

## **Oil lobby edging RLNG out**

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ISLAMABAD: In Pakistan' economy, the RLNG role has started yielding dividends and to this effect the country has saved \$3 billion just by replacing the furnace oil powered plants, which are running at 28-30 percent of their capacity, generating electricity at an average cost of Rs13.50 per unit if compared with electricity generation by RLNG at Rs7.50 per unit, a top official source with the energy minister told The News.

“Currently, RLNG's contribution in total electricity generation has increased to over 35 percent and in the months to come its role will further increase helping the basket price tumble manifold,” he said.

The share of electricity generated with input of RLNG as fuel stands at 6,450 MW, which will increase in the months to come. Under the government policy, the power plants based on furnace oil and diesel will be phased out, but under the new scenario, the influential lobby of diesel and furnace oil (FO), with connivance of top mandarins of petroleum and power divisions, has started discouraging the running of RLNG power plants. “Instead, furnace oil based power plants are being encouraged. This will add Rs20-30 billion more burden on electricity consumers per month.”

Since Shahid Khaqan Abbasi is no more the prime minister, the furnace and diesel lobby has become more vibrant and managed to get approved from the higher authorities to run their projects on priority basis. “This will add miseries to the end consumers as it will help increase the basket price of electricity manifold.”

The electricity unit cost by furnace oil-run thermal plants is double the cost of power generated with RLNG as fuel.

The furnace oil lobby, the top official said, has grown strong enough that it has started influencing the top officials in the departments as they are showing hesitance as to how much the demand of LNG will be in next two months. “This has left state-owned Pakistan LNG Limited and PSO in the lurch as four months are required to complete process for placing orders to import more consignments of LNG,” the official said.

The delay has already resulted in less import of LNG meaning by that for next month, LNG import will be reduced by 300 mmcf. “This will deprive end consumers from the cheaper electricity. More importantly when the efficient RNLG based power plants are not able to function for want of gas, the loadshedding will again come back.”

NAB has already taken notice of the costly electricity generation through inefficient and furnace oil run plants. There is a USAID report which unfolds that power plants use adulterated furnace oil as on the ways from Karachi to power plants in Punjab,

furnace oil is stolen and in its place water is mixed up and this will not only damage the power plant, but also reduce the capacity of plant to generate electricity. The USAID report also reveals that the furnace oil of \$300-350 million is stolen every year on way from Karachi to power houses in Punjab.