

NO.Tariff/CPPA-2016
Government of Pakistan
Ministry of Water & Power

Islamabad, the June 13th, 2017

The Manager,
Printing Corporation of Pakistan Press,
Islamabad.

Subject: **PUBLICATION OF NOTIFICATION OF CPPA-G.**

I am directed to enclose Notification (in original) of CPPA-G, for immediate publication in the official Gazette of Pakistan Extra-Ordinary Part-II within 24-48 hours as delay will otherwise result in loss to exchequer to be then explained by PCP to PAC and other quarters.

2. It is requested that 20 copies of Notification printed in the official Gazette may be furnished to this Ministry immediately.

Encl: **As Above**
(In Original)

(Syed Mateen Ahmed)
Section Officer (Tariff)

CC.
The Registrar, NEPRA, Islamabad.

Government of Pakistan
Ministry of Water & Power

Islamabad, the ~~May~~ ^{June 18th}, 2017.

NOTIFICATION

S.R.O. ⁴⁷⁷ (I)/2017. - In pursuance of sub-section (4) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to notify the National Electric Power Regulatory Authority's the following approved tariff in respect of the CPPA-G, namely:-

The Central Power Purchasing Agency Guarantee (CPPA-G) is hereby allowed to charge such fee on such terms and conditions as provided hereunder:

Part-I - Market Operator Fee

1. Central Power Purchasing Agency Guarantee (CPPA-G) is allowed to recover its assessed tariff for the month of June 2015 and for the FY 2015-16 from National Transmission and Despatch Company Limited (NTDCL).
2. Central Power Purchasing Agency Guarantee (CPPA-G), for provision of Market Operator and allied services, is allowed to recover its assessed tariff for the FY 2016-17 on the following rate: -

Market Operator Fee (MOF) = Rs. 2.5191/kW/month

3. Since the amount of CAPEX of Rs.244.35 million has been allowed only for a period of one year, therefore, the Market Operator Fee of Rs.2.5191/kW/month shall be applicable only for one year period from the date of its notification. The applicable market operator fee shall be Rs.1.4610/kW/month, instead of 2.5191/kW/month, if the tariff remains notified beyond a period of one year.

**Market Operator Fee (MOF) after twelve months of the date of notification =
Rs.1.4610/kW/month**

Part-II – Modified Transfer Price or Transfer Charge to DISCOS

- 1 CPPA-G shall charge the DISCOs, a transfer charge for procuring power from approved generating companies and its delivery to DISCOs for a billing period as under;

$$TP = CTP_{(Gen)} + UOSC_{(Trans)} + MOF + ETP_{(Gen)}$$

Where:

- TP = Transfer Price to XWDISCOs or any other Market Participant
- $CTP_{(Gen)}$ = Capacity Transfer Price to XWDISCOs or any other Market Participant in Rs./kW/Month
- $UOSC_{(Trans)}$ = Use of System Charge to XWDISCOs or any other Market Participant in Rs./kW/Month
- MOF = Market Operator Fee to XWDISCOs or any other Market Participant in Rs./kW/Month
- $ETP_{(Gen)}$ = Energy Transfer Price to XWDISCOs or any other Market Participant in Rs./kWh

$$CTP_{(Gen)} = \frac{GenC}{PD(sys)}$$

$$UOSC = \frac{USCF}{PD(sys)}$$

Where:

- GenC = Summation of the Capacity Cost pertaining to generation in Rupees for a billing period minus the amount of liquidated damages received during that billing period.
- $USCF_{(Trans)}$ = NTDCCL transmission charge in Rupees for a billing period.
- MOF = CPPA-G market operator charges in Rupees for a billing period.
- PD(sys) = Peak Demand of the System recorded during a billing period in kW.

Note : To calculate the CTP ,UOSC and MOF in Rupees for each XWDISCOs or any other Market Participant for a billing period, the rate of CTP, UOSC and MOF will be further multiplied by the particular XWDISCO or any other Market Participant demand recorded at the time of system peak in kW.

ETP = GenE
EUs

Where:

GenE = Total Energy charge in Rupees during a billing period.

EUs = Energy units (kWh) recorded at the Common Delivery Metering Points of all the DISCOs or any other Market Participant during a billing period.

2 CPPA-G shall, for the purpose of clarity intimate to all XWDISCOs or any other Market Participant the generation part of the Transfer Charge, during a billing period, by deducting from the Transfer Charge, the Transmission Charge or Use of System Charges of NTDC and the Market Operator fee of CPPA-G.

3 The following generation entities and extraneous sources of import of electricity stand approved who would be providing electric power to CPPA-G for onward delivery to the XWDISCOs or any other Market Participant;

(i) All Hydroelectric Generating Stations owned and operated by WAPDA.

(ii) Chashma Nuclear Power Generating Station.

(iii) All IPPs selling power to WAPDA under a long-term contract for which sovereign guarantees have been provided by the Federal Government.

(iv) The thermal generation companies formed out of unbundling of WAPDA for a period up-to 01.07.2009 or till the Competitive Market Operation Date determined by the Authority (whichever is later).

(v) Other generation entities (in the public sector, private sector or under public-private partnership, initiated, sponsored or developed by the Federal Government or any Provincial Government) approved by NEPRA to provide power to CPPA-G for onward delivery to the XWDISCOs or any other Market Participant for a specific period.

(vi) Sources of electricity imported from another country or the territory of Azad Jammu and Kashmir under an approval of the Federal Government for provision of power to meet the

demand of any or all of the XWDISCOs or any other Market Participant as approved by NEPRA.

(vii) Electricity purchased by CPPA-G from any generation company within Pakistan through Power Purchase Agreement pursuant to NEPRA Interim Power Procurement Regulations, 2005.

Terms and Conditions:

Definitions:

1. Billing Period means a period determined by NEPRA for the purpose of charging the transfer charge to DISCOs in respect of power delivered. The billing period for the purpose of applying a transfer charge shall be on a one month basis (starting 24:00 hrs of the 1st day of the month and ending 12:00 hrs on the last day of the month) till a shorter billing period is specified by NEPRA through a Competitive Trading Arrangement Transitional Order.
2. Competitive Market Operation Date = The date as defined under article 7(2) of the License granted to NTDCL.
3. CPPA-G means a company performing the functions listed in clause 5 of the Commercial Code 2015 and Authorized by the Authority as Market Operator under the Market Rules.
4. Delivery metering point means the interconnection point at the grid stations where power is delivered by NTDCL to DISCOs, BPCs connected directly to the transmission system or other users of the transmission system and where relevant meters are installed to measure such power delivered.
5. IPPs = Independent Power Producers established under the Federal Government's Power Policy of 1994 or earlier.
6. System Peak Demand = The highest system peak demand recorded during a billing period measured over successive periods of 30 minute interval at the receiving metering point of the DISCOs or user of the transmission system. Maximum demand measuring apparatus used for recording the maximum system peak demand during a billing period shall be based on a 30 minutes interval reset basis.
7. Month means a calendar month according to the Gregorian calendar.
8. Power Factor: the rate expressed as a percentage of the kilowatt hours to the kilovolt hours consumed during a billing period.

Other Terms and Conditions

- Power Factor Penalty: The DISCOs shall maintain an average power factor during a billing period at the delivery metering point of at least 85% lagging. In the event of the said Power Factor falling below 85% in a billing period the concerned DISCO shall pay to NTDCL a penalty as determined by the Authority for general applicability on the recommendation of NTDCL and after consultation with the generation and distribution licensees.
- In order to ensure least cost generation, NTDCL shall strictly follow the merit order while operating the power plants.

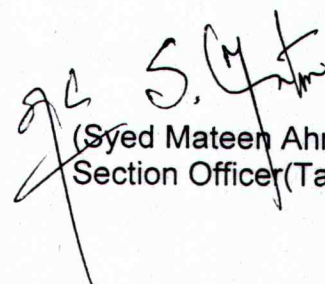
The order part and the Terms & Conditions of the determination are intimated to the Federal Government for notification in the official gazette under Section 31(4) of the NEPRA Act.

Directions of the Authority

The directions of the Authority in the proceedings of the instant petition have been reproduced as under:-

1. The Petitioner is directed to procure the best consultancy services available in the market for development of different models and to share the models i.e. Demand Forecasting Model, Basket Price Assessment Model and Market Simulation Model with the Authority before submission of its next tariff petition. The Petitioner is further directed to provide quarterly progress reports on the PPA Bifurcation and HR & Market Development projects to the Authority.
2. The Petitioner directed to submit a quarterly progress report on the ERP project to the Authority.
3. CPPA-G and NTDCL are required to enter into a formal arrangement wherein a mechanism for calculation of impact of excess losses over & above the Authority's allowed limit be clearly stipulated. CPPA-G is directed to share the said agreement with the Authority for its consideration as soon as the same is signed.
4. The Authority directs CPPA-G to provide a comprehensive report on the issue of circular debt on quarterly basis, highlighting the reasons thereof and the party wise breakup of amount payable and receivables in this regard."

[F.No.Tariff/CPGA-2016]


(Syed Mateen Ahmed)
Section Officer(Tariff)