

GAS SUPPLY CUT TO HIGHLY EFFICIENT COMBINED HEAT AND POWER (CHP) SYSTEMS

from January 01, 2025 will hamper the industrial manufacturing leading to large-scale industrial closure and massive unemployment

- Huge investments of billions of rupees will become sunk cost as additional investment will be required for grid connectivity.
- DISCOs inability (outages/ fluctuations) to maintain stable and consistent power will enormously damage the highly automated machines leading to heavy losses.
- Large-scale manufacturing (LSM) units with power demands exceeding 10 MW per hour, will be required to install own grids, This is a time-consuming process that requires billions of rupees in investment.

The highest forex earning and most labor-intensive textile industry has become a victim of imprudent policies



AN EXEMPTION FOR CO-GENERATION SYSTEMS FROM GAS DISCONTINUATION IS REQUESTED

Co-generation systems not only generate electricity but also utilize the same gas to produce steam and hot water, integral parts of Industrial processes

Dual output from a single energy source maximizes the utility derived from each unit of gas, making it the best possible use of scarce energy resources

These systems are much more efficient compared to the state owned power plants & IPPs

CHPs are the second biggest recipient of RLNG and industries operating CHPs having zero percent recovery debt

Gas supply discontinuation will cause enormous financial loss to the gas sector

Both SUI companies cashflow is highly dependent on the CHPs



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