

PIDE Power Commission launched a book 'Power Sector: An Enigma with No Easy Solution'

City Report

ISLAMABAD: Pakistan's energy sector is going through a severe crisis. The circular debt of the power sector has escalated to Rs 2.44 trillion. To research and find solutions to the long-standing energy sector problems, the Pakistan Institute of Development Economics (PIDE) formed a 'PIDE Power Commission'. The Commission comprises power sector experts with decades-long experience in the sector. With their valuable contribution, PIDE has compiled a book titled 'Power Sector: An Enigma with No Easy Solution', funded by the RASTA programme. The book provides deep insights into various segments of the power sector and suggests workable, sustainable, and integrated solutions to the power sector woes.

The PIDE book 'Power Sector: An Enigma with No Easy Solution' was launched today at the Planning Commission. The book is a combined effort of PIDE Power Commission members and staff at the PIDE. PIDE Power Commission comprises the most knowledgeable energy team ever assembled in the energy sector.

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PIDE, Dr. Nadeem ul Haque. He said Pakistan had suffered a lot because of the energy crisis for many years. Circular debt has been with us for 15 years or so. Pakistan has incurred massive losses (a cumulated loss of more than Rs 5 trillion). It's time to take the matter seriously. This book is an effort from our side.

The Federal Minister for Energy (Power Division), Engineer Khurram Dastgir Khan graced the occasion with his presence. In his remarks as a chief guest, he said, a policy has been adopted to generate electricity from cheaper sources and thousands of megawatts will be generated from solar power in different areas of the country.

"During the recent floods in the country, we did not let electricity become a problem and ensured power supply in all affected areas" he mentioned.

He said that in the future, all power-generating plants in the country would be planned on local fuel. The foreign exchange would be saved by reducing the consumption of imported oil, furnace oil, and coal.

Federal Minister said that it is a fact that the country has plenty of expensive electricity, but the government does not have plenty of cheap electricity. The challenges for us are many. All issues



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"At the governance level, significant steps are being taken to collect electricity bills. Because bills are not being paid on a large scale, but only electricity is demanded. In the next two weeks, the vacant vacancies will also be filled", he added

He further added that the government is working fast on eco-friendly and affordable power generation projects that will yield far-reaching results. He said that the Shanghai Electric Power Project of 1320MW would start production next month that would run on Thar coal and provide cheaper electricity.

The federal minister said that to check expensive rates, the government is trying to find cheaper resources that can generate electricity from Rs7 to Rs8 per unit to reduce the burden on the common man. To speed up the development journey, local coal, water, wind, and solar power generation projects are being promoted.

Earlier, a leading member of the PIDE Power Commission, Engr. Tahir Basharat Cheema presented the overview of the book.

The members of the PIDE Power Commission including Engr. Salis Usman, General Manager Power Planning, NTDC; Engr. Mujahid Islam Billah, Ex. CEO, FESCO; Mr. Basharat Ali, CFO, PEPCO; Engr. Sajad Haider Syed, Dy. Manager, NTDC; Engr. Masood Akhtar, Former GM, NPCC; Engr. Azhar Iqbal, Director Finance, PEPCO; Engr. Adnan Riaz Mir, GM, Monitoring, PP&MC; and Engr. Abdul Qadeer Khan, Ex GM, NPCC, were also present at the event.

Islamabad POST

December 28, 2022

Book 'An enigma with no easy solution' launched

SAIFULLAH

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He said Pakistan had suffered a lot because of the energy crisis for many years. Circular debt has been with us for 15 years or so. Pakistan has incurred massive losses (a cumulated loss of more than Rs 5 trillion). It's time to take the matter seriously. This book is an effort from our side. The Federal Minister for Energy (Power Division), Engineer Khurram Dastgir Khan graced the occasion with his presence. In his remarks as a chief guest, he said, a policy has been adopted to generate electricity from cheaper sources and thousands of megawatts will be generated from solar power in different areas of the country. "During the recent floods in the country, we did not let electricity become a problem and ensured power supply in all affected areas" he mentioned. He said that in the future, all power-generating plants in the country would be planned on local fuel. The foreign exchange would be saved by reducing the consumption of imported oil, furnace oil, and coal. Federal Minister said that it is a fact that the country has plenty of expensive electricity, but the government does not have plenty of cheap electricity. The challenges for us are many. All issues mentioned in this book are correct. We have to address these issues. He said that the Bill-

ing issues would be addressed as a top priority to reduce losses in the power sector. In addition, adequate measures are being taken to prevent and catch electricity theft. This will reduce the burden on common consumers. "At the governance level, significant steps are being taken to collect electricity bills. Because bills are not being paid on a large scale, but only electricity is demanded. In the next two weeks, the vacant vacancies will also be filled", he added. He further added that the government is working fast on eco-friendly and affordable power generation projects that will yield far-reaching results. He said that the Shanghai Electric Power Project of 1320MW would start production next month that would run on Thar coal and provide cheaper electricity. The federal minister said that to check expensive rates, the government is trying to find cheaper resources that can generate electricity from Rs7 to Rs8 per unit to reduce the burden on the common man. To speed up the development journey, local coal, water, wind, and solar power generation projects are being promoted. Earlier, a leading member of the PIDE Power Commission, Engr. Tahir Basharat Cheema presented the overview of the book. The PIDE book has gone into pow-

er sector history and every power supply chain segment to find the current crisis's root. It covers generation problems, transmission constraints, and noncompliance with industry codes leading to unreliable power supplies, distribution side challenges, and weaknesses in the regulatory structure. It has discussed in detail the inefficiencies in the existing tariff design. Furthermore, it argued that a lack of adequate planning and a comprehensive policy over the years had taken us to the stage where we are today. Various departments in the energy sector are less oriented toward delivery; they lack resources and have outdated techniques and procedures. Apart from providing deep insights into various segments of the power sector, this book has suggested workable, sustainable, and integrated solutions to all the power sector's perennial difficulties. For instance, the book talked about decentralizing power for better management and making companies accountable for their decisions. Further, it suggested strengthening human resources at all levels through independent professional management and human resource development. It advocated for the mandatory listing of the DISCOs on the stock

exchange with a limit of 5% maximum by one shareholder. The book suggested the forensic audit of both public and private generation companies immediately, followed by recoveries without any relaxation for any IPPs, and asks for a complete halt on sovereign guarantees to investors in the future. It asks for a complete revamp of tariff design and to start the market with bilateral contracts keeping transmission constraints and participants' capacities in mind. It urges the adoption of technology, such as pre-paid smart meters, to solve many of the power sector problems. Among many other suggestions, the book recommended forming a Power Commission comprising committed power sector professionals to guide and monitor the reform process in the sector. The members of the PIDE Power Commission including Engr. Salis Usman, General Manager Power Planning, NTDC; Engr. Mujahid Islam Billah, Ex. CEO, FESCO; Mr. Basharat Ali, CFO, PEPCO; Engr. Sajad Haider Syed, Dy. Manager, NTDC; Engr. Masood Akhtar, Former GM, NPCC; Engr. Azhar Iqbal, Director Finance, PEPCO; Engr. Adnan Riaz Mir, GM, Monitoring, PP&MC; and Engr. Abdul Qadeer Khan, Ex GM, NPCC, were also present at the event.

Lenders, bureaucrats blamed for power crisis

Pide study asks for a forensic audit of power firms, a complete halt on sovereign guarantees

By Khaleeq Kiani

ISLAMABAD: The power sector default now stands at Rs2.5 trillion in addition to Rs2.6tr of circular debt despite over Rs3.4tr of subsidies paid since 2007 and total power sector losses of Rs5.7tr, a direct outcome of bad policies pursued by successive governments on the advice of the World Bank, Asian Development Bank and USAID.

The poor governance structure controlled by the federal bureaucracy without taming the independent power producers (IPPs) — the elephant in the room — has equally responsible for aggravating the power sector crisis.

Moreover, the sovereign guarantees provided by the government to borrow from commercial banks to finance the power sector deficit had crossed Rs2.055tr in September 2021 while crowding out the private sector borrowing.

Power sector default (Rs2.5tr) refers to receivables of the electricity companies

against various consumers including federal and provincial governments and private consumers.

Concluding this based on a fresh study, the Pakistan Institute of Development Economics (Pide) — a state-run think tank — and the government differed publicly on the proposed induction of 10,000MW of renewable energy (RE) plants and proposed advanced metering infrastructure (AMIs) through the private sector.

Launching “Power Sector: An Enigma with No Easy Solution,” Power Minister Khurram Dastgir Khan said the government was set to hold an auction for 600MW of RE plants in the first half of February and ramp this up to 10,000MW for fossil fuel replacement and give “massive push” for AMIs for loss reduction starting with heavy users, followed by bulk consumers and eventually all consumers would have AMIs.

The study, co-authored by Pide Vice-Chancellor and former deputy chairman Planning Commission Nadeem-ul-Haq and leading energy expert Tahir Basharat Cheema, on the other hand, among other things proposed “a moratorium on IPPs, including the proposed solar projects of 10,000MW” in the short term.

The study was completed by “Pide Power Commission led by Mr Cheema and comprising incumbent and former public sector

electricity experts including NTDC General Manager Planning Engr Salis Usman, former CEO of Faisalabad Electric Supply Company Engr Mujahid Islam Billah, CEO Pakistan Electric Power Company Basharat Ali, Deputy Manager NTDC Engr Sajad Haider Syed, former GM National Power Control Centre (NPCC) Engr Masood Akhtar, PEPCO Director Finance Engr Azhar Iqbal, GM Monitoring Power Planning & Monitoring Company Engr Adnan Riaz Mir and former GM NPCC Engr Abdul Qadeer Khan.

Mr Cheema said the study found startling results that all IPPs — from thermal to hydro to RES — earned exorbitant profits mainly through three means, including over-invoicing in power purchase agreements (PPAs), wrongful interpretation of various clauses of PPA or outright fraud — hence it could be safely concluded that “elephant in the room is the IPPs and we have not been able to take it out”.

He said most people keep bad-mouthing IPPs and yet have not been able to address the problem and hence it was imperative to conduct a forensic audit of the IPPs by the Auditor General of Pakistan assisted by the private sector financial experts and correct it where unfair earnings are found or stop criticising them.

The study suggests a forensic audit of both public and private generation compa-

nies immediately, followed by recoveries without any relaxation for any IPPs, and asks for a complete halt on sovereign guarantees to investors in the future.

It also calls for a complete revamp of tariff design and to start the market with bilateral contracts keeping transmission constraints and participants’ capacities in mind.

“The root of this (power sector) challenge” comes from long-term and unviable contracts with private investors on the advice of the World Bank without analysing their impact and the mistake was repeated again and again, trapping the economy.

The study says the sectoral managers and decision-makers, mostly non-professional bureaucrats could not tackle the circular debt and the power sector default because “they rely on WB, ADB, USAID advice, who don’t understand ground realities. The lenders and our bureaucracy are responsible for this prolonged menace” as structural issues remain untouched.

Former member PC Syed Akhtar Ali, however, cautioned against bashing IPPs, particularly Chinese investors and reminded that Reko Diq episode should be a guide and argued that the country would have earned \$2bn by now with the implementation of the original Reko Diq agreement but instead we had to pay \$1bn out of pocket for nothing.



December 28, 2022

PIDE PC launches book ‘Power Sector: An Enigma with No Easy Solution’

P DNA
ISLAMABAD

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bers and staff at the PIDE. PIDE Power Commission comprises the most knowledgeable energy team ever assembled in the energy sector.

At the event, introductory remarks were given by the Vice Chancellor of PIDE, Dr. Nadeem ul Haque. He said Pakistan had suffered a lot because of the energy crisis for many years. Circular debt has been with us for 15 years or so. Pakistan has incurred massive losses (a cumulated loss of more than Rs 5 trillion). It’s time to take the matter seriously.

December 28, 2022

Govt asked to conduct forensic audit of IPPs

Minister Dastgir says policy adopted to generate electricity from cheaper sources; 10,000 MW will be generated from solar power

By our correspondent

ISLAMABAD: Pakistan Institute of Development Economics (PIDE) Power Commission has asked the government to conduct a forensic audit of Independent Power Producers (IPPs) in the wake of alleged inflated and fraudulent charges secured from the national exchequer.

The PIDE's Power Commission on Tuesday launched a book titled "Power Sector: An Enigma with No Easy Solution". It stated forensic audit of both public and private generation companies should be conducted, followed by recoveries without any relaxation from IPPs. There should be no conditionalities for IPPs in the pipeline. In the future, no sovereign guarantees; all investments must be based on competition and financial dynamics of the sector.

A competitive bidding document must be in place before commissioning future projects. In the short term, a moratorium on IPPs needed, including proposed solar projects of 10,000MW. So many parallel sector entities with limited capacity cannot safeguard the people's interests and need to reduce the number and strengthen the remaining.

It recommended that fragmentation in power planning must change and go over to the Planning Commission (PC). It is time that NTDC and DISCOs build their professional and institutional capacity, launch formal R&D components in their organisation and encourage their professionals to proactively contribute to the PC's planning process.

Policy makers/planners should understand complex economic, political, water and environmental interrelations and energy systems' uncertainties.

Coordination in the planning process at the PC should not be limited to the energy sector. Serious consultation with other sectors needed.

Nepra must be empowered to play its role as specified in Clause 31 of the NEPRA Act. Nepra should eliminate all kinds of subsidies and cross-subsidies from the tariff. Nepra needs to simplify its rules and processes to minimise delays. It needs to build its capacity to work and cope with sector challenges and market forces while meeting its obligations as a regulator.

For the recovery of capacity payments, there is a need to increase sales/consumption by reducing prices significantly.

Transitioning from a deficit regime to a surplus one requires changing the load separation model for power tariffs. Tariff structure should be based on economic efficiency, cost recovery, simplicity, transparency and non-discrimination. A linear (flat) tariff rate is the best way to maximise revenues and minimise inefficiencies in the sector.

Notify differential tariffs for each geographical market (Discos), that is, tariff determination based on service cost.

All the socio-economic and political obligations of the government must be duly budgeted and not part of consumer tariffs to burden compliant consumers. We already have a social protection system. There is no need to subsidise electricity.

Regarding electricity market, the PIDE's Power Commission suggested the market should start with bilateral contracts keeping transmission constraints and participants' capacities in mind.

All DISCOs should also be allowed to purchase energy on a short-term contract and acquire generation assets falling inside their territorial jurisdictions and outside. Nepra should facilitate "wheeling" by discouraging those creating hurdles, with wheeling costs equivalent to MC (margin cost). Negotiate Power Purchase Agreements (PPAs) with IPPs to free at least 50pc of their capacity to be traded in the market. The electricity market requires legal, regulatory, financial and human capacity at every level - build the capacity first.

For the future architecture of the power sector, it is recommended to reduce the government footprint and ultimately move the government out of the power sector by 2030. HRD and HRM are compulsory

for a successful entity. Upgrade the training institute(s) of Wapda considering the present-day requirements. Shut down entities with similar functions. Shutting or merging twenty-plus free float entities operating now into a single National Energy Authority could bring about sanity and coordination in the energy sector.

We need a power policy considering federation challenges, a national goal and subsequent planning and implementation strategies. The power companies need to rely more on IT services; adopt innovative managerial techniques. They must undertake technological changes at the earliest.

There is a need to optimise the generation portfolio. There is a need to monitor, forecast and manage a complex mix of small to large generation units. Due to highly volatile global energy market, distributed generation using localised renewable energy sources is the ultimate solution for energy security.

Move from centralised energy management to decentralised management; storage technologies; micro & smart grids, energy conservation and efficiency should be the priority. A power commission comprised of hardcore power sector professionals should be formed to guide and monitor the reform process.

According to press release issued by PIDE, Pakistan's energy sector is

going through a severe crisis. Circular debt of power sector has escalated to Rs2.44 trillion. To find solutions to the energy sector problems, Pakistan Institute of Development Economics (PIDE) formed a "PIDE Power Commission". The Commission comprises power sector experts with decades-long experience in the sector.

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The minister said the country has plenty of expensive electricity, but government does not have plenty of cheap electricity. All issues mentioned in this book are correct. We have to address these issues, he added.

He said the billing issues would be addressed as a top priority to reduce losses in the power sector. In addition, adequate measures are being taken to prevent and catch electricity theft. This will reduce the burden on common consumers.

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The Nation

December 28, 2022

Pakistan suffers a lot due to energy crisis, incurs Rs5tr losses: PIDE

FAWAD YOUSAFZAI
ISLAMABAD

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قوانین کے شعبے کے دیرینہ مسائل کی تحقیق اور ان کا حل تلاش کرنے کے حوالے سے کتاب
..... میڈیا کے سامنے پیش کی جا رہی ہے

یہ قوانین کے شعبے کے مختلف شعبوں میں گہری بصیرت فراہم کرتا ہے اور تجویز کرتا ہے
بجلی کے شعبے کے مسائل کے قابل عمل، پائیدار اور مربوط حل
ستے ذرائع اور ہزاروں میگاواٹ بجلی پیدا کرنے کی پالیسی اپنانی سچی

رہتے ہیں۔ پی آئی ڈی ای کی کتاب "پاور سیکٹر:
این انکوارڈر ٹو ایئر سلوشن" کی آج پانچ
میں رونما کی گئی۔ کمیشن۔ یہ کتاب پی آئی ڈی ای پاور
کمیشن کے ممبروں اور پی آئی ڈی ای کے عملے کی مشترکہ
کوشش ہے۔ پی آئی ڈی ای پاور کمیشن قوانین میں صحت
ہونے والی اب تک کی سب سے زیادہ مضمونی قوانین کی
میں پر مشتمل ہے۔ تقریب میں پی آئی ڈی ای کے وائس
چائرمین ڈاکٹر عدیم الحق نے تعارفی کلمات پیش کیے۔
وہ انہوں نے کہا کہ پاکستان کو کئی سالوں سے قوانین کے
بحران کی وجہ سے بہت نقصان اٹھانا پڑا ہے۔ گزشتہ قرضوں
کے ساتھ رہا ہے ہم 15 سال یا اس سے زیادہ کے لئے۔
پاکستان کو بڑے پیمانے پر نقصان اٹھانا پڑا ہے (5 ٹریلین
روپے سے زیادہ کا نقصان)۔ اب وقت آ گیا ہے کہ اس
معائنے کو جمیدگی سے لیا جائے۔ یہ کتاب ہماری طرف سے
ایک کوشش ہے۔ پاکستان کا قوانین کا شعبہ شدید بحران سے
گزر رہا ہے۔ پاور سیکٹر کا گزشتہ قرضہ 2.44 ٹریلین
روپے تک بڑھ گیا۔ قوانین کے شعبے کے دیرینہ مسائل کی
تحقیق اور ان کا حل تلاش کرنے کے لئے، پاکستان اسٹی
ٹیوٹ آف ایئر پورٹ آفٹا (ایکس) پی آئی ڈی ای (نے)
میڈی پاور کمیشن تشکیل دیا۔ کمیشن بجلی کے شعبے کے
ماہرین پر مشتمل ہے جو اس شعبے میں دہائیوں کا طویل تجربہ

اسلام آباد (خلاف راج) پاکستان کا قوانین کا شعبہ
شدید بحران سے گزر رہا ہے۔ پاور سیکٹر کا گزشتہ قرضہ
2.44 ٹریلین روپے تک بڑھ گیا۔ قوانین کے شعبے کے
دیرینہ مسائل کی تحقیق اور ان کا حل تلاش کرنے کے لئے،
پاکستان اسٹیوٹ آف ایئر پورٹ آفٹا (ایکس) پی آئی ڈی ای
ای (نے) میڈی پاور کمیشن تشکیل دیا۔ کمیشن بجلی کے
شعبے کے ماہرین پر مشتمل ہے جو اس شعبے میں دہائیوں کا
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کمیشن کے ممبروں اور پی آئی ڈی ای کے عملے کی مشترکہ
کوشش ہے۔ پی آئی ڈی ای پاور کمیشن قوانین میں صحت
ہونے والی اب تک کی سب سے زیادہ مضمونی قوانین کی
میں پر مشتمل ہے۔ تقریب میں پی آئی ڈی ای کے وائس
چائرمین ڈاکٹر عدیم الحق نے تعارفی کلمات پیش کیے۔
وہ انہوں نے کہا کہ پاکستان کو کئی سالوں سے قوانین کے
بحران کی وجہ سے بہت نقصان اٹھانا پڑا ہے۔ گزشتہ قرضوں
کے ساتھ رہا ہے ہم 15 سال یا اس سے زیادہ کے لئے۔
پاکستان کو بڑے پیمانے پر نقصان اٹھانا پڑا ہے (5 ٹریلین
روپے سے زیادہ کا نقصان)۔ اب وقت آ گیا ہے کہ اس
معائنے کو جمیدگی سے لیا جائے۔

اسلام آباد (خلاف راج) پاکستان کا قوانین کا شعبہ
شدید بحران سے گزر رہا ہے۔ پاور سیکٹر کا گزشتہ قرضہ
2.44 ٹریلین روپے تک بڑھ گیا۔ قوانین کے شعبے کے
دیرینہ مسائل کی تحقیق اور ان کا حل تلاش کرنے کے لئے،
پاکستان اسٹیوٹ آف ایئر پورٹ آفٹا (ایکس) پی آئی ڈی ای
ای (نے) میڈی پاور کمیشن تشکیل دیا۔ کمیشن بجلی کے
شعبے کے ماہرین پر مشتمل ہے جو اس شعبے میں دہائیوں کا
طویل تجربہ رکھتے ہیں۔ پی آئی ڈی ای کی کتاب
"پاور سیکٹر: این انکوارڈر ٹو ایئر سلوشن" کی آج پانچ
میں رونما کی گئی۔ کمیشن۔ یہ کتاب پی آئی ڈی ای پاور
کمیشن کے ممبروں اور پی آئی ڈی ای کے عملے کی مشترکہ
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معائنے کو جمیدگی سے لیا جائے۔

Power sector receivables cross Rs2.5trn mark

ABDUL HASHEED AZAD
ISLAMABAD: Pakistan's energy sector is going through severe crisis as the power sector's receivables against various consumers including provincial governments, federal government, and private sector have crossed Rs2.5 trillion.

This was stated by Tahir Basharat Cheema, former managing director (MD) Pakistan Electric Power Company (PEPCO), while addressing the launch

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ceremony of a book titled, "Power Sector an Enigma With No Easy Solution" organised by the Pakistan Institute of Development Economics (PIDe), here Tuesday.

Besides others, the event was also attended by Federal Minister for Energy (Power Division), Khuram Dastgir Khan.

While introducing the book, Dr Nadeemul Haque, vice chancellor (VC), PIDe, said that to research and find solutions to the long-standing energy sector problems, PIDe formed a "PIDe Power Commission". The commission comprises power sector experts with decades-long experience in the sector. The book provides deep insights into various segments of the power sector and suggests workable, sustainable, and integrated solutions to the power sector woes.

Haque said Pakistan had suffered a lot because of the energy crisis for many years. Circular debt has been hurting Pakistan for 15 years or so. Pakistan has incurred massive losses and accumulated loss of more than Rs5 trillion. It is time to take the matter seriously. This book is an effort from our side, he said.

Khuram Dastgir Khan said a policy has been adopted to generate electricity from cheaper sources and up to 10,000 megawatts will be generated from solar power in different areas of the country.

"During the recent floods in the country, we did not let electricity become a problem and ensured power supply in all affected areas," he mentioned. He said that in the future, all power-generating plants in the country would be planned on local fuel. The foreign exchange would be saved by reducing the consumption of imported oil, furnace oil, and coal.

The minister said that Pakistan's electricity demand in the summer season reaches 30,000 megawatts which is in line with the installed capacity and electricity demand in winter remains below 12,000 megawatts, so the country is facing a serious technical challenge in various plants in winter are not operating but are getting capacity payments for their plants, which is adding to financial woes.

He said to deal with the above issues "the government could bring some kind of legislation to resolve issues. Energy efficiency forensic audit of the plants is also required. Pakistan has enough electricity but inefficient not cheap". Renewable energy with 10,000 megawatts capacity will be replaced with the current one. In February work on the first plant with 600 megawatts capacity will be started. To improve the quality of billing is also a must and the government is working on it, which will first be introduced in the industry sector followed by

the commercial sector. Governance enforcement to collect bills is also required in Khyber-Pakhtunkhwa, Balochistan, and Sindh areas. Unbundling of Wapda has not resolved the problems.

The minister said that to resolve over-billing related problems the government is to introduce advanced metering infrastructure (AMI) in the power sector. Furthermore, the transmission system will be improved.

The minister said that it is a fact that the country has plenty of expensive electricity, but the government does not have plenty of cheap electricity. The challenges for Pakistan are many, all power sector-related issues mentioned in this book are correct and the country should address these issues on which the Ministry of Energy is working.

He further added that the government is working fast on eco-friendly and affordable power generation projects that will yield far-reaching results. He said that the Shanghai Electric Power Project of 1,320MW would start production next month that would run on Thai coal and provide cheaper electricity.

The federal minister said that to check expensive rates, the government is trying to find cheaper resources that can generate electricity from Rs7 to Rs8 per unit to reduce the burden on the common man.

To speed up the development journey, local coal, water, wind, and solar power generation projects are being promoted.

Earlier, Basharat Cheema, while presenting an overview of the book, said that the PIDe has gone into power sector history and every power supply chain segment to find the current crisis's root. It covers generation problems, transmission constraints, and non-compliance with industry codes leading to unreliable power supplies, distribution side challenges, and weaknesses in the regulatory structure. It has discussed in detail the inefficiencies in the existing tariff design.

Furthermore, it argued that a lack of adequate planning and a comprehensive policy over the years had taken us to the stage where we are today. Various departments in the energy sector are less-oriented toward delivery; they lack resources and have outdated techniques and procedures.

Cheema said that during last year, 700 interruptions were reported in the main power transmission lines as a result 50,000 transformers were damaged. He said that one of the key problems being faced by the power sector is the governance crisis as a result in the past 20 years, the country failed to address the issues as a result massive circular debt was created. The government should appoint professional people in the power sector companies with ensuring their

tenure.

In the last 20 years, we failed to tackle the situation, now there is a need for a forensic audit of the IPPs, these plants are considered over-invested. Professional people must be appointed in operational management with ensuring tenure term. Privatisation has many problems as regulatory bodies are not performing well, under such a situation, privatisation will not work.

He said that Power Distribution Companies (Disco) could be fixed instead of transferring power sector to provinces. Innovative tariff should be introduced, with separate tariff for night and daytime. Like Economic Advisory Council, a Power Sector Advisory Council should be formulated with relevant experts. Current power sector billing system is flawed and must be rationalised, he concluded.

Apart from providing deep insights into various segments of the power sector, this book has suggested workable, sustainable, and integrated solutions to all the power sector's perennial difficulties. For instance, the book talked about decentralizing power for better management and making companies accountable for their decisions. Further, it suggested strengthening human resources at all levels through independent professional management and human resource development. It advocated for the mandatory listing of the DISCOs in the stock exchange with a limit of five per cent maximum by one shareholder.

The book suggested the forensic audit of both public and private generation companies immediately, followed by recoveries without any relaxation for any IPPs, and asks for a complete halt on sovereign guarantees to investors in the future. It asks for a complete revamp of tariff design and to start the market with bilateral contracts keeping transmission constraints and participants' capacities in mind. It urges the adoption of technology, such as pre-paid smart meters, to solve many of the power sector problems. Among many other suggestions, the book recommended forming a Power Commission comprising committed power sector professionals to guide and monitor the reform process in the sector.

The members of the PIDe Power Commission including Engr Salia Usman, General Manager Power Planning, NTD; Engr Mujahid Islam Bhatti, Ex-CEO, FESCO; Basharat Ali, CPO, PEPCO; Engr Sajad Hameed Syed, Dy Manager, NTD; Engr Masood Akhtar, Former GM, NPCC; Engr Azhar Iqbal, Director Finance, PEPCO; Engr Adnan Riaz Mir, GM, Monitoring, PP&MC; and Engr Akhbar Qader Khan, Ex GM, NPCC, were also present at the event.

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