

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/LAG-229/4/77-83

March 01, 2023

Mr. Tanveer Afzal Mirza

Director Operations & Company Secratary UEP Wind Power (Private) Limited 1st Floor, Bahria Complex-1 24 M.T Khan Road, Karachi

Subject:

Modification in Generation Licence No. WPGL/22/2013 (Modification-II)

Licence Application No. LAG-229

UEP Wind Power (Private) Limited, (UEPWPPL)

Reference: UEPWPPL's LPM submitted vide letter No. UEPW-PM-LT-NEPRA-025 dated 18.10.2022

It is intimated that the Authority has approved Modification-II in Generation Licence No. WPGL/22/2013 dated November 04, 2013 in respect of UEP Wind Power (Private) Limited (UEPWPPL) pursuant to Section 26 of the NEPRA Act read with Regulation 10(11) of the NEPRA Licensing Regulations.

2. Enclosed please find herewith determination of the Authority in the matter of Licensee Proposed Modification of UEPWPPL alongwith Modification-II in the Generation Licence No. WPGL/22/2013, approved by the Authority.

Enclosure: As Above

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(Engr. Mazhar Iqbal Ranjha)

Copy to:

- 1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
- 2. C.E.O Alternative Energy Development Board (AEDB), 2nd Floor, OPF Building, G-5/2, Islamabad
- 3. Managing Director, NTDC, 414 WAPDA House, Lahore
- 4. Chief Executive Officer, CPPA(G), 73 East, A.K. Fazl-ul-Haq Road, Blue Area, Islamabad
- 5. Chief Executive Officer, Hyderabad Electric Supply Company, HESCO Headquarters, WAPDA Complex, Hussainabad, Hyderabad
- 6. Director General, Environmental Protection Department, Government of Sindh, Plot No ST2/1, Sector 23, Korangi Industrial Area, Karachi

National Electric Power Regulatory Authority (NEPRA) Islamabad – Pakistan

GENERATION LICENCE

No. WPGL/22/2013

In exercise of the Powers conferred under Section-26 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Authority hereby modifies the Generation Licence (No. WPGL/22/2013 dated November 04, 2013) granted to UEP Wind Power (Private) Limited to the extent of changes mentioned hereunder:

- (a). On Face Sheet of the Generation Licence, the Expiry Date of the of the Generation Licence may be read as June 15, 2037 instead of June 29, 2035; and
- (b). In Schedule-I of the Generation Licence, the Commercial Operation Date of the of the Generation Facility/Wind Power Plant of the Licensee may be read as June 16, 2017 instead of June 30, 2015.

This <u>Modification-II</u> is given under my hand on this <u>day</u> of ກາພະໄ <u>February</u> <u>Two Thousand</u> & <u>Twenty Three.</u>

Registrar

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National Electric Power Regulatory Authority (NEPRA)

<u>Determination of the Authority</u> <u>in the Matter of the Licensee Proposed Modification in the</u> Generation Licence of UEP Wind Power (Pvt.) Limited

February , 2023 Case No. LAG-229

(A). Background

- (i). In terms of Section-15 (now Section-14B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act"), the Authority granted a Generation Licence (No. WPGL/22/2013 dated November 04, 2013 with subsequent modification dated November 17, 2014) to UEP Wind Power (Pvt.) Limited (UEPWPPL) for its 99.00 MW generation facility/Wind Power Plant (WPP) located at Jhimpir, near Nooriabad, District Thatta, in the Province of Sindh.
- (ii). Under the above-mentioned Generation Licence, the generation facility/WPP of UEPWPPL consist of 66x1.50 MW Wind Turbine Generators (WTGs) of Goldwind (GW77/1500). At the time of grant of Generation Licence the term of the Generation Licence is twenty (20) years from the then anticipated Commercial Operational Date-COD of the generation facility/WPP (i.e. June 30, 2015). Accordingly, on the face sheet of Generation Licence, the expiry date of the Generation Licence was set to June 29, 2035.

(B). Communication of Modification

- (i). UEPWPPL 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 existing Generation Licence on October 25, 2022.
- (ii). In the "text of the proposed modification", UEPWPPL proposed to change the expiry date of its Generation Licence from June 29, 2035 to June 16, 2037. In the "statement of the reasons in support of the modification", UEPWPPL inter alia, stated that the modification is filed to make the expiry date consistent with actual expiry date i.e., June 16, 2037 as set out in Article 4.1 of the Generation Licence.

REGISTRAR

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Page 1 of 5

(iii). About the "statement of the impact on the tariff, quality of service and the performance by the Licensee of its obligations under the licence", UEPWPPL inter alia, stated that the proposed modification in the the expiry date of the Generation Licence will not impact the tariff issued to the project or quality of service and performance of the Licensee of its obligations under the Generation Licence.

(C). Processing of LPM

- (i). After completion of all the required information as stipulated under the Regulation-10(1) and 10(2) of the Licensing Regulations, by UEPWPPL, the Registrar under the Regulation 10(3) of the Licensing Regulations published the communicated LPM on November 04, 2022 in one (01) English and one (01) Urdu newspaper, informing the general public about the communicated LPM and inviting their comments within a period of fourteen (14) days from the date of the said publication.
- (ii). Apart from the above, separate letters were also sent to various other stakeholders including Government Ministries and their attached departments, various representative organization, individual experts, and others on November 07, 2022. Through the said letters, the stakeholders were informed about the communicated LPM and publication of its notice in the press. Further, the said entities were invited to submit their views and comments in the matter, for the assistance of the Authority.

(D). Comments of Stakeholders

(i). In reply to the above, the Authority received comments from two (02) stakeholeders, namely Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) and Board of Investment (Bol). The salient points of comments offered by the said stakeholders are summarized in the following paragraph.

(a). CPPA-G commented that UEPWPPL has requested to modify expiry date of the Generation Licence from June 29, 2035 to June 16, 2037. In this regard, it informed that UEPWPPL started its commercial operation on June 16, 2017 (00:00 HRS) duly notified by this office vide notification No. Tech/DGMT-II/MT-V/UEPW/27263-81 dated July 05, 2017 and the term EPA of 20 years will be expiring on June 16, 2037 (00:00 HRS). Moreover, the project company also has a valid tariff determination of NEPRA [i.e. No. NEPRAITRF-239/ UEP-

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REGISTRAR

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2013/13741-13743 dated December 13, 2013] for a term of 20 years period from commencement of the commercial operation. In light of the above, CPPA-G has no objection on the request of the UEPWPPL regarding the modification in the Generation License; and

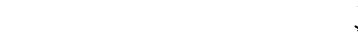
(b). Bol submitted that it is of the view that the request of UEPWPPL for modification in its Generation Licence may be considered keeping in view of the public interest as well as relevant law/rules in vogue.

(ii). The Authority examined the above comments of stakeholders and found in favour of the LPM communicated by UEPWPPL. In view of the said, the Authority considered it appropriate to proceed further in the matter as stipulated in the Licensing Regulations and the NEPRA Licensing (Generation) Rules, 2000 (the "Generation Rules").

(E). Evaluation/Findings of the Authority

REGISTRAR

- (i). The Authority has examined the entire case in detail, including the originally granted Generation Licence, Modification-I in the Generation Licence, the current LPM, relevant provisions of the Policy for Development of Renewable Energy for Power Generation 2006 (the "RE Policy"), comments of the stakeholder rejoinder by the Licensee/applicant relevant provisions of the NEPRA Act and relevant rules & Regulations framed thereunder.
- (ii). In this regard, the Authority has observed that originally, it granted a Generation Licence (No. WPGL/22/2013 dated November 04, 2013 with subsequent Modification-I dated November 17, 2014) to UEPWPPL for setting up a 99.00 MW generation facility/WPP at Nooriabad, Jhimpir, District Thatta, in the province of Sindh. In this regard, it is relevant to mention that at the time of grant of Genreration Licence, the anticipated COD of the generation facility/WPP was provided as June 30, 2015 and accordingly based on 20 years term from COD, the Authority set the expiry date of the Generation Licence as June 29, 2035.
- (iii). However, due to delay in allocation of land by the Govt. of Sindh for the project, UEPWPPL achieved actual COD on June 16, 2017 and supplying energy to the national grid since then. In this regard, the Authority has noted that in Article 4 of the Generation Licence it is clearly mentioned that the Licence is granted for a term of twenty (20) years from COD of the generation facility/WPP. Accordingly through



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the communicated LPM UEPWPPL has proposed to change the expiry date of Generation Licence to June 16¹, 2037 (i.e. 20 years from actual COD).

- (iv). Regarding the impact of the communicated LPM on the tariff, the Authority hereby clarifies that under Section-7(3)(a) of the NEPRA Act, determining tariff, rate and charges, etc. is the sole prerogative of the Authority. In this regard, the Authority approved the tariff of UEPWPPL on December 13, 2013 under upfront regime. The project achieved COD on June 16, 2017. The tariff control period of twenty (20) years from the commencement of COD has been approved in the aforesaid tariff decision. The Authority considers that the modifications proposed in the Generation Licence have already been accounted for in the tariff, therefore, there shall be no impact on tariff by said changes in the Generation Licence.
- (v). Regarding modification in the Generation Licence, the Authority has observed that Section 26 of the NEPRA Act, read with Regulation-9(2) of the Licensing Regulations, empowers the Authority to modify a licence in accordance with an Authority Proposed Modification (APM) or LPM, subject to and in accordance with such further changes as the Authority 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). 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.
- (vi). In view of the above, the Authority is of the opinion that the proposed LPM will not have any adverse effect on the performance of UEPWPPL of its obligations under the licence. The LPM will be beneficial to the consumers in general as more amount of clean electricity will be available to the power purchaser. The Authority considers that the LPM is reasonably necessary for the Licensee to perform its obligations effectively and efficiently under the Licence. Further to the said, the LPM is necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and the licensee.

¹ Twenty years from June 16, 2017 ends on June 15, 2037. Therefore, the expiry date is set as June 15, 2037.



REGISTRAR

27

(F). Decision of the Authority

- (i). In view of the above, the Authority in terms of Section-26 of the NEPRA Act, read with Regulation-10(11) of the Licensing Regulations, approves the communicated LPM in the Generation Licence (No. WPGL/22/2013) of UEPWPPL with changes, to the extent of change of expity date from June 29, 2035 to June 15, 2037.
- (ii). The modifications in the Generation Licence are attached as annexure to this determination. The modification in the Generation Licence 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)

Rafique Ahmed Shaikh (Member)

Mathar Niaz Rana (nsc) (Member)

Tauseef H. Farooqi (Chairman)

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Page 5 of 5

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