



MORO POWER COMPANY (PVT.) LTD.
Electricity Generation Using Wind As Fuel

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

MOTION FOR LEAVE FOR REVIEW

PURSUANT TO RULE 16 (6) OF NEPRA (TARIFF STANDARDS AND PROCEDURE) RULES 1998 READ WITH THE PROVISIONS OF THE REGULATIONS FOR GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC POWER ACT, 1997 & THE RULES AND REGULATIONS MADE THEREUNDER AGAINST THE DETERMINATION OF THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY IN THE MATTER OF TARIFF PETITION FILED BY MOROPOWER COMPANY (PRIVATE) LIMITED

DATED 29.02.2019

(CASE NO. NEPRA/R/SA (Tariff) /TRF-465/MPCL-2019)

Filed By:

MORO POWER COMPANY (PRIVATE) LIMITED

IN RESPECT OF

24.9 MW WIND POWER GENERATION PROJECT AT JHIMPIR, DISTRICT THATTA, SINDH

DATED: 14.08.2020

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MOTION FOR LEAVE FOR REVIEW

- Name of the Petitioner:** Moro Power Company (Private) Limited.
- Legal Basis:** This motion for leave for review is filed by Moro Power Company (Pvt.) Limited (the "Company" or the "Petitioner") before National Electric Power Regulatory Authority (the "NEPRA" or the "Authority") against the Tariff Determination (as defined below), under, *inter alia*, the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (as amended, the "Act"), read with Rule 16(6) of NEPRA (Tariff Standard and Procedures) Rules 1998 and all other applicable provisions of NEPRA laws (the "Review Petition") against the Impugned Decision (defined below).
- Policy:** This Project is being developed under the Policy for Development of Renewable Energy for Power Generation, 2006.
- Petitioner:** Moro Power Company (Pvt.) Limited is a private limited company duly organized and existing under the laws of Pakistan with its registered office at Karachi to act as a special purpose vehicle and develop 24.9 MW Wind Power Generation Facility at Jhimpir, District Thatta, Sindh (the "Project").





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Incorporation by reference:

The Company submitted a petition to the Authority for the determination of generation tariff in respect of its Project on 29.01.2019, as subsequently amended and revised (the "Tariff Application"). The Authority through its determination bearing reference no. NEPRA/R/SA(Tariff)/TRF-465/MCPL-2019/20312-20314 dated 07.08.2020 determined and approved the reference generation tariff for the Company (the "Tariff Determination" or the "Impugned Decision").

The Company would like to incorporate by reference Tariff Application, Tariff Determination and related correspondence and requests the learned Authority that the same may kindly be read as an integral part of this Review Petition.





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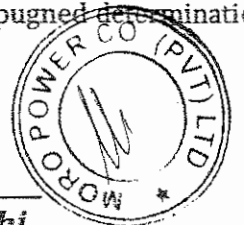
MOTION FOR LEAVE FOR REVIEW

1. In exercise of powers granted to the learned Authority under the NEPRA laws and for sufficient ground, peculiar facts and circumstance of the Project mentioned herein below, the Petitioner humbly requests the learned Authority to kindly review and reconsider the Impugned Decision on the grounds and reasons mentioned in this Review Petition.
2. The learned Authority is also requested that the Company may kindly be allowed subsequent to this filing and during the proceedings to take additional ground, submit additional evidence and make further submissions in relation to this Review Petition. The Company shall be pleased to provide any further information, clarification or explanation that may be required by the learned Authority during the evaluation process.

GROUNDS FOR REVIEW

A. Adjustments on account of Capacity Factor

1. The Petitioner in its petition had submitted for a Capacity Factor of 38.6%. This is in line with the site data. Similarly the latest determinations made by the Authority have had similar numbers. The Capacity Factor is a function of machine as well as the site. If a machine with a very high capacity factor is placed in a site with low wind, the overall production will be low. If we look at the generation data (as submitted to CPPA) of the latest wind plants in Pakistan, including the Net Delivered Energy (the "NDE") and the curtailed energy and the Non-Project Missed Volume (the "NPMV"), no project has had an annual capacity factor of more than 38 percent. This is for the reason that Pakistan Wind corridor has an average of 7.3m/s wind regime in place which falls under the medium to lower side on wind spectrum. Thus in the impugned determination the allowed capacity factor is unachievable and unrealistic.





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2. In November 2018, for Case No. NEPRA/TRF-488/DEL2019, the Authority vide its Determination approved a tariff and with a capacity factor of 38% was approved. The company submitted a tariff modification application. The company was interested in modifying only a couple of parameters of the determination. The Authority issued a notice of hearing to all stakeholders to which CPPAGL replied vide its letter dated 7 January 2020 as follows :

"It is submitted that, in the due process of subject tariff modification in respect of 12 wind power plants, the Authority should also review/revisit other pertinent parameters"

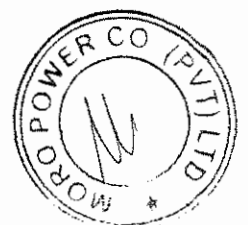
Thus CPPAGL wanted all of the tariff parameters including the Capacity Factor, price etc. to be revisited.

The Authority in its decision on the tariff modification application dated June 23, 2020 answered the CPPAGL comment by asserting that as no changes in the technology has taken place, the other parameters (including capacity factor) remained same.

3. In view of the foregoing, we humbly pray that as the technology being used in our project is the same as the ones used in determinations approved in November 2018, and as Authority has conceded that as late as 23rd June 2020 that the capacity factors approved for specific technology are up-to-date, as we are using the same technology and WTGs, we be awarded the same capacity factor as given out in the 23rd June 2020 decision of tariff modification application.

B. Adjustments on account of Engineering, Procurement and Construction (the "EPC") Costs

1. The learned Authority has approved the EPC costs of USD 23.801 Million for the Project against a claim of USD 31.1 Million made by the Petitioner.
2. The Authority has slashed the EPC costs to a level where they are not tenable anymore.





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3. The Petitioner humbly requests that Authority to objectively evaluate each item under the foregoing grounds instead of using a single percentage benchmark with other projects.
4. For the reasons mentioned herein above, the Petitioner humbly requests the learned Authority to review the Impugned Decision and may kindly consider revaluation of the EPC costs upwards to the tune of USD 30 Million.

C. Adjustments on account of Non-EPC and Development Costs

1. The Petitioner *vide* its Tariff Application had requested the learned Authority to allow the total Project Development Cost (the "PDC") of USD 2.8 Million. The learned Authority in its Tariff Determination has approved the PDC of USD 1.118 Million on lump sum basis.
2. We may point out that PDC for a 25 MW plant is pretty similar as that of a 50 MW wind plant hence a higher PDC may be accorded. The studies, legal and technical advisory and other associated Non-EPC costs do not provide an economy of scale and do not provide a saving that is linearly proportional to the size of the project. The authority has agreed to this argument but opined that some of the costs such as government security and fees etc are directly proportional to the size of the project. We are in agreement with the Authority but would like to point out that the proportion of Government security and fees are only a very small portion of the total PDC and Non-EPC costs and do not warrant the difference in the approved costs of the larger size projects.
3. We would like to request that the Non-EPC and Project development Costs may be reviewed and increased.





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PRAYER

In light of the foregoing and in order to avoid significant injustice, the Company respectfully prays that:

- (i) this Review Petition may graciously be accepted; and
- (ii) the Impugned Decision be modified accordingly.

Any other relief which is just, proper and better may also be awarded.

Mustafa Abdullah

Mr. Mustafa Abdullah
Chief Executive Officer
Moro Power Company (Pvt.) Limited

