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

National Electric Power Regulatory Authority

NOTIFICATION

Islamabad, the 28th day of August, 2026

S.R.O. 1508 **(I)/2026.-** 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 following Decisions of the Authority:

I. Review Decision of the Authority dated July 28, 2026 in the matter of Application filed by Aerem Energy (Private) Limited for approval of Tariff up to AC 240 MW Site Neutral Hybrid Project at K-Electric Dhabeji Grid, District Thatta.

II. Decision of the Authority dated July 17, 2026 in the matter of Application filed by Aerem Energy (Private) Limited for approval of Tariff up to AC 240 MW Site Neutral Hybrid Project at K-Electric Dhabeji Grid, District Thatta.

2. While effecting the Decision(s), the concerned entities including Central Power Purchasing Agency Guarantee Limited & K-Electric Limited shall strictly comply with the orders of the courts notwithstanding this Decision.

(Wasim Anwar Bhinder)
Registrar

REVIEW DECISION OF THE AUTHORITY IN THE MATTER OF TARIFF APPLICATION FILED BY AEREM ENERGY (PRIVATE) LIMITED FOR APPROVAL OF TARIFF FOR UPTO AC 240 MW SITE NEUTRAL HYBRID PROJECT AT K-ELECTRIC DHABEJI GRID, DISTRICT THATTA

The Authority issued the decision dated 17 June 2026 whereby the tariff was approved for Aeram Energy Private Limited. In the said decision, the Authority at para 18 approved the following formula for the adjustment of the approved tariff:

$$Revised\ AT = AT * Kx\% \left[\frac{Rev\ KIBOR}{Ref\ KIBOR} - 1\right] + AT * Sx\% + \left[\frac{Rev\ SOFR}{Ref\ SOFR} - 1\right] + AT * 80\% * \left[\frac{ER\ Rev}{ER\ Ref} - 1\right] + AT * 20\% * \left[\frac{ER\ Rev\ (one\ time)}{ER\ Ref} - 1\right] + AT$$

2. It is noted that the plus (+) sign appearing immediately after Sx% in the above formula has been inserted inadvertently. Accordingly, in exercise of the powers conferred under Section 7(2)(g) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, read with Regulation 3 of the NEPRA (Review Procedure) Regulations, 2009, the Authority hereby reviews its decision to the limited extent of correcting the aforesaid typographical error. The tariff adjustment formula shall, therefore, be read as follows:

$$Revised\ AT = AT * Kx\% \left[\frac{Rev\ KIBOR}{Ref\ KIBOR} - 1\right] + AT * Sx\% \left[\frac{Rev\ SOFR}{Ref\ SOFR} - 1\right] + AT * 80\% * \left[\frac{ER\ Rev}{ER\ Ref} - 1\right] + AT * 20\% * \left[\frac{ER\ Rev\ (one\ time)}{ER\ Ref} - 1\right] + AT$$

3. The above decision shall be notified in the Official Gazette in accordance with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Authority

Amina Ahmed
(Amina Ahmed)
Member

(Engr. Maqsood Anwar Khan)
Member

(Waseem Mukhtar)
Chairman

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DECISION OF AUTHORITY IN THE MATTER OFAPPLICATION FILED BY AEREM ENERGY (PRIVATE) LIMITED FOR APPROVAL OF TARIFF UP TO AC 240MW SITE NEUTRAL HYBRID PROJECT AT K-ELECTRIC DHABEJI GRID, DISTRICT THATTA

Introduction:

1. Aerem Energy (Private) Limited ("Aerem Energy" or the "Applicant"), submitted the subject application ("Application") under Regulation 12 of the NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017 ("NCBTR-2017"). In the Application, the Applicant has sought the approval of tariff, indexation mechanism, pass through items, and general assumptions for a hybrid project with total AC capacity of up to 240 MW ("the Project") located at Dhabeji Grid, District Thatta, Province of Sindh, Pakistan. The Applicant has submitted that the proposed tariff of PKR 8.9189/kWh, levelized over a 25-year EPA term, represents the lowest tariff discovered through the competitive bidding process conducted by K-Electric Limited ("KEL") in accordance with the NCBTR-2017.

2. The Applicant is a Special Purpose Vehicle ("SPV") incorporated under the laws of Pakistan by a consortium comprising of JCM Power Corporation, Burj Energy International Management Ltd., and Mr. Rana Nasim Ahmed, with shareholding of 51%, 30% and 19%, respectively. The Applicant submitted that the Project shall be developed on privately acquired land and that the tariff approved by the Authority shall be incorporated in the Energy Purchase Agreement ("EPA") to be executed with KEL.

3. The Applicant has also submitted its concurrence application under Regulation 12(1)(c) of the NCBTR-2017, thereby informing that the total installed capacity of the Project shall be approximately 269 MW, comprising of 175 MW wind and 94 MW (DC) solar PV capacity. It has been stated in the Application that in accordance with the Request for Proposal ("RFP"), that allows for the capacity to be increased by a twenty (20%) allowance, the tariff has been proposed for up to AC 240 MW.

4. The details of the Project, as provided by Aeram Energy in the Application, is as under:

Project Company	:	Aerem Energy (Pvt.) Ltd.
Main Sponsor	:	The Consortium of JCM Power Corporation, Burj Energy International Management Ltd. and Mr. Rana Nasim Ahmed
Project Capacity	:	AC capacity of up to 240 MW
Project location	:	Dhabeji Grid, Thatta District, Sindh
Land Area	:	Approx 1674 acres
Concession Period	:	25 years from COD
Power Purchaser	:	K-Electric
Supplier	:	• Goldwind Science & Technology Co. Ltd. • Envision Group Ltd. • JA Solar • Longi Green Energy Technology Co. Ltd. • Sungrow • Huawei The Company reserves the right to consider and engage other reputable suppliers such as GE, Nordex,

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		Jinko, Sany Group, etc., if needed, while ensuring compliance with the specifications and requirements of the RFP.
Bid Tariff	:	PKR 8.9189/kWh
Legal Advisor	:	Haidermota & Co.
Technical Consultants	:	Various local and international technical consultants including (but not limited to) the following are under consideration for appointment for the purpose of the Project. • DNVGL • Tractebel Engie • K2 consultant • Renewable Resources
COD	:	Eighteen (18) months following financial close, subject to and in accordance with the terms of the RFP.

5. The Applicant provided following information with respect to selection of technology for the Project based on technical requirement under Section 20 of RFP.

Sr#	Equipment	Make/Model	Supplier	Useful Life/Year Of Manufacture (Yof)
1	WTG	Envision EN 182/6.25 MW Or Goldwind GWH-182-6.2 MW	Envision Energy Or Goldwind International Holdings (HK) Limited	25 years useful life YOF 2020 for Envision EN 182 6.25 MW And, YOF 20xx for Goldwind GWH-182-6.2MW
2	PV Module	JA Solar JAM72D42 62OWp Or Longi Hi-MO 630/660 Wp	JA Solar Or Longi Green Energy Technology Co. Limited	25 Years useful life YOF 2022 for JA Solar YOF 2024 for Longi Himo9
3	Inverters	Sungrow SG8SOOUD MV-20 Or Huawei SUN2000-33OKTL-H2	Sungrow Power Supply Company Limited Or HUAWEI International Co. Limited	25 years useful life 2022 for Sungrow SG8SOO and 2023 for Huawei 33OKTL Smart String Inverter
4	Trackers	Array Tech Or HD Solar Tracking System	Array Technologies Or Hangzhou Huading New Energy Co.	25 years / 2022 for Array Tech and 2021 for HD Solar

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Background:

6. The Authority approved the RFP submitted by KEL under NCBTR-2017 vide its decision dated 15 March 2024. Through the said decision, the Authority permitted KEL to undertake open competitive bidding for the Project, i.e. without prescribing a benchmark tariff, and further approved the indexation mechanism to be applicable at the Commercial Operation Date ("COD") and during the operational period of the Project.

7. Even though the NCBTR-2017 does not provide for the approval of the Bid Evaluation Report ("BER"), the Authority, while allowing KEL to undertake open competitive bidding (by relaxing the reverse competitive bidding mechanism envisaged under Regulation 14 thereof), directed KEL to submit the BER for approval. The objective was for the Authority to review the competitive bidding process and satisfy itself as to the competitiveness and reasonableness of the discovered tariff, prior to the grant of tariff approval.

8. Accordingly, KEL carried out the bidding process and vide letter dated 16 October 2024 submitted the BER for approval of the Authority. The BER identified JCM Power Corporation as the bidder, having offered the lowest tariff for the Project. The Applicant was then duly notified by KEL as the successful bidder. The Authority considered the BER, conducted a public hearing in the matter, and after due proceedings, approved the BER vide its decision dated 26 May 2025.

9. It is important to mention here that although the NCBTR-2017 has since been repealed by notification of the NEPRA (Electric Power Procurement) Regulations, 2022 ("NEPPR-2022"), Regulation 37(2) of NEPPR-2022 provides that competitive procurement processes initiated prior to the notification of the NEPPR-2022 shall continue to be governed under the NCBTR-2017 for the purposes of notification of the successful bidder and approval of tariff. Since the competitive procurement process for the Project commenced prior to the notification of the NEPPR-2022, the instant application has been processed under the provisions of the NCBTR-2017.

Optimization of the Project in IGCEP:

10. The Authority approved the RFP for the Project on the basis of Indicative Generation and Capacity Expansion Plan ("IGCEP") 2022-31, approved by NEPRA on 01 February 2023, in which a certain block of renewable capacity (1050 MW Solar PV, 350 MW Wind) was optimized for KEL, duly covering the equivalent capacity of the Project. KEL incorporated this capacity into its Power Acquisition Plan ("PAP"), which the Authority also approved on 17 May 2024.

11. Subsequently, the Independent System & Market Operator ("ISMO") in August 2025 submitted a new IGCEP (2025-2035), wherein four scenarios (comprising 13 sensitivity analyses) were presented. In the base case (as recommended by the ISMO), 1200 MW of wind capacity was optimized for KEL from 2025 till 2035, however, the Project was not optimized. Later, ISMO on 13 July 2026 has submitted the Addendum-II to the IGCEP 2025-35 ("Addendum-II"), wherein the Project has been optimized. It has been stated in the Addendum-II that with the inclusion of the Project, the PV of the base case/recommended scenario has come down to USD 46.76 million, as against the amount of USD 47.13 million.

12. On review of the submitted Addendum-II, it was noted that the same sets out the values of a number of technical and financial parameters of the Project, including capacity, COD, plant factor, return, CAPEX, O&M, IDC, insurance, transmission cost, and tariff, among others. It is stated therein that the Project has been optimized on the basis of these values, and it has been recommended that

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procurement be carried out strictly in accordance with these parameters; any deviation therefrom at the procurement or PPA stage shall be referred back for re-evaluation.

13. Whilst the Authority has taken into account that the Project has been optimized in the IGCEP 2025-35, as confirmed by ISMO through the Addendum-II, it is of the view that the ancillary calculations, assumptions, and conditions/recommendations set out there in extend beyond the scope of IGCEP, not consistent with the details provided for other optimized projects and are contrary to the approved competitive bidding framework and the applicable legal and regulatory regime. Whilst these issues will be addressed separately and in detail in the IGCEP 2025-26 determination, a brief summary of the observations is set out below:

a. Firstly, the calculations, assumptions and conditions have been included without considering the fact that the tariff has been arrived through competitive bidding, and without knowledge of the tariff scheme. The bidding process was approved, carried out, and concluded in a manner wherein the bidders were only required to submit a single tariff number, without submitting details regarding the underlying cost and technical parameters. The tariff was required to be quoted at the prescribed reference indices, namely an exchange rate of Rs. 288.65/USD, KIBOR of 21.28% and LIBOR/SOFR of 5.3671%, together with an approved indexation mechanism to account for subsequent variations in those indices. Accordingly, the successful bidder was selected solely on the basis of the quoted bid tariff, and has submitted the instant application seeking approval of the tariff on the same basis. The information regarding the aforementioned parameters is neither included in the documents i.e. RFP, on the basis of which the competitive bidding process was carried out, nor reflected in any of the regulatory approvals of the Project, and is, therefore, is not known to the Authority. The scheme was designed such that these parameters are to be managed by the Project itself, in a manner that ensures electricity is sold at the approved tariff, irrespective of the values of the underlying technical and financial parameters. In other words, the resultant tariff, subject to adjustments as per the approved mechanism, shall remain fixed at the level at which the Project was declared successful, regardless of how these parameters may be dealt with by the Project over time.

b. Secondly, it is noted that although calculations, assumptions and terms & conditions have been included in the IGCEP in respect of other optimized projects, however recommendations in those projects are limited only to the extent of their CAPEX and OPEX, whereas in the instant case, they have been extended beyond these two parameters, which indicates that no consistent standards are being followed by ISMO.

c. Thirdly, the recommendation introduces a check of stated parameters at the procurement or EPA stage, whereas, for other optimized projects, the verification of the relevant figures (CAPEX and OPEX) has been stated to take place at the tariff stage, again, a point of non-standardization.

14. With regard to ISMO's recommendation that procurement should strictly adhere to the assumptions used in the optimization. It is noted that under sections 7(1), 7(3)(a) and 31 of the NEPRA Act, 1997, the regulation of electric power services and determination of tariffs, rates, charges and related terms and conditions fall within the exclusive statutory domain of the Authority, therefore, such recommendations are untenable and contrary to law.

15. Notwithstanding the above, it is noted that an annualized cost of energy of US Cents 3.07/kWh, including transmission cost, as the optimized tariff for the Project has also been stated in the

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Addendum-II. Since the tariff claimed by the Applicant, as discovered through the competitive bidding process, is US Cents 3.0898/kWh, which is only for the generation component, ISMO was directed, vide email dated 15 July 2026 to provide the breakup of the optimized tariff into generation and transmission segments, and further to furnish the workings/calculation sheet underlying the same. In response, ISMO provided the underlying workings and stated that the generation tariff is approximately US Cents 2.90/kWh, while the transmission tariff is approximately US Cents 0.17/kWh. It is noted that the generation tariff was bid by the Applicant at an exchange rate of Rs. 288.65/USD, KIBOR of 21.28%, and SOFR of 5.3671%. Upon applying the exchange rate of Rs. 278.05/USD (as used in the Addendum-II), together with the prevailing values of KIBOR (11.79%) and LIBOR/SOFR (3.7337%), using the relevant indexation mechanism, the bid generation tariff works out to approximately US Cents 2.90/kWh. Accordingly, it may reasonably be concluded that the tariff of the Project, based on prevailing parameters, corresponds to the tariff on which it has been optimized in the Addendum-II. It may be argued that the calculations based on prevailing indices (KIBOR, LIBOR) merely happen to coincide with the optimized figure, however, upon examination of the detailed workings as provided by the ISMO, it was noted that the optimized tariff has also been derived on the basis of a certain base cost of financing, which cannot remain constant and is inherently subject to variations.

16. It is noted that this is the lowest tariff ever approved for a renewable energy project, that it is the first renewable energy tariff arrived at through the competitive bidding regime, and that the BER has already been approved by the Authority after the competitiveness and reasonableness of the tariff were examined from multiple perspectives. As discussed above, the threshold requirement for consideration of the instant Application also stands satisfied as the optimization of the Project has been confirmed by ISMO through Addendum-II. On the material presently before it, without prejudice to ongoing proceedings of IGCEP 2025-35, the Authority finds no ground that would warrant non-inclusion of this optimized Project. In view thereof, and keeping in view the stipulations of the approved RFP and BER, the tariff, corresponding indexations, and the terms & conditions of the Project are being approved by the Authority; the details are set out in the Order part of this decision.

Order:

17. In pursuance of section 7(3) (a) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 read with NEPRA Competitive Bidding Tariff Regulations 2017, the Authority hereby approves the generation tariff of Rs. 8.9189/kWh along with following indexation mechanism and terms and conditions for Aerem Energy (Private) Limited for its 240 MW hybrid power project for delivery of electricity to the power purchaser.

A. Indexation/Adjustment Mechanism:

18. The Tariff shall be adjusted on quarterly basis according to following formula:

$$Revised\ AT = AT * Kx\% \left[\frac{Rev\ KIBOR}{Ref\ KIBOR} - 1\right] + AT * Sx\% + \left[\frac{Rev\ SOFR}{Ref\ SOFR} - 1\right] + AT * 80\% * \left[\frac{ER\ Rev}{ER\ Ref} - 1\right] + AT * 20\% * \left[\frac{ER\ Rev\ (one\ time)}{ER\ Ref} - 1\right] + AT$$

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AT	:	Awarded Tariff i.e. PKR 8.9189 per kWh
Kx%	:	Percentage of AT to be indexed with KIBOR variation which in the instant case is 8%
Sx%	:	Percentage of AT to be indexed with SOFR variation, which in the instant case is 7%
Rev SOFR	:	Quarterly revised Term SOFR.
Rev KIBOR	:	Quarterly revised 3-month KIBOR, as on the last day of the preceding quarter
Ref KIBOR	:	21.28%
Ref SOFR	:	5.3671%
ER Ref	:	288.65 Rs./USD
ER Rev	:	The revised exchange rate as on the last day of the preceding quarter
ER Rev (one time)	:	The revised exchange rate is average of the exchange rates of each day during the maximum construction period of eighteen (18) months, starting from the date of Financial Close.

Note: 1st adjustment shall be made for the quarter in which the COD occurs. This adjustment will be applicable from the COD until the end of that quarter. The subsequent adjustments will be applicable for the entire quarters.

B. **Pass Through Items and Other Terms & Conditions:**

i. Duties and/or taxes, including cess, not being of refundable nature, relating to the construction period, directly imposed on the Applicant up to COD, will be allowed at actual, upon production of verifiable documentary evidence to the satisfaction of the Authority. ARE Policy, 2019 states certain conditions, fulfillment of which can result in the exemption of duties on the import of items, those are being manufactured locally also. In case the Applicant imports any plant, machinery or equipment that is also manufactured locally, in accordance with the Customs General Order of the Federal Board of Revenue, the related duties shall be reimbursed to the Applicant subject to fulfillment of conditions as given in the ARE Policy 2019, for which certification shall be obtained from Private Power and Infrastructure Board.

ii. In case the Applicant is obligated to pay any tax on its income from the generation of electricity from solar and wind power, or any duties, taxes or cess not being of refundable nature, are imposed on the Applicant, the exact amount paid by the Applicant on these accounts will be reimbursed by KEL on production of original filing documents. In this

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regard, the Applicant shall also submit to KEL the details of any tax savings and KEL shall deduct the amount of these savings from its payment to the Applicant on accounts of taxation. Further, the adjustment for duties and taxes will be restricted only to the extent of duties and taxes directly imposed on the Applicant. No adjustment for duties and taxes imposed on third parties such as contractors, suppliers, consultants, etc., will be allowed. Similarly, withholding tax on dividend shall not be passed through.

iii. Workers Welfare Fund and Workers Profit Participation Fund have to be reimbursed by KEL to the Applicant at actual.

iv. Net Delivered Energy, prior to the COD, shall be delivered to K-Electric free of cost at the interconnection point.

v. Solar and wind resource risk shall be borne by the Applicant.

vi. The company will have to achieve financial close within three (03) months from the date of approval of EPA by the Authority. This tariff will no longer remain valid, if financial close is not achieved within the prescribed timeline.

vii. Maximum construction period will be eighteen (18) months following financial close.

viii. The benefits of Carbon Credits (if any) generated by the Project shall be shared between the Applicant and KEL, as mutually agreed by the Parties, until and unless otherwise provided under the applicable Government of Pakistan (GoP) policy, as amended from time to time.

ix. K-Electric shall be exclusively responsible for the financing, design, construction, operation and maintenance of the Purchaser Interconnection Facilities in accordance with the terms of the EPA.

x. The approved tariff, pass through items and the terms & conditions shall be made part of the EPA, which shall be submitted to the Authority for approval.

19. The Order part of this decision shall be notified by the Federal Government in the official gazette in accordance with Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY

(Engr Maqsood Anwar Khan)
Member

(Amina Ahmed)
Member

(Waseem Mukhtar)
Chairman

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No. NEPRA/TRF-100/Notifications/ 18066-68 August 28, 2026

The Manager
Printing Corporation of Pakistan Press (PCPP)
Khayaban-e-Suharwardi,
Islamabad

Subject: **NOTIFICATION REGARDING DECISIONS OF THE AUTHORITY**

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 a notification in respect of the following Decisions of the Authority for immediate publication in the official Gazette of Pakistan:

S. No.		Decision	Issuance No. and Date	SRO No. allotted by PCPP
1.	(i)	Review Decision of the Authority in the matter of Application filed by Aerem Energy (Private) Limited for approval of Tariff up to AC 240 MW Site Neutral Hybrid Project at K-Electric Dhabeji Grid, District Thatta	11326-11336 28-07-2026	1508
	(ii)	Decision of the Authority in the matter of Application filed by Aerem Energy (Private) Limited for approval of Tariff up to AC 240 MW Site Neutral Hybrid Project at K-Electric Dhabeji Grid, District Thatta	12993-13103 17-07-2026	

2. Please also furnish ten (10) copies of the Notification to this Office after its publication.

Encl: 01 Notification [08 pages]

(**Wasim Anwar Bhinder**)

CC:

3. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad

4. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad