

Energy ministry, KE play blame game as outages intensify

KARACHI: Ministry of energy and privately-held K-Electric got involved in passing blames on each other for reemerging power outages in Karachi – a detestable contest that followed a recent oil shortage-driven conflict of interests between the ministry and oil marketing companies. While ministry of energy claimed to have provided all-out support, K-Electric attributed power outages to unavailability of fuel from the federal government.

A spokesperson of ministry of energy said the supply of liquefied natural gas (LNG) is available but on account of Article 158, “only a limited quantity of LNG is being taken by KE”.

The spokesperson said Sui Southern Gas Company is providing a total of 250 to 290 million metric cubic feet per day (mmcf) of gas including 75-100mmcf of LNG. Meanwhile the petroleum division made arrangements for supply of 80 percent of domestic residual fuel oil (RFO) production to KE to run its power plants. The federal government has also made arrangement for supply of 30,000 tons of RFO from storage of other power plant to immediately fulfill requirements of KE. The spokesperson further said the federal cabinet also allowed for Pakistan State Oil to float a gallop international tender to purchase RFO for KE. The tender has already been published. The cabinet also approved provision and allocation of 150 mmcf of LNG for new power plants of KE, the construction of which will be completed by KE by next year in 2021.

“All the above steps clearly indicate that the federal government has gone out of its way to provide support to KE and the people of Karachi besides running the industries and businesses,” the spokesperson said in a statement. “It is unfortunate to note that KE did not make investment in the system up-gradation and modernization due to which it is facing difficulty at the time of peak demand.” However, KE attributed the power outages to its inability to procure adequate fuel stock. There are furnace oil and gas shortages in the country and unavailability of adequate fuel to KE severely impacts its power generation, seeking lifting of ban on furnace oil.

“Chronic issue of mounting receivables and resultant strain on cash flow could potentially impact completion timelines of KE’s upcoming projects and future investment plan,” the company said in a statement. The government said it is ready to extend all available support for provision of uninterrupted power supply to the residents of Karachi. “The federal government is providing 800MW electricity to KE and is ready to provide additional 500MW from national grid but the KE system physical constraints are a major hurdle in taking the additional electricity,” the ministry’s spokesperson said. “It clearly indicates that system up-gradation on part of KE has not taken place at the appropriate level and with appropriate investment.”

The spokesperson said the cabinet, while keeping in view the general welfare of the people of Karachi, has already approved provision of additional 1,100MW from the national grid to KE. “However, the KE system is not able to absorb the additional electricity at present and its system up-gradation will go on until 2022-23 to fully take the additional supply.”