

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN
EXTRA ORDINARY, PART-I

National Electric Power Regulatory Authority


NOTIFICATION

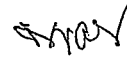


Islamabad, the 13th day of March, 2024

S.R.O. 394 (I)/2024.- 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 dated 01st February, 2024 in the matter of approval of interim tariff for open cycle operations on gas requested by Central Power Generation Company Limited for its Block-I and block-II in Case No. NEPRA/TRF-44/CPGCL-2005.

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 Aqbal Ranjha)
Registrar





DECISION OF THE AUTHORITY IN THE MATTER OF APPROVAL OF INTERIM TARIFF FOR OPEN CYCLE OPERATIONS ON GAS REQUESTED BY CENTRAL POWER GENERATION COMPANY LIMITED FOR ITS BLOCK-I AND BLOCK-II.

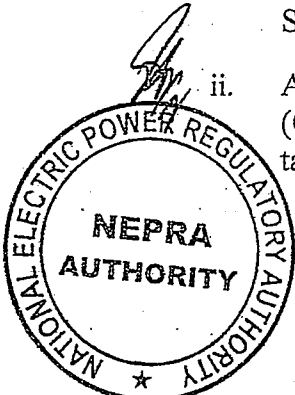
BACKGROUND

1. Central Power Generation Company Limited (hereinafter refer as "CPGCL" or "Petitioner") is a public limited company wholly owned by the Government of Pakistan and incorporated on October 26, 1998. CPGCL commenced its commercial operations on March 1, 1999. The company was granted Generation License number GL/02/2002 on July 1, 2002. The modification-I was issued on April 26, 2013 and Modification-II was issued on July 10, 2019.
2. The Authority determined generation tariff for CPGCL through its decision dated March 29, 2004 and revised generation tariff vide its decision dated February 24, 2006. Motion for leave for review was decided on June 8, 2006.

FILING OF MODIFICATION PETITION

3. CPGCL submitted modification petition for inclusion of open cycle operations for Block-I & II in the already determined tariff dated February 24, 2006 under Rule 3(1) of NEPRA Tariff (Standards & Procedure) Rules, 1998. The Summary of the Modification Petition is hereunder:

- i. Allow the Petitioner to undertake open cycle operations of Block-I & II on the System Operator/NPCC's demand.
- ii. Allow the Petitioner Fuel Cost Components of 150% (1.5 times) for open cycle (OC) operations on the approved combined cycle (CC) operations rates. Requested tariff is as hereunder:



Blocks	Reference	CC Operations	OC Operation
	Fuel Cost Component (Rs./kWh)		
Block-I (Unit # 11-13)	1.9537	8.9596	13.4394
Block-II (Unit # 5-10)	2.1707	9.9547	14.9321
Gas Rate (Rs./MMBTU)	228.96	1050	1050

- iii. Allow the open cycle tariff of Block-I & II respectively w.e.f. 24th February 2006, enabling to recover its prudent cost already incurred on open cycle generation, on the instruction of NPCC from time to time.
 - iv. Allow the adjustment of heat rate under partial loading and other correction factors for ambient conditions as per the attached OEM's curve.
4. CPGCL in support of its petition submitted that CPGCL follows the instructions of National Power Control Center (NPCC) for operation of plant on combined and open cycle operation. The system operator, when confronted with exigent circumstances in the power sector, required the CPGCL to operate various gas turbines units under open-cycle operation, knowing full well that their associated steam generators are not available for technical reasons. In all likelihood, the petitioner will continue to be called upon by NPCC to conduct open-cycle operation of Block-I & II given the higher costs of running RFO and RLNG based power plants, as well as otherwise lack of sufficient cost-effective

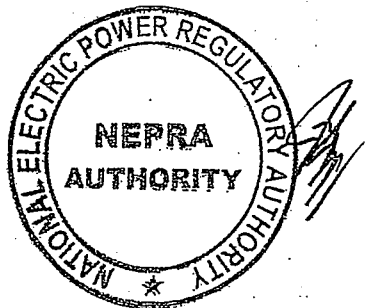
generation capacity in Pakistan at this time, and exigent circumstances which have emerged in the power sector. Therefore, the petitioner applies for modification of its tariff.

REQUEST FOR INTERIM TARIFF

5. Pursuant to Rule 4(7) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998, the Petitioner vide letter dated September 22, 2023 requested interim tariff for open cycle operations including partial loading and other corrections factors.
6. As per Petitioner, the interim tariff is requested due to continuously operating the machines on open cycle mode and on partial loading on the instructions of NPCC and CPPA-G is considering energy invoices on combined cycle tariff rates, by doing this, CPGCL is facing financial loss.
7. As per the information submitted by CPGCL, Power Purchase Agreement (PPA) with Power Purchaser i.e. CPPA-G was entered into in 2015 and Schedule VI of Table I contains a provision for open cycle operations with 1.5 times of the combined cycle tariff. The Gas Turbines of Block-I & II of plant were continued to dispatch on open cycle as and when required.

DECISION OF THE AUTHORITY

8. Under Rule 4(7) of the Tariff Standard & Procedure Rule-1998, the interim tariff may be granted subject to subject to an order for refund for the protection of the consumers, or for satisfactory security to be provided for refund, while the proceedings are pending before the Authority.
9. The Authority in its collective and joint wisdom decided with consensus as under; which shall be hereafter called as decision of the Authority in the matter:
 - i. Based on documentary evidence and information provided by CPGCL, the Authority hereby granted interim tariff for open cycle operations (without partial loading and other corrections factors) on gas @1.5 times of combined cycle fuel cost component of Block-I and Block-II, under Rule 4(7) of the Tariff Standards & Procedure Rules-1998, subject to final decision of the Authority on the pending tariff modification petition and Order of refund, if any, for the protection of the consumers. The Approved tariff on open-cycle operations is reproduced hereunder:



Blocks	Reference Fuel Cost Component (Rs./kWh)
Block-I (Unit # 11-13)	13.4394
Block-II (Unit # 5-10)	14.9321
Reference Gas Price (Rs./MMBTU)	1,050

- ii. The reference fuel cost component(s) shall be subject to adjustment on account of gas price variation as and when notified by the relevant Authority.
- iii. The dispatch shall be in accordance with the economic merit order.
- iv. No capacity charges shall be paid on open cycle operation except during allowed outages under the PPA.

- v. The above interim tariff shall take effect from the date of filing of request for interim tariff i.e. September 22, 2023 till September 30, 2024. 9

NOTIFICATION

10. The above decision of the Authority is to be notified in the Official Gazette, in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
11. CPPA (G) to ensure that all payments are consistent with the tariff determination.

AUTHORITY

Mathar Niaz Rana

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Agree with
member Tariff

(X)

(X)

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

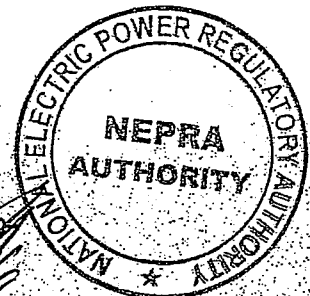
Amina Ahmed
Member

Waseem Mukhtar

Waseem Mukhtar
Chairman

→ Interim Tariff shall be allowed till sun
cut-off date, and that shall not be later than
Sep 30, 2024.
→ CPGCL be directed to expedite resolution of
steam turbine issues till Sep 30, 2024.

Waseem Mukhtar
23/02/24



10/02/24



REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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

Phone: 9206500, Fax: 2600026

Website: www.nepra.org.pk, Email: info@nepra.org.pk

No. NEPRA/TRF-44/CPGCL-2005/ 3410-12

March 13, 2024

The Manager
Printing Corporation of Pakistan Press
Shahrah-e-Suharwardi
Islamabad

Subject: **DECISION OF THE AUTHORITY DATED 1ST FEBRUARY, 2024 IN THE MATTER OF APPROVAL OF INTERIM TARIFF FOR OPEN CYCLE OPERATIONS ON GAS REQUESTED BY CENTRAL POWER GENERATION COMPANY LIMITED FOR ITS BLOCK-I AND BLOCK-II**

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 dated 1st February, 2024 in the matter of approval of interim tariff for open cycle operations on gas requested by Central Power Generation Company Limited for its Block-I and block-II*' 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 [04 pages]


(Engr. Mazhar Iqbal Ranjha)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK 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. 1647-1651 dated February 1, 2024]