



No.4(1)/2021-POLICY

Islamabad, the 26<sup>th</sup> April, 2026

## **MEMORANDUM**

**SUBJECT: ELIMINATION OF FEES FOR DISTRIBUTED GENERATION FACILITIES FOR 25KW AND BELOW**

The undersigned is directed to refer to the above cited subject and recent notification of the NEPRA (Prosumers) Regulations 2026, which superseded NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015.

2. While the Power Division supports the Authority's efforts to streamline the distributed generation landscape, certain shifts in the regulatory framework specifically concerning small-scale consumers require urgent review to ensure the fruitful proliferation of renewable energy in the domestic sector.

3. Under the previous regulatory regime, a clear distinction was maintained for applications of 25 kW and below whereby such applications were processed directly by the concerned Distribution Companies ('DISCOs') on account of not requiring a license from NEPRA and no fee was charged to the small-scale consumers. This practice served as a significant fiscal incentive for residential and small commercial users to transition to alternate renewable energy. However, the Prosumer Regulations have centralized the mandate for all facility sizes within NEPRA and enforced the application fee across the board, including for those sub - 25 kW DG Facilities earlier not requiring a license from NEPRA.

4. During the course of public hearings, the Private Power and Infrastructure Board had flagged the regulatory shift observed in the Prosumer Regulation 2026 and requested NEPRA to explicitly cover the existing approvals regime for systems of 25 kW or below within the Prosumer Regulations as well, maintaining consistency with earlier practices under the repealed 2015 regulations. Likewise, the Pakistan Solar Association, Primage (Pvt) Ltd, Pakistan Alternative Energy Association, and Siddiq Renewable Energy (Pvt) Ltd formally objected to NEPRA, arguing that removing approval authority from DISCOs creates unnecessary bureaucratic hurdles for the consumers.

5. The Power Division is concerned that the imposition of this fee on smaller prosumers, coupled with the shift in processing jurisdiction away from the DISCO level, may create procedural bottlenecks and financial deterrents. Such a move risks slowing the momentum of the national drive toward alternative and renewable energy adoption. Centralizing the approval of minor installations at the Authority level may lead to administrative saturation, whereas the earlier decentralized model provided a more agile route for the general public and ensured ease of doing business.

6. In view of the above, it is requested that NEPRA consider reinstating the earlier practices for distributed generation applications of 25 kW and below with respect to approvals viz-a-viz the role of respective Distribution Companies and elimination of the application fee, consistent with the precedent set under previous regulations.



**Shireen Malik Sher**  
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**Copy for information to:-**

- 1- Awais Ahmad Khan Leghari , Federal Minister, MOEPWD, Islamabad
- 2- Dr Muhammad Fakhre Alam Irfan, Secretary, MOEPWD, Islamabad
- 3- Waseem Mukhtar, Chairman NEPRA, NEPRA, Islamabad
- 4- Mahfooz Ahmed Bhatti, Addl Secretary-II, MOEPWD, Islamabad



**Shireen Malik Sher**  
**Deputy Secretary (Policy)**

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26 April , 2026 , 10:52:22 AM