بِسْلِمِ الْحَاكِمِ
SAARC Training for Professionals of Afghanistan on NEPRA Licensing Regime
September 17, 2019
Licensing Regime in Power Sector of Pakistan

1. Evolution of Licensing Regime

2. Mechanism and Process of Licensing

3. Net Metering Concept & Process
Mechanism and Process Licensing

Relevant Legislations governing the Licensing Regime are:

✓ NEPRA Act, 1997 (Relevant Sections)
✓ NEPRA Licensing Distribution Rules, 1999
✓ NEPRA Licensing Generation Rules, 2000
NEPRA Licensing (Application Modification Procedure) Regulations, 1999 (AMPR)

AMPR is the main legislation governing the mechanism and process of Applications for grant of Licences:

✓ Regulation-3: Application for Licence (Format/Supporting Documents);
✓ Regulation-5: Eligibility Criteria;
✓ Regulation-6: Application Procedure;
✓ Regulation-7: Admission of Application;
✓ Regulation-8: Advertisement;
✓ Regulation-9: Consideration of Application
Supporting Documents/Information required with application for grant of Licence under Regulation-3 of the Licensing Regulations, 1999:

✓ Check List of Documents for Generation Licence;
✓ Check List of Documents for Distribution Licence;
✓ Check List of Documents for Transmission Licence;
Licensing **Generation Rules** set the terms and conditions for Generation Licences

- **Rule-3:** Grant of generation Licence;
- **Rule-3(2):** Schedule-I of Generation Licence;
- **Rule-3(3):** Schedule-II of Generation Licence;
- **Rule-3(4):** Public hearing;
- **Rule-3(5):** Least Cost Option Criteria;
- **Rule-4:** Licence Fee;
- **Rule-5:** Terms and Renewal of generation Licence;
- **Rule-6:** Tariff;

National Electric Power Regulatory Authority
Licensing Generation Rules, 2000

Setting Terms & Conditions and Schedules for Generation Licence:

✓ Rule-7: Second-tier Supply Business;
✓ Rule-8: Revocation and Suspension of Licence;
✓ Rule-10 &11: Interconnection with grid;
✓ Rule-14: Financial and Organizational Affairs;
✓ Rule-16: Operating Procedure Manual;
✓ Rule-17: Industry Standards and Codes;
✓ Rule-19: Maintenance of Record;
✓ Rule-20: Provision of Information;
Licensing Distribution Rules, 1999

The Terms & Conditions and Schedules for Distribution Licences are set according to the Licensing Distribution Rules. The mechanism is similar to that of Licensing Generation Rules as in the case of Generation Licences.
Licensing Application Flow Process

National Electric Power Regulatory Authority
Time Frame and procedure for grant of Generation License under NEPRA Licensing Regulations, 1999

1. Application received by Registrar who will scrutinize the documents as per requirements of Regulation-3 of the Regulations. Regulation-6(1).

2. If documents are incomplete, Registrar will inform forthwith to the Applicant. Regulation 6 (2).

3. The Applicant will furnish required documents/information within 7 days. Regulation-6(2).

4. After receiving complete documents, Registrar to put up matter forthwith before authority for consideration. Regulation-6(1).

5. Authority will review the Application within 3 days and if Authority requires the Applicant to submit any further documents, the Authority shall order accordingly no later than 3rd day from receiving Application from Registrar. Regulation-7(1).
Time Frame and procedure for grant of Generation License under NEPRA Licensing Regulations, 1999

6. Information so ordered by the Authority shall be submitted by the Applicant within **7 days**. Regulation-7(2).

7. Information asked for by Authority if not reached within **7 days**, the Authority may in its discretion further extend a period for submission of information not exceeding **14 days**. Regulation-7(2).

8. If Applicant failed to provide information even in extended **14 days**, the Authority may reject the Application. Regulation-7(3).

9. In case of substantial compliance Authority shall **Admit** the Application. Regulation-7(3).

10. After admission, an advertisement shall be published within **3 days** from admission for comments of public. Regulation-8.

11. Comments should be submitted by public within **14 days** from the date of publication. Regulation 8.
12. After receiving comments from public, the Registrar shall within 3 days from 14\textsuperscript{th} day of publication, put up case before the Authority for consideration. Regulation-9(1).

13. Authority if so require, may invite any person to provide comments or assist the Authority in consideration of the Application. The person so required to assist the Authority shall respond within reasonable time. Regulation-9(2).

14. If the Authority intends to reject the Application after consideration of comments from public, the Authority shall allow the Applicant for making a representation. Representation shall be filed by the Applicant within 14 days of receiving such notice from Authority. Regulation-9(3).
Time Frame and procedure for grant of Generation License under NEPRA Licensing Regulations, 1999

15. Authority will decide application for grant of license within **28 days** after receiving comments from public. **14 days** given to Applicant for making representation shall be excluded from these **28 days**. Regulation 9(4).

16. The Authority after its decision to issue license, **may defer to issue license** till the provisions of the license are settled. Authority may refuse to issue licence, if licensee, within time stated by Authority, fails to agree with terms and conditions of the proposed licence. **Regulation-9(5)**.

17. Under Rule 3 of NEPRA Generation Rules, 2000 the Authority is also empowered **to order a public hearing** in relation to an Application for grant of licence. Procedure for such public hearing will be followed as given in NEPRA (Tariff Standard and Procedure) Rules, 1998.
Sample Licences

- Generation Licence
- Transmission Licence
- Distribution Licence
Modification in Existing Licences

The main legislation governing the mechanism and process of Modification in existing licences is

✓ Section-26 of NEPRA Act;
✓ Regulation-10 of AMPR;
Modification in Existing Licences

There are two types of modifications:

✓ Authority Proposed Modification;
✓ Licensee Proposed Modification;
Sample Modification
Thanks