



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/R/ADG(Trf)/TRF-558/DKHP-2021/ 357-60

January 13, 2025

Subject: Decision of the Authority regarding Suo Moto Proceedings for change in COD of 36.6 MW Daral Khawar Hydropower Project of PEDO

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Decision of Mr. Mathar Niaz Rana Member (NEPRA) (total 11 pages) in Case No. NEPRA/TRF-558/DKHP-2021.

2. The Determination is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Determination. In the event the Federal Government fails to notify the subject tariff Determination within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

(Syed Zawar Haider)

Secretary
Ministry of Energy, Power Division,
'A' Block, Pak Secretariat
Islamabad

Copy to:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Ltd. (CPPA-G)
Shaheen Plaza, 73-West, Fazl-e-Haq Road, Blue Area, Islamabad
4. Chief Executive Officer, Pakhtunkhwa Energy Development Organization (PEDO), Plot# 38,
Sect B-2, Phase-5 Hayatabad Peshawar



**DECISION OF THE AUTHORITY REGARDING SUO MOTO PROCEEDINGS FOR
CHANGE IN COD OF 36.6 MW DARAL KHAWAR HYDROPOWER PROJECT OF
PEDO**

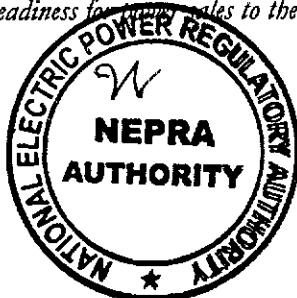
Background:

1. Daral Khwar Hydropower Project is a 36.6 MW run of the river hydropower project of the Pakhtunkhwa Energy Development Organization (PEDO). It is located on the Daral Khwar Nullah, a right tributary of River Swat near Bahrain Town, in the District Swat of Malakand Division KPK.
2. The Authority issued a generation license to the Project on May 19, 2017, and approved a levelized reference tariff of Rs.8.4377/kWh on January 09, 2018. Thereafter, the Authority vide its modification decision dated May 16, 2022, approved the modified levelized tariff of Rs. 8.2683/kWh.
3. Paragraph 18 of the Authority's modification decision dated May 16, 2022:

The Authority noted that sale of power before COD occurs when the plant is synchronized with the grid and the power is generated as a result of conducting certain tests such as initial capacity test, reliability run test, turbine governor operation; minimum load capability etc. These tests are generally called commissioning tests which are agreed well before COD through EPAs. In the instant case, it was noted that as per the information provided, the COD of the Project was delayed. However, as stated by the Petitioner, the Project has been providing electricity since February 2019, therefore, the Authority has decided to allow a tariff of variable O&M, which is also consistent with the Standard PPA of hydropower projects, as Pre-COD tariff in the instant case and the same shall be incorporated in the eventual EPA with concerned Buyer. The Authority has also shown its displeasure towards CPPA-G/PEDO regarding the delay in achieving COD of the Project as the power was being sold since February 2019. This matter shall be taken up separately by the Authority and an explanation shall be sought from CPPA-G and PEDO regarding delay in commissioning of the project for the last 3 years.

4. The issue of delay in commissioning was taken up by the Authority. The Authority vide its order dated August 15, 2024, under NEPRA (Fine) Regulations, 2021 (the "Fine Regulations"), concluded the proceedings by considering the replies of the licensees as satisfactory and decided to accept the same and the matter stood closed in terms of Regulation 4(6) of the Fine Regulations. However, through the additional notes by the majority Members of the Authority to the above-referred order dated August 15, 2024, approved the COD of the Project effective from February 2019 on the following basis:

To begin with, the delay in meter installation attributed to the tardy approval of technical submittals by the National Transmission and Despatch Company (NTDC) for the associated instrument transformers, was unforeseen circumstance beyond the control of the project developers. It's essential to underscore that despite this setback, the primary meter had already undergone verification by a representative of both NTDC and the Pakhtunkhwa Energy Development Organization (PEDO), affirming its readiness for power sales to the Central Power Purchasing Agency (CPPA-G).



ad 7

1/11

Moreover, the issuance of a certificate by the Independent Engineer on 15th July 2020, endorsing the successful completion of commissioning tests, provided robust validation of the project's readiness and fulfilment of critical milestones well before the eventual COD declared by CPPA-G on 26th May 2021. Additionally, the initiation of power sales to CPPA-G from February 2019 represents a pivotal operational milestone for the project. This alignment with commercial activities signifies the tangible commencement of power generation, reinforcing the project's preparedness and functionality.

Furthermore, the Daral Khwar Hydel Power Project signifies a substantial investment in a cost-effective and environmentally sustainable energy source. It is imperative to recognize the, broader positive implications of this project, which serves as an exemplar of renewable energy initiatives. Penalizing the project for issues such as meter installation delays, which were beyond its direct control, could potentially deter future investments in similar ventures aimed at advancing green energy solutions.

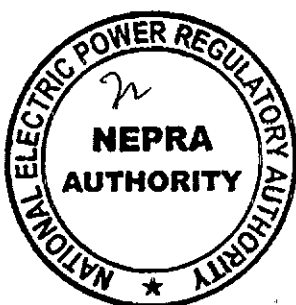
In conclusion, our decision to uphold the COD effective from February 2019 is firmly grounded in compelling evidence and principled reasoning. This decision underscores our –commitment to fairness and practicality in project commissioning while advancing steadfast support for sustainable energy initiatives crucial for our societal and environmental well-being. We firmly believe that nurturing and promoting such initiatives is paramount for a sustainable future, fostering innovation and progress in renewable energy.

Moreover, since the issue of delay in the commissioning of the Daral Khwar Hydel Power Project has now been resolved, therefore, we have decided to accept the responses received from PEDO and CPPA-G to the explanations dated 15.03.2022 and order the matter closed.

5. The Authority approval of COD effective from February 2019, necessitates the revision in the Tariff Modification Determination dated 16.05.2022 to the extent of COD only, therefore, decided to initiate Suo Moto proceedings. Accordingly hearing in the matter was fixed for October 22, 2024, at 01:30 PM and subsequently hearing notices were sent to the parties i.e. CPPA-G and PEDO on October 11, 2024.
6. The hearing was held on October 22, 2024, in the NEPRA Head Office and was attended by the representatives of PEDO and CPPA-G. During the hearing, the Authority directed both PEDO and CPPA-G to provide their written stance on the matter. CPPA-G and PEDO have submitted their stances vide letters dated November 01, 2024, and November 27, 2024, respectively. The responses of both parties are as under:

CPPA-G'S Response:

7. CPPA-G vide letter dated 1-11-2024 submitted that the Authority vide its order dated 15.08.2024 in the matter of Explanation issued to CPPA-G under Regulation 4(1) & 4(2) of the Fine Regulations considered the CPPA(G)'s submissions in relation thereto satisfactory, and had decided to accept the same closed the proceedings pursuant to regulation 4(6) of the Fine Regulations. According to CPPA-G, its earlier submissions regarding the declaration of Complex's COD with effect from 26.05.2021 stand justified as per the relevant provisions of the executed EPA with PEDO and duly approved by the Authority.



ord 7



8. CPPA-G further submitted that it finds support in the additional note of the Member (Tariff and Finance) to the Authority's order dated August 15, 2024, wherein the Member stated that *"the declaration of the Commercial Operation Date (COD) concerning the delay in commissioning of the 36.6 MW Daral Khwar Hydropower Project falls within the jurisdiction of CPPA-G and out of mandated jurisdiction of NEPRA. In my opinion, if the Authority approves the COD effective from February 2019 in this instance, it would set a legally incorrect precedent that could be cited in other cases for seeking or claiming similar relief."*
9. CPPA-G referred to the additional note by the Majority of the Authority and extracted that the Authority stated that, *"we remain steadfast in our stance to approve the COD effective from February 2019". This is the first instance wherein the Authority unilaterally determined the COD for the instant Project or indeed, any project to be "February 2019", and in support of its position NEPRA cited the following:*
- a. Delay in meter installation, attributed to the delayed approval of technical submissions by NTDC.*
 - b. Despite the aforementioned delay, the primary meter had been verified by NTDC and PEDO, which the Authority viewed as "affirming its readiness for power sales to (CPPA(G))."*
 - c. The Engineer's 15.07.2020 issuance of its certificate "endorsing the successful completion of commissioning tests" which, according to the Authority, "provided robust validation of the project's readiness and fulfilment of critical milestones well before the eventual COD declared by CPPA-G on 26th May 2021".*
 - d. That the initiation of power sales to CPPA-G from February 2019 represents a pivotal operational milestone for the project"; and*
 - e. That the project represents "a substantial investment in a cost-effective and environmentally sustainable energy source."*
10. CPPA-G submitted that the project's 'cost-effectiveness' and 'environmental sustainability' have no bearing on the declaration of its COD which must, instead, be determined by the explicit provisions of the EPA relating thereto and according to the EPA, the "Commercial Operations Date" is the date following immediately after the date on which the complex is "Commissioned"; reference in this regard is made to the definition of the term "Commercial Operations Date". The EPA further defines the term "Commissioned" to be "the successful completion of commissioning of the Complex for continuous operation and the certification of such successful completion of commissioning to the Purchaser and the Seller by the independent engineer".
11. CPPA-G also stated that the Authority's reliance on the Engineer's Certificate of 15.07.2020 is misplaced, as the said Certificate was not a certificate of the successful commissioning of the complex rather that certificate was issued by the Engineer on 26.05.2021. Instead, the 15.07.2020 Certificate merely certifies that "the gross output of the complex adjusted to reference site conditions is 36.794 MW and the Net Initial Tested Capacity of the complex is 36.596 MW". The same does not speak to the commissioning of the complex in the manner in which the 26.05.2021 certificate does. Further, notwithstanding the aforesaid, even if one were to consider - for argument's sake - the position that the 15.07.2020 certificate was somehow determinative, it would still not justify a COD of February 2019 - i.e. at least five months prior to the issuance of said

ad 7

3/11





certificate. Declaring the COD of the Complex contrary to the core requirements of the EPA will not only result in deviation from the contractual commitments duly approved by Authority on 21.12.2023, but would also set a disquieting precedent for other projects-i.e. the mandatory preconditions for achieving a project's COD are somehow unnecessary or that the same may be disregarded by way of regulatory fiat.

12. CPPA-G expressed that the Authority's claim that "the initiation of power sales to CPPA-G from February 2019 was somehow determinative of the Project's commissioning in February 2019 is also misplaced. According to CPPA-G many projects, including IPPs with ECC-approved EPAs/PPAs have language in their respective agreements providing for the pre-COD sale of energy. In point of fact, the same is true for the Project itself, where pursuant to the EPA as amended and approved by the Authority itself provision has been made for the payment by the Purchaser of "Pre-COD Energy". The fact that a complex is capable of generating and selling energy to the national grid is not conclusive of its successful commissioning: instead, a project can only be considered to be successfully commissioned once it has satisfied all technical and legal preconditions thereto; in the instant case, these prerequisites were satisfied on 26.05.2021, when the Engineer issued its certificate of the same date. Were a project to produce and sell pre-COD energy to the national grid prior to its COD, such sale does not constitute the successful commissioning of the same; to consider otherwise would set a dangerous precedent for other power projects, which could rely upon the Authority's decision to frustrate their respective legal, contractual, and technical obligations vis-à-vis the commissioning of their own respective projects. In point of fact, the Authority had already allowed the Seller to make pre-COD sales through its decision of 16.05.2022. Thus, keeping in view the interest of the end consumers, the sanctity of the legal and regulatory regime overseen by the Authority, and the technical stability of the grid going forward, it is submitted that the COD declaration of the Complex is contingent upon the agreed terms and condition of the EPA duly approved by the Authority - which, being an operation of the contract between the Purchaser and the Seller, falls within the purview of CPPA(G).
13. CPPA-G submitted that PEDO had itself submitted the undertaking to CPPA(G) wherein it stated that "Commercial Operation Date (COD) will be declared and effective from the date of installation of Back-Up Meters", and that the Engineer would "also include the above-mentioned condition in its report of commissioning test of the 36.6 MW Daral Khwar Hydropower Project". As such, even PEDO had correctly recognized that the Project's COD had not been achieved in June 2020 and that instead such would be achieved from the date the back-up meters would be installed. The undertaking also reflects PEDO's own correct understanding that the COD had not been achieved as of June 2020, despite the pre-COD sale of energy thereby.
14. CPPA-G also submitted that during the 22.10.2024 hearing convened by the Authority on the matter, the Member (Technical) posed the following questions regarding the Project's synchronization with the national grid without permission and the purchase of electricity therefrom prior to the installation of the backup/secondary metering system and sought the CPPA(G)'s written response thereto. In this regard, CPPA(G)'s responses to the Member (Technical)'s questions are as follows:

Question-1: If the Project was injecting electricity in the system without permission of CPPA(G)/NTDC, what action was taken by NTDC/CPPA(G)?



dd 9

4/11



Response:

As per the record, the Seller synchronized its unit with national grid on 15.09.2018 without the prior permission of or intimation to the system operator. Upon investigation by NPCC, the Seller claimed that the Chinese engineers at power plant carried out the related operations of their own violation, without any permission from the competent authorities and without following the applicable operational procedures. Consequently, the Seller was instructed by NPCC to de-energize its switchyard until it received the necessary clearance through CPPA(G) for interconnection and testing of units with the national grid.

The Seller's nonseriousness towards and noncompliance with NPCC's instructions was demonstrated once again by the Seller and its Contractors on 23.09.2018, when it unilaterally energized its powerhouse's switchyard once again energized by the Company without any clearance from CPPA(G) or prior intimation to Regional Control Center (North)/NPCC.

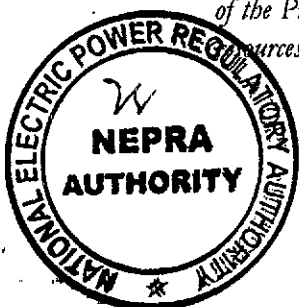
In response to the above, through their letter no.12658/GM (SO)/NPCC/NRCC dated 24.09.2018 the General Manager (System Operations) NPCC communicated NPCC's grave concerns regarding the Seller's actions to PEDO, emphatically clarifying that such unilateral action on the Seller's part was contrary to prudent utility practices, and that these unauthorized switching operations could lead to severe safety violations for which the Seller and its powerhouse would bear sole responsibility. Additionally, the Seller was once again instructed to abstain from unauthorized switching operations in order to ensure the safety of equipment/personnel and to preserve the stability of the national grid, and to first seek necessary clearance/permission from CPPA(G) pursuant to a contractual arrangement between the two; in the alternate, NPCC / CPPA(G) would not be responsible for any mishap caused by the Seller, as well as for other financial implications regarding the clarification/ verification of invoices during the period of such unauthorized energization.

It may be further noted that, in response to PEDO's request to add the Project's cheap electricity into the system and to optimally utilize the available natural resources, CPPA(G) - vide its letter 11.03.2019 allowed the Complex to synchronize with the national Grid after recording the energy meter readings. Subsequently, through its letter dated 22.04.2019, NPCC informed CPPA(G) that PEDO had agreed that billing from the Project would be materialized only after the installation of proper metering equipment and the finalization of the EPA. As discussed at length hereinabove, the Primary Metering System was installed at the Project's site on 08.10.2019 whereas the Backup Meters were installed on 25.05.2021.

Question 2: In the absence of backup/secondary meter installed by the Company as per the requirement of Grid Code, why CPPA-G allowed DKHPP to supply electricity to the National Grid?

Response:

CPPA(G) executed the EPA with the Seller on 14.05.2019, with the Primary Metering System subsequently being installed on 08.10.2019. After the EPA's execution and installation of the Primary Metering System, the minimal technical and commercial formalities for the purchase of electricity by CPPA(G) from the Project were fulfilled on a Pre-COD basis and there was no hindrance for the addition of the Project's cheap electricity into the system to ensure the optimal utilization of the available natural resources at the Authority-determined Pre-COD tariff.



ad 7



Though the installation of Backup Metering was not a pre-requisite for the Pre-COD purchase of power from the Project, the same is nonetheless required under the Grid Code and the EPA for completion of construction of the Complex in all material respects prior to the declaration of the Project's COD. Moreover, the Project has also given its written Undertaking that its COD would be declared after the installation of the Backup Metering System. Consequently, vide its letter of 26.05.2021, the Seller requested that its COD be declared upon the successful installation of the Back-up Metering System.

As per the terms of the Authority-approved EPA and pursuant to the Authority's determination dated 16.05.2022, CPPA(G) stands ready to pay for the abovementioned Pre-COD energy to the Seller, subject to the availability of the joint monthly meter reading proforma duly signed by the Metering Committee, at the Pre-COD tariff determined by the Authority for the Project in line with other projects.

PEDO's Submissions:

15. PEDO vide letter dated November 27, 2024, submitted that the expected commercial operation date of 36.6 MW Daral Khwar HPP (Project) was June 1, 2019. The generation license of Daral Khwar Hydropower Project was issued on May 19, 2017, whereas the tariff was determined on January 9, 2018.
16. According to PEDO, tariff modification petition was submitted vide letter dated March 31, 2021, under Section 31 of the NEPRA Act, 1997 read with Rule 3 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 for modification of Authority's determination dated January 9, 2018 requesting for the provision of Pre-COD sale tariff, conversion of its existing Take or Pay tariff to Take and Pay tariff and extension of debt repayment period from existing 20 years to 30 years. Subsequent to the first hearing, PEDO, vide letter dated July 12, 2021, stated that the backup meter through dedicated CTs & PTs have been installed successfully at site with testing/inspection/sealing by NTDC, undertaken on May 25, 2021, while the Independent Engineer has also issued successful completion of all COD tests on July 15, 2020. Moreover, CPPA-G has agreed for the declaration of COD w.e.f. May 26, 2021, subject to some site acceptance tests, which have been successfully performed between July 5-10, 2021.
17. PEDO further stated that the first synchronization of Project with the National Grid through PESCO Madyan substation took place on September 15, 2018, and the Project was officially inaugurated by the Chief Minister Khyber Pakhtunkhwa on September 29, 2018. However, following the inauguration, the NPCC, NTDC, and PESCO de-energized the Daral Khwar HPP transmission line from the Madyan grid on the plea that the CPPA-G had not yet finalized and signed the Energy Purchase Agreement with PEDO. PEDO was granted second time permission to synchronize the powerhouse with the National Grid after lapse of 202 days.
18. PEDO stated that CPPA-G in a letter dated March 15, 2019, referred to a standing committee for commissioning/testing/sealing and monthly readings of energy meters and requested the Convenor Metering Committee to constitute a meter reading committee for Daral Khwar HPP, pursuant to section 7 of the Commercial Code. This unequivocally demonstrates that the plant was ready for commercial operations. Moreover, the Convenor Metering Committee acknowledged that CPPA-G in a letter dated March 11, 2019, has allowed NPCC for synchronization of powerhouse with NTDC network. Furthermore, it is pertinent to mention that PEDO vide its correspondence



ad 7

6/11



dated April 15, 2019 and May 23, 2019 informed PESCO that Three Phase Electronic Multi-Function Energy Meters with accuracy class 0.2 have already been installed and requested to test, commission and seal the meters and to nominate and depute the meter reading & testing committee to cover the technical and financial obligations.

19. PEDO further submitted that it is worth noting that the PEDO had already installed the Three Phase Electronic Multifunction (Import/Export) imported Energy Meters with accuracy class 0.2 at the interconnection point during the execution phase of the plant, satisfying the clause "Metering System of the Energy Purchase Agreement (EPA) which is reproduced as under:

"Metering System: All existing meters and metering devices, already available at the Metering Point of the Complex of the Seller or procured by the PESCO and installed by the Seller, which shall be used for recording of electrical energy to be supplied to Purchaser. The accuracy class of meters shall be 0.2. The PESCO may check/recalibrate the Metering System at appropriate intervals, at its own cost"

- (i) Despite the fulfilment of the above obligations under the Energy Purchase Agreement between CPPA-G with PEDO, PEDO procured a three-line metering panel of ISKARA make, that was acceptable to NTDC, procurement of which took a long time due to the failure of PESCO and NTDC to develop a consensus on the formation of the metering committee. The primary meters were tested/calibrated/sealed by the meter reading committee on October 8, 2019, after lapse of 207 days.
20. PEDO submitted that after the installation of primary energy meters, CPPA-G was approached to finalize the testing and commissioning protocols for commissioning tests. The finalized protocols are covered under Sections 8.2 and 8.3 of Article-VIII of the standardized hydropower purchase agreement approved by PPIB and not described in the EPA, however, were agreed in best interest of the Project to materialize the COD of the Project, at the earliest. But due to COVID- 19 restrictions in Pakistan since February 2020, the commissioning schedule was delayed till June 2020 (with delay of 258 days). CPPA-G vide their notification deputed their team to witness the commissioning tests of the project. The Independent Engineer issued a Certificate for Successful Completion of Commissioning Tests on July 15, 2020 and Certificate of Initial Tested Capacity (ITC) on September 1, 2020.
21. PEDO expressed that the certification of successful completion of commissioning of the Complex for continuous operation to the Purchaser and the Seller by the Independent Engineer entitles the Seller to claim establishment of Commercial Operations Date in accordance with the definition of "Commissioned" as per EPA reproduced below:

"Commissioned: The successful completion of commissioning of the Complex for continuous operation and the certification of such successful completion of commissioning to the Purchaser and the Seller by the independent engineer."

22. PEDO further submitted that since the installation of backup meters and associated instrument transformers was pending so the effective date for the Commercial Operation was withheld by



dd 7

7/11



CPPA-G under the condition of one year procurement time with the approval and acceptance of CPPA-G and Chief Engineer S.S Design NTDC Lahore.

23. PEDO stated that the dedicated CTs and PTs were managed from sole approved manufacturer of NTDC in China. The type-test reports of equipment were provided to NTDC, as per their requirement, before shipment, for which several meetings were scheduled with NTDC. However, in a meeting on August 31, 2020, the NTDC provided the debarment notification of the Suiyan Electric Co. Ltd and informed that another reputable Chinese manufacturer/supplier with the name ARTECHE DYH Electric Co. Ltd is acceptable to them. In October 2020, NTDC intimated CPPA-G for additional documents i.e. signed copies of EPA and load flow studies reports (although the same were already with NTDC). The reports were submitted to NTDC through CPPA-G on October 19, 2020. The technical submittals of dedicated CTS/PTs were provisionally approved by NTDC on October 29, 2020 which were sent to the manufacturer and Contractor office in China on very same day. The fabrication/manufacturing of the equipment was vigorously pursued with manufacturer in China despite COVID-19 restrictions and manufacturers' overloaded schedule.
24. PEDO submitted that the dedicated CTS/PTs arrived on Project site in March 2021, and PEDO informed CPPA-G that the installation works would be completed soon and requested to schedule the visit of their technical team for testing of the equipment and finalize with the modalities regarding the declaration of COD. The CPPA-G apprised that the testing and installation of CTS/PTs and backup-metering system is the mandated domain of constituted metering committee; therefore, the Convener metering committee and NTDC may be requested to visit site for testing of CTs/PTs and Back-up metering system. As a result, the Convener Metering Committee was approached and testing/calibration/sealing committee was constituted. The backup meters were tested/calibrated/sealed on May 25, 2021. Despite having completed all codal formalities when CPPA-G was requested to notify COD), CPPA-G forwarded the reports to NTDC (Design) for review and further verification, upon which NTDC (Design) raised observations. It is pertinent to mention here that PEDO had already communicated the list of tests performed to NTDC/CPPA-G prior to testing but neither party highlighted any insufficiency in the proposed tests upon that submission. However, PEDO performed all the additional tests as recommended by NTDC (Design) and submitted reports to CPPA-G with request to notify the Commercial Operation Date of the project with effect from the date of sealing of backup energy meters. The CPPA-G notified the COD of the project after a further lapse of 63 days, with effect from May 26, 2021 after the intervention of NEPRA.
25. PEDO submitted that in the light of the above, it is clear that besides the COVID-19 restrictions, the installation of backup energy meters through dedicated CTS/PTs has been delayed due to tardy approval of technical submittals by NTDC for the associated instrument transformers which was beyond control of PEDO. The procurement of dedicated CTS/PTs materialized within 139 days after the approval of specifications by the NTDC. Furthermore, the Complex has been connected to National Grid since 2019 and is providing electricity to the Power Purchaser. The record of energy injected into the National Grid recorded on Three Phase Electronic Multi-Function Energy Meters with accuracy class 0.2 (Make: Wasion Group Limited, Type: DTSD341) is tabulated below.



ad 7



Description-Month(s)	Unit (kWh)
Supply of electricity before May 2019 and during RRT	2,809,356
May 2019	20,631,483
June 2019	22,416,666
July 2019	26,751,356
August 2019	15,561,600
September 2019	6,992,149
Till 8 October 2019	1,092,480
Supply of electricity prior to installation of NTDC meters	93,445,734

26. PEDO opined that primary energy meters of ISKARA make, that is acceptable to NTDC have been programmed/tested/commissioned and sealed on October 8, 2019, and joint meter readings (PEDO-NTDC-PESCO) have been recorded since then. Moreover, the Energy Purchase Agreement between PEDO and CPPA-G is Take-and-Pay basis agreement which does not include the provision of Liquidated Damages. At all material times, PESCO/CPPAG being the power purchaser has accepted the energy generated from the Project without any rejection and or protest and therefore, is bound to pay for such generated, supplied and delivered energy.

Findings of the Authority/Decision:

27. The Authority has reviewed the submissions of the Licensee and is of the considered opinion that these matters were already addressed in the majority of the Authority's additional note to the August 15, 2024 order regarding the Explanation issued to CPPAG and PEDO under Regulation 4(1) & 4(2). In that decision, it was concluded that while the project began supplying electricity to the grid in February 2019, delays in installing the backup meter by NTDC led CPPA-G to declare the COD much later, on May 26, 2021. During this interim period, CPPAG continued purchasing electricity from the power project.
28. The Authority acknowledges that this project, as a public sector initiative, supplies cost-effective electricity to the national grid and contributes to foreign exchange savings for the national exchequer. The Authority maintains that the project should not be penalized for delays caused by other entities. The Authority has consistently supported public sector power projects utilizing indigenous resources, including ongoing WAPDA hydropower projects, by approving returns and/or interest.
29. Accordingly, the Authority has directed that the COD for this project be recognized with effect from the date it began supplying electricity to CPPA-G i.e. February 2019. Consequently, para 18 of the modification decision dated May 16, 2022, may read as, *"The Project has been providing electricity since February 2019, therefore, the Authority has decided to approve the COD with effect from February 2019. However for any pre-COD sale the tariff of variable O&M, which is also consistent with the Standard PPA of hydropower projects, as a Pre-COD tariff is also allowed."*

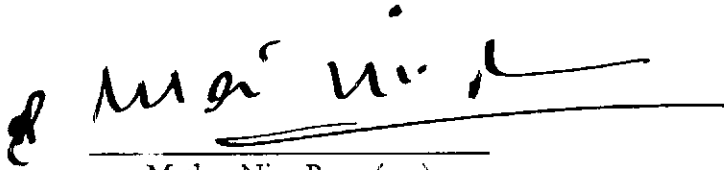




Decision of the Authority in the matter of *Suo Moto* proceedings for change in COD date of 36.6 Daral Khwar Hydropower Project

30. The above decision of the Authority is to be notified in the Official Gazette in accordance with the provisions of Section 3 1(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

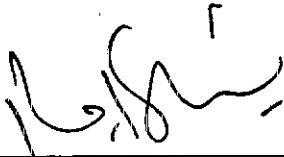
AUTHORITY



Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



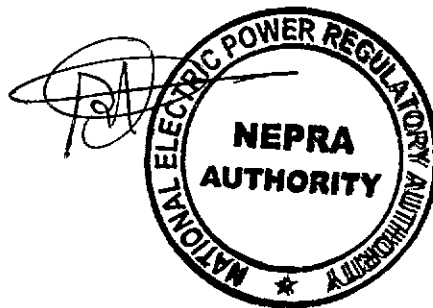
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member

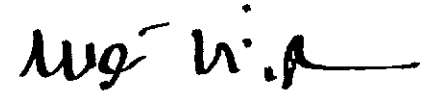


Waseem Mukhtar
Chairman



* My decision is attached

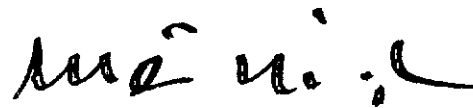
Page 10 | 10



DECISION OF MEMBER (TARIFF)
ON
SUO MOTO PROCEEDINGS FOR CHANGE IN CODE OF 36.6 MW
DARAL KHAWAR HDYROPOWER PROJECT OF PEDO

The declaration of the Commercial Operation Date (COD) concerning the delay in commissioning of 36.6 MW Daral Khawar Hydropower Project falls within the jurisdiction of CPPA-G and out of mandated jurisdiction of NEPRA. In my opinion, if the Authority approves the COD effective from February 2019, then this instance exceeds its jurisdiction. Furthermore, any subsequent suo-moto proceeding(s) to alter the tariff based on this decision were beyond its mandate and could set an incorrect/ inappropriate precedent, potentially influencing similar cases in future. I agree with the submissions of CPPA-G submitted vide letter dated 01.11.2024. The Authority should not have changed the COD date declared by CPPA-G. Therefore, I am not convinced with the payment for the claimed generation of 92.446 GWh to the Power Producer due to change of COD date.

2. In view of the above, I respectfully disagree with the decision.



Mathar Niaz Rana (nsc)
Member (Tariff)

