



Government of Punjab



Quaid-e-Azam Solar Power (Pvt.) Limited

QUAID-E-AZAM SOLAR PARK

CONTACT US FOR ANY QUESTIONS AND ENQUIRIES.
3RD FLOOR, 83-A E/1, MAIN BOULEVARD, GULBERG III, LAHORE PAKISTAN.
WWW.QASOLAR.COM



PAKISTAN



Quaid-e-Azam Muhammad Ali Jinnah
1876 - 1948

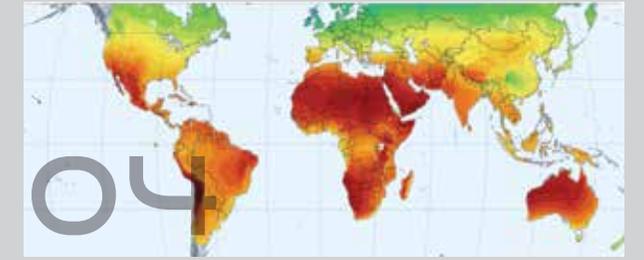
“Few individuals significantly alter the course of history. Fewer still modify the map of the world. Hardly anyone can be credited with creating a nation state. Muhammad Ali Jinnah did all three.”

-Stanley Wolpert in his book ‘Jinnah of Pakistan’

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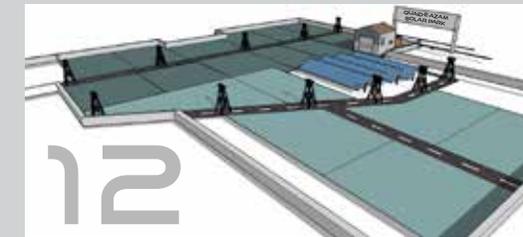
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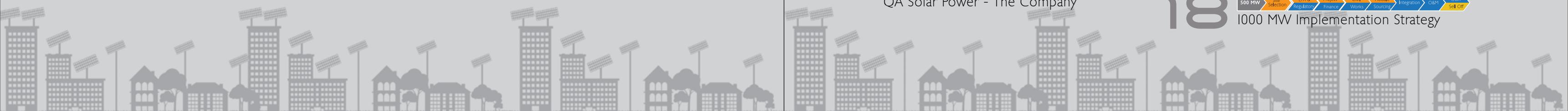
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PAKISTAN - THE NEXT BIG INVESTMENT ENVIRONMENT

Pakistan is located at the crossroads of South and Central Asia, China & the Middle East. Its strategic location with huge development opportunities in a regional market with a vast population, large and diverse resources and untapped potential for trade makes Pakistan an attractive location to invest.

Punjab being Pakistan's heartland and with its large pool of skilled professionals, adequate infrastructure and affordable rates makes it an obvious destination of choice for investors.

MESSAGE FROM THE CHIEF MINISTER PUNJAB, PAKISTAN

Punjab, the hub of Pakistan's industrial, agricultural and commercial activities, is currently facing acute energy crisis. Quaid-e-Azam Solar Park having a capacity of 1.5 GW has been initiated by us to rise up to the challenge. The first 100 MW is already in progress and is expected to be completed by in December 2014. The entire Government of Punjab takes the responsibility to support all the potential investors. We will provide you with every kind of facility; it will be a very transparent arrangement like a One Window Operation. So, I request and invite all potential investors within and outside Pakistan to please come forward and look at our facilities, look at our potential, look at the Rate of Return on your investments, look at the guarantees, securities of your remittances and your profits. I will personally ensure all your investments to be very safe, your efforts to be fruitful and your security to be our first priority. So, please come forward without losing any time and invest in an opportunity of a lifetime.

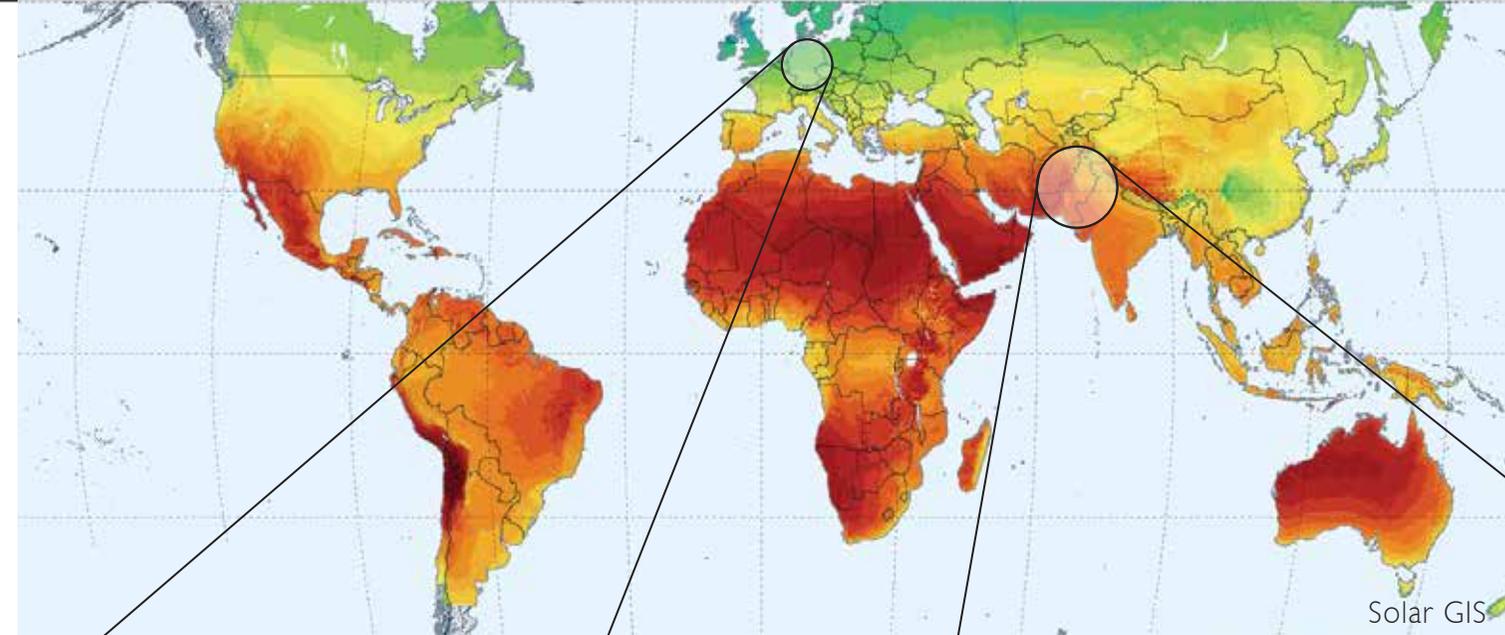
OPPORTUNITY IN PUNJAB

Punjab, the land of five rivers, is the heartland of Pakistan where 51 million acres are cultivated and another 9.05 million acres are classified as cultivable waste in different parts of the province. With 55% of Pakistan's population and 60% contribution to national GDP, Punjab is Pakistan's largest power consumer (68%). The reasons for Punjab's dynamic urban and industrial activity are its good infrastructure, peaceful industrial relations, flexible labor market conditions and efficient administrative machinery; the attributes that make Punjab an ideal destination for investors.



ENERGY CRISIS: SITUATION AT A GLANCE

- The current Power shortfall is approximately 6,000 MW.
- Punjab's current power deficit stands at around 3500 MW (avg.) and is estimated to cost the economy 2% of the GDP each year, with power demand growing at about 8% per annum
- Approximately 4.1 million jobs and employment opportunities stand lost since 2008 – which is roughly 7.5 percent of the workforce



SOLAR POTENTIAL: EXPLOITING THE OPPORTUNITY

- Solar energy has excellent potential in Punjab, which is strategically located in the zone of highest solar irradiation in the world
- Average daily irradiation amounts to 1900-2300 kWh/m² with 3000 hours of sunshine available annually

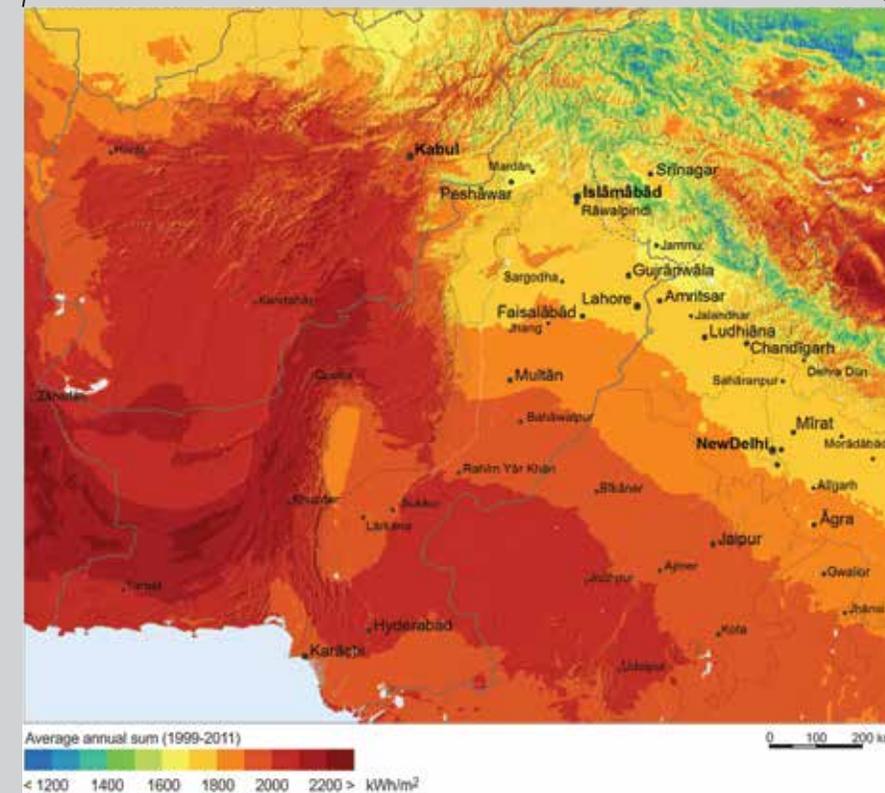
GERMANY

1000-1200 kWh/m²
900-1200 kWh/kWp
Generation Capacity: 34 GW



PAKISTAN

1900-2300 kWh/m²
1600-1800 kWh/kWp
Generation Capacity:
First 100 MW project underway
Goal: 1.5 GW by 2016





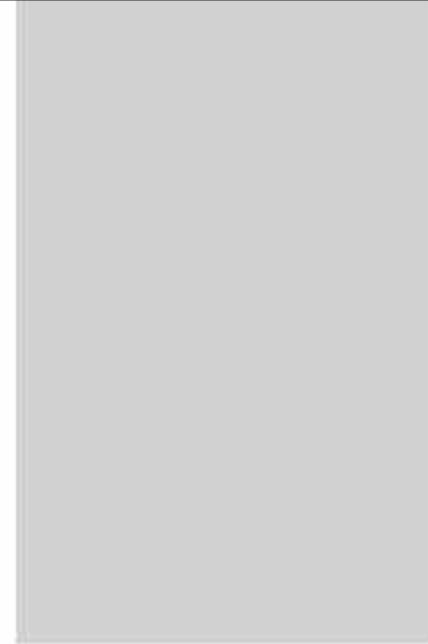
QUAID-E-AZAM SOLAR PARK

Named after the great leader, Muhammad Ali Jinnah, Quaid-e-Azam Solar Park is all set to emerge as a hub of solar energy and a global attraction in terms of technology and investment. The Government of Punjab, under the Vision of The Chief Minister Shehbaz Sharif, has dedicated 6,500 acres of land in Cholistan, Bahawalpur for the purpose of establishing a Solar Park of 1500 MW. 500 acres have been reserved to set up the first 100 MW PV Solar Power Plant. This Flagship project shall be fully owned by the Government of Punjab; marking the beginning of the Province's journey towards a generation of renewable energy for a greener future.

Quaid-e-Azam Solar Power (Pvt.) Ltd. has been set up by the Government of Punjab with the purpose of launching the first 100 MW PV Solar Power Plant as a Flagship project.

LOCATION MAP





OVERVIEW OF THE REGIONAL MARKET

The Government of Pakistan in its outline policy to overcome the energy crisis, has formulated a conducive business investment environment in the energy sector, with a sincere focus on environmental concerns including reduction in carbon footprint.

Pakistan is all set to provide attractive opportunities to industrially developed regions by introducing their time tested successful solar energy technology and thereby establishing markets for mutual trade on a long-term basis.

INVESTMENT CLIMATE

Pakistan is currently ranked as the most investment-friendly nations in South Asia where business regulations have been profoundly overhauled along liberal lines and most barriers to the flow of capital and international direct investment have been removed. Foreign investors do not face any restrictions on the inflow of capital and investment of up to 100% of equity participation is allowed in most sectors. Unlimited remittance of profits, dividends, service fees or capital is now the rule. This liberal investment regime is hard to beat.



INVESTMENT POLICY 2013

The Government of Pakistan has introduced Investment Policy 2013 to enable business-friendly environment by:

- Reducing the Cost of doing business.
- Streamlining the Business Processes.
- Creation of Industrial Clusters and Special Economic Zones.
- Linkages of Trade, Industrial and Monetary Policies.

INVESTMENT RATIONALE AND FISCAL INCENTIVES

OVERVIEW

- Solar Power Park with the capacity to house up to 1000 MW Solar PV Plants is ready to be populated on concessional lease rate of USD 1 per acre per annum.
- Transparent and competitive market due to enabling policies and vertical unbundling
- Secure investment environment
- Mandatory purchase of power generated by Independent Power Producers (IPPs), backed by sovereign guarantee of Government of Pakistan



ATTRACTIVE RETURNS

- 17% Return on Equity (indicative) in dollar terms i.e. protected against foreign exchange risk, guaranteed for energy projects

TAX EXEMPTION

Power Plants (and income thereof) are

- Exempted from Income Tax
- Exempted from Turnover Tax
- Exempted from Withholding Tax on Imports

CUSTOM DUTY EXEMPTION

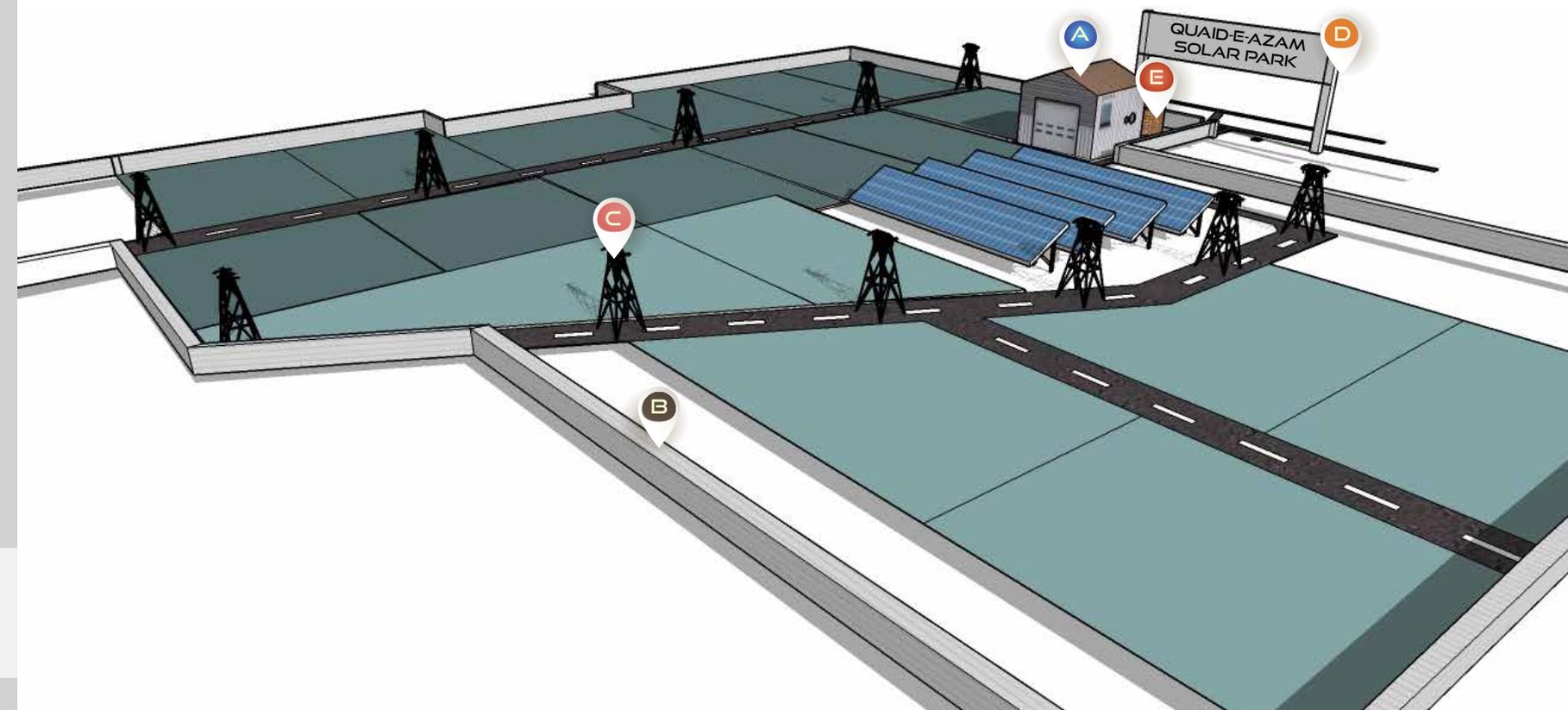
- No Duties on import of Renewable Energy Plants & Equipment Enabling Policies

CONTRACTUAL MECHANISM

- Guaranteed power purchase from IPPs
- Upfront tariffs
- Sovereign Guarantees
- Standardized Implementation Agreements (IAs), PPAs/EPAs etc.

INCENTIVES

- Repatriation of equity and dividends freely allowed
- Independent Power Producers (IPPs) allowed to issue corporate bonds and shares at discounted prices
- Government of Pakistan to guarantee terms of executed agreement including payment terms
- Foreign banks allowed to under-write stocks and bonds issued by private power companies



-  Service Area
-  Safety and Security
-  Power Evacuation Arrangements
-  Access Road
-  Water Supply

SALIENT FEATURES OF QA SOLAR PARK



Service Area
Admin Building/Residential Area/Storage Area



Safety and Security
Boundary wall (28 km long)
The perimeter security is ensured by the Government of Punjab.



Power Evacuation Arrangements
132 kV Transmission Line (existing)
220 kV Transmission Line (under construction)



Access Road
Dual-Carriage 19 km long | 48 feet wide
Capable for heavy plant equipment transportation



Water Supply
Water Supply Line 26,000 Rft
Distribution Water Supply Lines 13,500 Rft
Over Head Water Reservoir (10,000 Gallons)



QA SOLAR POWER-THE COMPANY

Quaid-e-Azam Solar Power (Pvt.) Ltd. is a Public Sector Company wholly owned by Government of Punjab, Pakistan for the setting up of renewable energy projects in general and Solar Energy Power Projects in particular. The company was established for the purpose of launching the first ever grid-connected utility-scale 100 MW PV Solar Power Plant as a Flagship project. Quaid-e-Azam Solar Power is also the focal company of Solar Power Development in Pakistan.

Quaid-e-Azam Solar Power has been successful in initiating the project even with the uncertainty and resistance that surrounded the initiative as it was the first of its kind project in Pakistan and posed a huge challenge due to its relatively high size as a flagship project. The project is halfway through the EPC stage and is expected to be commissioned by the end of year 2014. The reputation earned through this achievement has highlighted the company on the National arena and it has been granted with the responsibility to spearhead the population of the Solar Park with an additional 900 MW of Solar Power capacity installation.

VISION

Quaid-e-Azam Solar Power (Pvt.) Limited aspires to become Pakistan's pioneer organization in the field of renewable energy. It envisions an energy self-reliant Pakistan playing a key role in solving the global environmental crises.

MISSION

Pakistan is currently facing an acute energy crisis. Quaid-e-Azam Solar Power aims to take on the responsibility of bridging the demand-supply gap through clean and renewable sources. To realize this objective, QA Solar Power is setting up the first ever grid-connected 100 MW PV Power Plant at Quaid-e-Azam Solar Park by the end of year 2014. Using this project as a spring board, we intend to accelerate the forthcoming developmental phases of the park to achieve a full capacity of 1.5 GW.



MESSAGE FROM THE CEO

Formed by the Government of Punjab in the backdrop of acute shortage of electricity supply to exploit the abundant renewable sources like solar, wind and biomass etc, Quaid-e-Azam Solar Power (Pvt.) Ltd, in a short span of seven months, has achieved spectacular success in the uncharted field of solar technology. The nascent company took the challenge of developing the flagship project of first ever 100MW Solar Power Project in Pakistan. Our competent team is speedily progressing towards the completion of the project. Due to its relentless commitment to the Nation, QA Solar Power has secured the responsibility of setting up the next 900 MW in QA Solar Park. Being the pioneer company in the solar industry, Quaid-e-Azam Solar Power has a first hand experience in all areas from the inception of the Solar Power Project to the execution of it. We hope that the enabling environment we wish to create serves as an assistance and support to other organizations, investors and developers from around the world who wish to setup power projects in Pakistan. As the CEO, I strongly believe in the urgency of setting early wins and need to steer solar projects and therefore, I personally invite the investors and developers to come and join hands with us in our endeavor.

QA SOLAR POWER PROJECT

Milestones

COMPANY INCEPTION
(QA Solar Power)
October

GETTING CONSULTANTS ON-BOARD
(Legal, Financial, Technical)
November

LAND ALLOCATION
December

QUALIFICATION OF EPC BIDDERS
(by International Competitive Bidding)
April

APPROVAL OF FEASIBILITY STUDY BY PANEL OF EXPERTS
March

INITIAL ENVIRONMENTAL EXAMINATION NOC
January

GENERATION LICENSE
(Approved in Principle)
May

CONTRACT SIGNING
May

GROUND BREAKING & EXTENSION OF PARK
May

SOLAR PARK PHASE-1 COMPLETION

INFRASTRUCTURE TO BE COMPLETED
(Roads, Water Works, Boundary Walls and Transmission Line 11KV)
July

TARIFF PETITION DOCUMENT
(To be Approved)
June

EQUITY AND DEBT FINALIZATION & L/C OPENING
May

Quaid-e-Azam Solar Power (Pvt.) Limited

1000 MW IMPLEMENTATION STRATEGY

QA Solar Power (Pvt.) Ltd. has achieved a unique position of establishing the first Solar Power Plant in Pakistan. The company has now come up with an implementation strategy, involving multiple stakeholders, to optimize the fast track and quick establishment of Solar Power Plants in the Park. This first step of the strategy, the pilot phase of establishing 100 MW PV Solar Power Plant, is already in progress and efficiently advancing towards completion. In the forthcoming phases, QA Solar Power will increasingly facilitate the Investors by providing their expertise in

- Regulatory processes
- Consultants hiring
- EPC contractor selection process
- Equipment sourcing
- Civil contractor's sourcing
- Partial debt financing

2014

QA Pilot: 100 MW Kick-Start



2015

IPP Mode: Catalyst for IPPs through Flexible Service Offers



2016

QA Solar Power Construct and Operate: Reduction of LCOE and Increase of Profitability through Less Out-sourcing



QA Solar

EPC

IPP

Private Sector

INVESTING IN PUNJAB'S POWER SECTOR - STEP BY STEP PROCESS



energy.punjab.gov.pk | www.aedb.org | energy.punjab.gov.pk/ppdb | www.nepra.org.pk | www.pbit.gop.pk