

Govt-KE parleys remain inconclusive

ISLAMABAD: The parleys between Karachi Electric (KE) and federal government on Tuesday remained inconclusive, well-informed sources told Business Recorder.

The meeting held in Islamabad was attended by Chief Executive Officer (CEO) KE, Moonis Alvi who tabled the power utility's grievances in writing to the federal government officials including Power Division, CPPA-G, NTDC and others.

Presently, Power Division is said to be lacking technical capacity after Technical Advisor, Zargham Eshaq Khan Joint Secretary Zafar Abbas left the Ministry with the removal of Secretary Power, Irfan Ali. Zargham Eshaq Khan who caught M/s Karakey's kickbacks, was removed as Joint Secretary by senior bureaucrats. The present team in the Power Division is said to be non-technical due to which issues are not being resolved.

According to official documents, KE is facing a deficit of 552 MW if its entire system functions properly. The situation has afforded the power utility to urge the government to revive the disbanded 700 MW Datang Power Project.

"KE is demanding additional gas, extra furnace oil and extra electricity over and above current volumes. The power utility is also of the view that it should be allowed to start coal-fired Datang project," the sources added. The meeting also discussed subsidy mechanism for the KE. The final recommendations are expected to be tabled before the Cabinet Committee on Energy (CCoE).

Minister for Energy Sindh, Imtiaz Shaikh has already sent a letter to Nepra asking that KE's licence should be scrapped.

However, insiders are of the view that K2/K3 are expected to be operational in 2023 from where 1100 MW electricity will be provided to KE. With KE's own generation of 2900 MW and 1100 MW from K2/K3, the utility will have sufficient power. KE is also in negotiations with M/s Hub Power Company (Hubco) i.e. 600 MW in first phase and 600 MW in second phase. "With additional supply of 100 MW from K2/K3 and 1200 MW from Hubco, KE does not need Datang project," the sources added. There is also an impression in the federal government that KE can meet demand of Karachi if it runs its own generation plants at full capacity but they do not want to generate on furnace oil as it is expensive and relying on national grid from where 800 MW is also being dispatched (650 MW + 150MW wind).

"Discussion will continue. NTDC and KE will come back with a plan to complete the line before March 2021," said a participant of the meeting. A couple of days ago, Moonis Alvi said that the KE should ensure supply of 525 MW which is expected next year, adding that it will be done due to current sensitivity. He further stated that there are issues in PMTs which will take time to rectify adding that there is the possibility of taking electricity from Lucky plant for which a transformer is required.