

Electricity policy

It appears that yet another 'National Electricity Policy' is on the anvil. According to news reports, the National Electricity Policy 2020 will allow the government to recover power dues owed by the provinces from the NFC Award. Let's not forget that any new electricity policy must be part of a broader energy policy of Pakistan which needs to be determined not only by the federal government but also in consultation with provincial and local institutions. Policy formulation is a gigantic task and it should be taken seriously after careful deliberations. If there is a need for a new energy policy it must address issues of consumption, distribution, and production. In the past energy policies have mostly failed due to the inability of various governments to estimate correct and expected consumption levels. Secondly, the distribution losses have also caused the policies to fail as they have not reduced distribution losses as much as they should.

And production itself has been a major challenge. A broad energy policy must ensure proper legislation keeping in mind international treaties, incentives to investment and guidelines for energy conservation, and must outline the details of subsidies. In the past, we have tried haphazard measures such as extending official weekends from one to two days; and banning neon signs to conserve energy. Loadshedding has also been employed both in big cities and smaller towns; this was not the result of any long-term energy strategy but knee-jerk reactions to repeated energy crises. For the past 20 years we have talked about renewable energy resources, without any major advancement in that direction. Overall, we have been irresponsible in the use of energy resources and have largely depended on imported oil for power generation. In 2013, a long-term energy security policy was announced; it talked about introducing cutting-edge energy transmission networks and minimizing losses across the energy system

Now this talk about recovering power dues from provinces' NFC Award is a cause of concern. In a federal system, the NFC Award is the provincial share they get from the centre and the provinces pay back all dues, including for power, to the centre. This mechanism gives the provinces some leeway in payment, and they usually do it on their own. It is a matter of trust that must not be breached by either side. If the federal government deducts the power dues automatically from the NFC Award it will be a sign of lack of trust in the federating units. While a detailed energy policy may be useful in this regard, an automatic deduction from the provincial share will just cause more ill will rather than creating some goodwill within the federation.