



# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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No. NEPRA/R/PAR-147/PAR-148/SNPCL-2015/13724-13726  
July 31, 2019

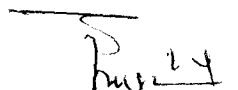
Subject: **Decision of the Authority in the matter of Provisional Approval of Power Purchase Agreements submitted by K-Electric Ltd. for purchase of 2 x 50.5312 MW (Net) from Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-I and Phase-II under NEPRA Interim Power Procurement (Procedure & Standards) Regulations 2005 [Case # NEPRA/PAR-147/SNPCL-2015] & [Case # NEPRA/PAR-148/SNPCL-2015]**

Dear Sir,

Please find enclosed herewith subject decision of the Authority (03 Pages) in the matter of Provisional Approval of Power Purchase Agreements submitted by K-Electric Ltd. for purchase of 2 x 50.5312 MW (Net) from Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-I and Phase-II under NEPRA Interim Power Procurement (Procedure & Standards) Regulations 2005.

2. The decision 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.
3. Order of the Authority's Decision is to be notified in the official Gazette.

Enclosure: As above

  
31/07/19  
( Syed Safer Hussain )

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

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

**Decision of the Authority in the Matter of  
Power Purchase Agreements**

submitted by

**K-Electric Limited**

**For Purchase of 2 x 50.5312 MW (Net) from**

**Sindh Nooriabad Power Company Phase- I and Phase – II  
(PVT) Ltd.**

under

**Interim Power Procurement (Procedures & Standards)  
Regulations 2005**



## Background

- 1 Sindh Nooriabad Power Company-SNPCL (the "Seller" or "Company") is a Special Purpose Vehicle setup to develop 2x50.5312 MW (net) gas-fired electric power generation plant which is jointly sponsored by Government of Sindh ("GOS") and Technomen Kinetics (Pvt.) Limited having share of 49% and 51% respectively. The Company was granted generation license No. IGSPL/63/2015 by NEPRA on July 15, 2015. In this context, a Power Acquisition Request (the "PAR") was filed by K-Electric which was decided on 1<sup>st</sup> June 2016. The Company filed review motion against the Authority's decision which was decided on 4<sup>th</sup> August 2017.

## Submission of the Power Purchase Agreements

- 2 In pursuance of regulation 5 of NEPRA Interim Power Procurement (Procedures and Standards) Regulations, 2005 ("IPPR-2005"), K-Electric vide its letter dated 5<sup>th</sup> December 2017 submitted the initialed draft Power Purchase Agreements (the "PPAs") for approval of the Authority. The Authority considered the request of K-Electric and admitted the PPAs on 27<sup>th</sup> December 2017.

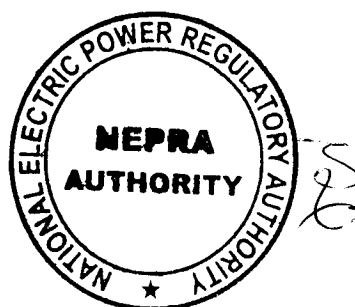
## Provisional Approval of Power Purchase Agreements

- 3 In the meanwhile, Sindh Energy Department and SNPCL vide their letters dated 2<sup>nd</sup> January 2018 and 28<sup>th</sup> December 2017 requested for the provisional approval of the PPAs. The Authority considered the request of K-Electric on 19<sup>th</sup> January 2018 and granted provisional approval of the PPAs subject to the following conditions:
  - i. K-Electric to make payments to Sindh Nooriabad Power Company (PVT.) LTD. (SNPCL I & II) for the units delivered on account of testing and commissioning prior to COD to the extent of fuel cost component.
  - ii. After COD, the K-Electric to make payments in accordance with the tariff determined by the Authority and notified by the Federal Government in terms of section 31 (7) of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act").

## Order

- 4 In pursuance of Regulation 5 of the IPPR-2005, the Authority hereby approves Power Purchase Agreements signed between K-Electric and SNPCL Phase-I & II subject to the following amendments / changes:
  - i. The sub-clause (C) of Clause 9.2 shall be deleted from the PPAs.
  - ii. The curve provided in Schedule 10 of the PPAs regarding heat rate of complex at various loading position is not easily readable, and may be replaced by a clearer/larger curve.
  - iii. The table for part load heat rate correction factor v/s loading of complex, which will be used for calculation of energy payments, is missing from the Schedule 10 and may be included in Schedule 10 of the PPAs.
  - iv. A Note may be added at the end of Clause 9 of Schedule 10 stating: "The heat rate and power for age shown in the Table above shall be revised subject to heat rate test approved by NEPRA."
  - v. NEPRA requires 92% availability of the Complex and has allowed total 8% outages allowance which includes scheduled, forced and major overhaul outages. Any provision in the PPAs which is inconsistent to the Authority's determined outages allowance may be amended accordingly.


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- vi. No adjustment shall be allowed for complex output at various ambient temperatures.
- vii. Some typographic errors in the PPAs have been noted which may be rectified:
  - a. In clause 11.3 (d) of Schedule 1 the Heading of "Start Up Charges" seems misplaced.
  - b. In Schedule 1 two tariff tables are attached; the tariff table pertaining to the Authority decision dated February 10, 2017 (which was later revised) may be deleted.
  - c. In Schedule 1, the debt servicing table attached at Annex 3-B may be replaced with the revised debt servicing table as determine by the Authority in the Review Decision.
5. KE is directed to incorporate the above mentioned changes in the PPAs and submit the revised PPAs to NEPRA for its record/concurrence.
6. The above Order is to be notified in the official Gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Authority

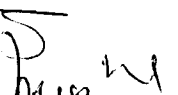
  
(Saif Ullah Chattha)  
Member 15.7.2019

  
(Rafique Ahmed Shaikh,  
Member 19/7/19

  
(Rehmatullah Baloch)  
Member 23/7/19

  
(Engr. Bahadur Shah)  
Member/Vice Chairman



  
31.07.19