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Our Correspondent

KE setting up renewable energy company

KARACHI: The K-Electric Limited's board has approved the incorporation of a private limited company to undertake renewable energy and other projects envisaging an investment of $3 billion in next four years, the power utility said in statement on Thursday.

"The proposed company will be a wholly-owned subsidiary of K-Electric, subject to regulatory and other required approvals and completing required corporate actions," the statement said.

The power company has not released the details regarding the paid-up capital and timeline for the proposed company as yet. The statement said the KE, Pakistan's only vertically integrated power company, had planned targeted investments of around $3 billion in all core functions in the next four years.

"The plan envisages generation capacity addition by 3,000MW, which includes 300MW of renewables aimed at diversifying KE's fuel mix," the company said in the statement.

The country's Power Division has finalised the draft Renewable Energy Policy 2019 envisaging 25 percent of total generation capacity from Alternative and Renewable Energy Technologies (ARET) by 2025 and 30 percent by 2030.

With this ARET target, as envisaged by the government, together with over 30 percent hydel, the government aims to achieve the most environmental-friendly and affordable electricity mix compared to the heavy mix of imported fossil fuels of the past.

The policy aims to enhance the share of renewable resources while ensuring transparency by introducing competitive bidding regime, the company has decided to work on exploring further the establishment of manufacturing facilities with transfer of technology.

Pakistan so far has only 5 percent of its total generation from renewable power -mainly from wind, a bit from solar and a bit from bagasse as captive power plants at sugar mills. The government has decided to move to a renewable energy-reliant economy by 2030 in which hydropower will be the backbone. To keep pace with the demands of a growing economy, this would require the development of additional generation capacity of 20 GW of hydropower, wind and solar.