakeholders, approved EPA and the provisions of the NEPRA Act and relevant rules & regulations framed thereunder. In this regard, the observations/findings of the Authority are explained and elaborated in the following paragraphs.

(ii). As explained in the preceding paragraph, the Authority granted a Generation Licence (No. IGSPL/72/2016 dated November 10, 2016) to SSML for its 32.0 MW generation facility located at Khewa Muhabbat Pur Road, district Mandi Bahauddin, in the province of Punjab. The said licence envisages setting





up a high-pressure boiler based co-generation facility in terms of relevant provisions of the Policy for Development of Renewable Energy for Power Generation, 2006 (the "RE Policy 2006") for supplying electric power to National Grid through the area that Gujranwala Electric Power Company Limited (GEPCO) serves. Further, the Authority through its determination dated January 24, 2022 has approved the tariff for the generation facility. In this regard, the company/Licensee/SSML executed an EPA with the Power Purchaser/CPPA-G wherein the firmed/final details about the various parameters of the generation facility were documented. In consideration of the said, the Authority while approving the EPA observed that parameters of the generation facility given in the Generation Licence were not consistent with the EPA and accordingly, now the company has communicated the modification/LPM in the above-mentioned Generation Licence.

**(iii).** The Authority considers that in terms of Section-26 of the NEPRA Act read with Regulation-9(2) of the Licensing Regulations, it is empowered to modify a licence as it may deem fit, if in its opinion such modification: (a). will not adversely affect the performance by the licensee of its obligations; (b). reasonably necessary for the licensee to effectively and efficiently perform its obligations under the Licence; (c). is likely to be beneficial to the consumers; or (d). is reasonably necessary to ensure the continuous, safe, and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the licensee.

**(iv).** On the above, the Authority observes that the proposed modification which envisages to make the generation licence and EPA consistent therefore, it will not have any adverse impact/effect on the performance of the licensee under its obligations of the generation licence and the same is necessary to enable the Licensee to perform effectively and efficiently under the obligations of Licence. As explained above, the modification envisages making the Generation Licence and applicable documents consistent therefore, it will be beneficial to consumers to avoid any confusion at later stage. In view of the explanation above, the LPM is also reasonably necessary to ensure the continuous, safe, and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the Licensee.



**(F). Approval of LPM**

(i). In light of the above, the Authority is satisfied that the company/SSML/the Licensee has complied with all the requirements of the NEPRA Act & the Licensing Regulations pertaining to the modification. Accordingly, in terms of Section-26 of the NEPRA Act read with Regulation-10(4) of the Licensing Regulations, the Authority approves the communicated LPM regarding revision of 'Time required to synchronize to Grid' without any changes.

(ii). In consideration of the above, the Authority hereby clarifies that the approval of LPM will not form any basis for the company/SSML/the Licensee to reopen the matter of start-up charges agreed in the executed EPA as explained at Para-D(ii) above. The changes made in the Generation Licence (No. IGSPL/72/2016 dated November 10, 2016) of SSML are annexed to this Determination. The approval of the LPM will be subject to the provisions contained in the NEPRA Act, relevant rules & regulations framed thereunder, terms & conditions of the Generation Licence and other applicable documents.

**Authority**

Engr. Maqsood Anwar Khan  
(Member)



Rafique Ahmed Shaikh  
(Member)

Did not attend

Amina Ahmed  
(Member)



Waseem Mukhtar  
(Chairman)





# National Electric Power Regulatory Authority (NEPRA)

Islamabad – Pakistan

**GENERATION LICENCE**

**IGSPL/72/2016**

In exercise of the Powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 the Authority hereby modifies the Generation Licence granted to Shahtaj Sugar Mills Limited (No. IGSPL/72/2016 dated November 10, 2016), to the extent of changes mentioned hereunder:-

- (i). The changes made in **Schedule-I** of the Generation Licence are attached as **Annexure-A**; and

This **Modification-I** is given under my hand on 26<sup>th</sup> of **June Two Thousand & Twenty Five**

  
Registrar





## Annexure-A





**Changes Made in Schedule-I of Generation Licence of  
Shahtaj Sugar Mills Limited**

At Para-F under the "Plant Details" the information related to "Plant Characteristics"  
is revised/modified to the extent of the following:

(vi).	Time Required to Synchronize to Grid (mins.)	Start-up	Boiler Start-up Time	Turbine Start-up Time	Combined (Boiler + Turbine) Start-up Time
		Cold Start	248	72	320
		Warm Start	156	54	210
		Hot Start	30	40	70

