

Future energy plan finalised amid provinces' reservations

ISLAMABAD: Amid criticism from provinces for allegedly ignoring their projects in long-term power generation plan, the federal government on Wednesday insisted the future energy plan would be based on sustainability and affordability instead of any inter-provincial quid pro quo.

This was the crux of a day-long public hearing organised by National Electric Power Regulatory Authority (Nepa) on Indicative Generation Capacity Expansion Plan 2020-47 (IGCEP), presided over by Chairman Tauseef H Farooqui.

The IGCEP is finalised by the National Transmission & Despatch Company (NTDC) with the support of international lending agencies and consultants through a software PLEXOS.

The provincial governments, including Azad Kashmir, expressed serious concerns that priority projects of their interests had not been incorporated in the plan. "IGCEP should not be seen in the context of projects," said Secretary Power Omer Rasul, adding that every province and stakeholder had competing interests and some principles would have to be settled instead of any quid pro quo.

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The plan takes into account 25 per cent loadshedding and 25pc imported fuel (RFO, imported coal and RLNG) and 75pc indigenous resources (renewable such as hydro, nuclear and cross border — CASA).

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The system installed capacity in 2030 will increase to 105,926MW, from 76,391MW in 2025 (base case on normal demand scenario of GDP 5.5pc). Due to this rise, many hydropower and variable energy projects moved out of the model. ARE Policy 2019 (20pc renewable energy capacity by 2025 and 30pc by 2030) had been considered along with existing contractual obligations. Retirement of power plants as per power purchase agreements terms and export to K-Electric at 650MW till 2022 and 1,150MW onwards had also been factored in.

KP Chief Minister Mehmood Khan complained that he was not satisfied with the IGCEP 2047 as many hydel projects recommended by his government have not been given any consideration.

Sindh Energy Minister Imtiaz Shaikh said that NTDC did not take his government into confidence, while appreciating Nepa for inviting the province on the plan. He was of the view that out of 78 projects of 11,000MW electricity proposed by Sindh government,

only 21 were included in the IGCEP and even threatened to take the issue up at the Council of Common Interests.

Nepra Chairman, however, reminded Shaikh that the regulator's team made hectic efforts to get recommendations from the Sindh government, but no one was ready to share any information.

Punjab Power Development Board (PPDB) Managing Director Mr Salman also raised objections on the IGCEP saying that several projects and recommendations of his province, including commercial operations of Taunsa, had not been incorporated in the plan accurately.

Ishfaq Ahmed, Director Energy Balochistan, commented that renewable projects which were sent by his government have been ignored. The representative of AJ&K, Naveed Gilani, said mature projects of the territory must be included in the IGCEP.

NTDC team explained it operated under timelines and used modern generation planning software PLEXOS to find out future demand by using different methods. All costs have been updated and indexed as of December 2019 and projects which the executing agencies confirmed to have signed contracts and for how long were taken into consideration.

They said projects not confirmed by executing agencies and provinces within those timelines had to be dropped. For example, Diamer-Bhasha dam contract was signed this May and did not become part of the plan but obviously will be considered on next annual revision in April.

Deescalation in capital expenditure of wind and solar power projects has been considered. Fuel prices have also been indexed in the IGCEP. According to the plan, all committed projects have been included in it ie strategic (China-Pakistan Economic Corridor), under construction, achieved financial close and government-to-government.