

National Electric Power Regulatory Authority


NOTIFICATION



24th
Islamabad, the day of February, 2023

S.R.O. 221 (I)/2023.- In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the Decision of the Authority in the matter of Approval of the PPA for Procurement of up to 3.0 MW (Bagasse Based) Power from M/s. Faran Sugar Mills Limited (FSML) under NEPRA IPPR-2005 in Case No. NEPRA/PAR-118.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.


(Engr. Mazhar Iqbal Raza)
Registrar



REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, G-5/1 (East), Near MNA Hostel, Islamabad

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No. NEPRA/PAR-118/3961-63


24
February, 2023

The Manager
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Shahrah-e-Suharwardi
Islamabad

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF APPROVAL
OF THE PPA FOR PROCUREMENT OF UP TO 3.0 MW (BAGASSE
BASED) POWER FROM M/S. FARAN SUGAR MILLS LIMITED
(FSML) UNDER NEPRA IPPR-2005**

In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith '*Decision of the Authority in the matter of Approval of the PPA for Procurement of up to 3.0 MW (Bagasse Based) Power from M/s. Faran Sugar Mills Limited (FSML) under NEPRA IPPR-2005*' for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [02 pages & CD]


(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 504-506 dated January 12, 2023]

Decision of the Authority

In the Matter of Approval of the PPA for Procurement of Up to 3.0 MW (Bagasse Based) Power from
M/s Faran Sugar Mills Limited (FSML) under NEPRA IPPR-2005

NEPRA granted generation license to FSML dated January 08, 2014 in respect of 13 MW bagasse based generation facility at Tando Muhammad Khan.

2. NEPRA approved the Power Acquisition Request (PAR) filed by HESCO for procurement of power from FSML on November 05, 2021 and directed to negotiate Power Purchase Agreement and submit the same for approval of the Authority.

3. In pursuance to regulation 5(1) of IPPR-2005, HESCO vide its letter dated December 12, 2022 submitted the PPA for procurement of up to 03 MW power from FSML, for 05 years from signing of the PPA.


4. The Authority considered the matter and decided to approve the PPA for purchase of up to 3 MW power by HESCO from FSML, under regulation 5(1) of IPPR-2005

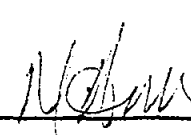
ORDER


5. In pursuance of Regulation 5 of NEPRA Interim Power Procurement (Procedure & Standards) Regulations 2005 read with Section 7 & 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the power purchase agreement between Hyderabad Electric Supply Company (HESCO) and Faran Sugar Mills Limited (FSML) for acquisition of power of up to 3 MW on "take and pay" basis is hereby approved subject to the following conditions:

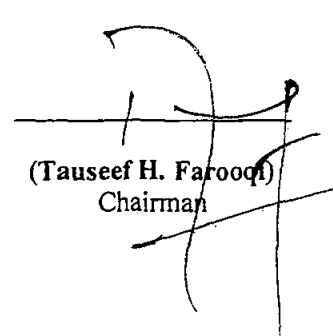
- i. The tariff of Rs. the fuel cost component (Rs. 6.04/kWh) and fixed cost component (Rs. 1.53/kWh).
- ii. The contractual disputes, referred in clause (v) of the PPA, shall be resolved under Arbitration Act, 1940 instead of referral to NEPRA.
- iii. The cost of purchase of energy from FSML shall be accounted for in the basket of HESCO, instead of CPPAGL.
- iv. For any subsequent adjustment in the tariff, the parties shall request the Authority for its approval.

AUTHORITY


(Mathar Niaz Rana)
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Sheikh)
Member


(Tauseef H. Farooqi)
Chairman

