

Energy ministry's apathy brings 2,453MW power plants on verge of closure

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LAHORE: Indifference of outgoing caretaker energy ministry in dealing with routine affairs has stuck multibillion rupees in outstanding payments to power producers, rebirthing specter of outages in the last couple of days.

The apathy, during the last fortnight, has led to no or minimum payments to power producers, adversely affecting electricity generation, which resulted into daily outages across the country.

Presently, there is no owner of energy sector and keeping in view the puzzling ruling party Pakistan Tehreek-e-Insaf (PTI) it is unlikely that a strong person would come at the helm of affairs to deal with chronic problems affecting power supplies.

Contrary to PTI's approach for resolving economic issues, there has still no one showed up from the victorious party of general elections 2018 to be in the driving seat for controlling the affairs of highly important energy ministry.

The outgoing caretaker ministry has no more interest in executing day to day affairs of the energy sector.

Consumers are on the receiving end in the shape of daily four to 10 hours of load shedding in urban and rural areas.

It is feared that two major power plants, producing more than 10 percent of total peak summer generation, would close down operation in a week due to their outstanding dues of Rs30 billion.

It is learnt that the management of National Power Parks Management Company has intimated to relevant quarters about their inability to run two re-gasified liquefied natural gas- (RLNG) based power plants, having generation capacity of 2,453 megawatts owing to cash flow problems.

The RLNG-based Haveli power plant and Balloki power plant are most efficient among other thermal power producers, contributing to the peak supply of around 20,000MW. One of these plants, RLNG based Haveli power plant holds the record for being the most efficient power plant in the world with a record fuel efficiency of 62.44 percent.

Both the plants together are providing a total of 2,453MW to the grid and have successfully exported more than 6.5 billion units into the grid. The Haveli Bahadur Shah power plant started 1,230MW combined cycle commercial operation in May and

Balloki power plant started combined cycle operation in July and is supplying 1,223MW of electricity to the grid.

Officials in the National Power Parks Management Company said they would not be able to pay dues of fuel from next week as Central Power Purchasing Agency is not paying us against power being sold to the grid.

“The outstanding amount has accumulated to massive Rs30 billion, sparking liquidity crunch that may end up in closing power plants,” an official said, requesting anonymity.

“We are trying our best not to shut plant before Eid but it is feared that power generation from these plants would be stopped in a week time if unsettled payments are not made.”

The officials said the company is facing huge problem in running power generation plants owing to erratic and smaller payments.

The official said one such plant supplies electricity worth Rs2.30 billion in a week.

“Against this, we hardly receive Rs1.3 to Rs1.5 billion, which ultimately leads to piling up of circular debt of billions of rupees,” the official added.

The delayed or low payments have forced the management company to take loans from banks in order to ensure smooth payments to gas suppliers.

The official said the outstanding amount has now swelled to unbearable levels and “we are unable to service our debts.”

Sources said the lack of decisive approach on part of PTI regarding managing energy sector of the country is partly creating problems.

The would-be finance minister Asad Umar has already warned about imminent challenges on economic front and possible solutions. The seat of minister of energy is still without any nomination, leaving doubt about ability of upcoming government of PTI in efficiently handling affairs of energy sector.