

Government of Pakistan
Ministry of Energy
(Power Division)
Power Coordination, Policy and Finance Wing

No.05(26)2017-18-PF

Islamabad the, 26th December 2017

Subject : DEVELOPMENT OF A DRAFT NATIONAL ELECTRICITY POLICY AND NATIONAL ELECTRICITY PLAN

In order to develop a draft National Electricity Policy and National Electricity Plan, following Technical Committee is hereby constituted alongwith terms of references :

- I. The Joint Secretary Power Policy and Finance, Power Division (Convener);
- II. The Secretary, Energy Department, Government of Khyber Pakhtunkhwa;
- III. The Secretary Energy Department, Government of Balochistan;
- IV. The Secretary Energy Department, Government of Sindh;
- V. The Secretary Energy Department, Government of Punjab;
- VI. The Managing Director, NTDC;
- VII. The Managing Director PPIB;
- VIII. The Chief Executive Officer AEDB;
- IX. The Chief Executive Officer Central Power Purchasing Agency, Guarantee Ltd.
- X. The Representative from NEPRA;

Terms of Reference:

- I. To develop first draft of Policy for approval of Council of Common Interests, including, with respect to:
 - a. Electricity generation;
 - b. Establishment of a Market Operator;
 - c. Wholesale trading of electricity;
 - d. Transmission of electricity;
 - e. Distribution of electricity;
 - f. Establishment of a retail market for electricity; and
 - g. Any other relevant area.
- II. To develop first draft of Five Year Plan to be approved and notified by the Federal Government, including, without limitation, for the following aspects of the power sector:
 - a. Generation, including timeline for de-licensing generation plants, enhancement of net-metering regime, improving the generation mix, improving pricing methods, share of provincial generation in national grid, encouraging efficiency, etc.
 - b. Transition of the power market into a competitive multi-buyer regime, improvement in settlement and clearing function, establishment of a settlement guarantee fund, encouraging trading of electricity on an exchange, moving away from CPPA-G as purchasing agent of distribution companies, etc.

AMW
Pl upload on
web site
[Signature]
[Signature]
CPO

PS/Secy: Energy & Power Deptt:

Diary No. 1734

Date: 01-1-18

PA/CPO Energy & Power Deptt:


Diary No: 43

Date: 02/01/2018

- c. Development of a wholesale trading market in electricity, including incentivizing trader licenses, timeline for initiation of wholesale market, trading limits of wholesale traders, etc.
- d. Role of PPIB and AEDB after establishment of a competitive market regime in the power sector of Pakistan;
- e. Transmission, including system improvements, timeline and manner of segregation of system operator from NTDC, establishment of an efficient and professional system operator, etc.
- f. Distribution, including possible de-merger of larger DISCOs, investment plan to improve efficiencies, role of Provincial Governments in improving efficiencies, segregation of retail function in a phased manner from distribution companies, etc.
- g. Establishment of a retail power market, manner of making retail function operative independently of DISCOs, incentivizing trader licenses, etc.
- h. Power Sector Finance, including circular debt management and reduction, securitization of debt, enhancement of capital market investment, financing and borrowing in the sector, etc.

2. The Committee can co-opt any additional member and /or Consultants for facilitation / any specific requirements and submit its report for onward consideration/ approval of Council of Common Interests (CCI) accordingly.

3. This issues with the approval of the Minister for Power Division.


 (Muhammad Farhan)
 Section Officer - PF
 PH#: 051-9209213
 26/12/0

Distribution:

- I. The Secretary, Energy Department, Government of Balochistan, Quetta.
- II. The Secretary, Energy Department, Government of Khyber Pakhtunkhwa, Peshawar.
- III. The Secretary, Energy Department, Government of Punjab, Lahore.
- IV. The Secretary, Energy Department, Government of Sindh, Karachi.
- V. The Chairman NEPRA Islamabad (with request to nominate a well conversant Officer as member of the Committee)
- VI. The Managing Director NTDC, WAPDA House Lahore
- VII. The Managing Director PPIB Islamabad
- VIII. The Chief Executive Officer Central Power Purchasing Agency, Guarantee Ltd. Islamabad
- IX. The Chief Executive Officer AEDB Islamabad

CC:

- 1) PS to Minister for Energy (Power Division),
- 2) PS to Minister of State, Power Division.
- 3) SPS to Secretary Power Division.
- 4) PS to Additional Secretary (I) Power Division.
- 5) PS to Joint Secretary (Power Finance), Power Division.
- 6) PS to Deputy Secretary (Power Finance)