

Govt-IPPs deal, Parliamentary oversight proposed

ISLAMABAD: Senate Standing Committee on Power on Tuesday proposed Parliamentary oversight of Memorandum of Understandings (MoU) signed with Independent Power Producers (IPPs). This recommendation was made during a meeting of the committee which met with Senator Fida Muhammad Khan in the chair.

Senator Nauman Wazir Khattak who initially unearthed the wrongdoings of IPPs, gave a briefing on the pacts recently signed by the Government's Negotiation Committee Chairman, Babar Yaqoob Fateh Muhammad and IPPs' representatives. He informed the committee that circular debt has not been included in the pacts with the IPPs. He said: "IPPs' stole oil and sold it on the market".

Senator Nauman Wazir argued that reduction of tariffs of renewable energy projects to Rs 15 per unit from Rs 25 per unit is not fair. It should be Rs 2-3 per unit.

He informed the committee that capacity payment has not been done away with in the new pacts. He maintained that action should be taken against IPPs in case they shared wrong information, adding that many IPPs have already recovered their profits and should not be given incentives. He said first of all the government should deal with such IPPs.

Senator Nauman Wazir further maintained that two or three IPPs are "honest," however, the government should proceed carefully to avoid past scenarios.

He said, there is a need to evaluate the MoUs, suggesting the committee members should give attention to this issue.

He said, now US dollar has been "fixed" at Rs 148, which reduced tariff by paisa 35 per unit,

"Tariff will not be reduced with the current MoUs," he continued.

Nepa Chairman Tauseef, H.Farooqi informed the committee that the power regulator determines tariffs of companies in a professional manner. However, companies approach courts and get stay orders. He was of the view that the regulator cannot proceed by bypassing the courts.

Nepa has received 1421 complaints against KE regarding load shedding and overbilling. Of this 1329 complaints have been sorted out to the satisfaction of consumers whereas the remaining applications will be rectified by August 31, 2020.

He said deaths have been reported in Karachi in July and August due to rain-related incidents. However, CEO, KE clarified that only two deaths were reported due to electrocution.

Senator Moula Bux Chandio said “the credibility of KE is not good” as no one is satisfied with the company’s performance.

He added KE is satisfied after getting a stay order from a court, on the plea that justice is done; and disclosed that Chief Justice of Pakistan has sought details of stay orders pending in different courts and “assured that he would vacate all the stay orders”.

On this, Senator Nauman Wazir Khattak said that all power companies are lacking ability and cannot perform well.

He said, K-Electric has inflicted a financial loss of Rs 140 billion on the federal government.

On this, Chairman Nepra said that KE has to refund Rs 40 billion of consumers and the company is “hiding under the garb of stay orders”.

Chairman Standing Committee said that KE is receiving 800 MW electricity from the national grid without any agreement.

Chief Executive Officer, Moonis Alvi informed the committee that agreement between federal government and KE on supply of 650 MW electricity expired in 2015. He said that now the KE tariff will be equal to other parts of the country.

On this, Senator Nauman Wazir Khattak said that Karachiites are being supplied the cheapest electricity, questioning “why this is so?”

Senator Siraj-ul Haq said that 15 protest demonstrations were witnessed in Peshawar on August 17 whereas similar situation was witnessed in DG Khan.

He questioned as to how the problems of Karachi will be resolved when even the accuracy of city’s population is under question, adding that the of Karachi ‘s population determined through the last census is still controversial.

The issue of electricity supply to Muslim Bagh area of Balochistan also came under discussion, where chromites are explored.

Special Secretary Power Division, Munir Azam clearly conveyed that Quetta Electric Supply Company (Qesco) cannot supply electricity to such areas. He was of the view that either the federal government or provincial government should give funds for this purpose.

Senator Usman Kakar expressed reservations on the arguments of Special Secretary Power, saying the entire country is enjoying Balochistan’s natural resources but electricity is not available to this province.

He stated that Standing Committee is giving greater credence to the words of a bureaucrat over a Senator.

“When the entire committee is focused on a bureaucrat’s viewpoint then there is no need to sit in such a meeting,” he said, and walked out from the meeting. However, Senator Mirza Muhammad Afridi, successfully persuaded him to come back.