

PAKISTAN

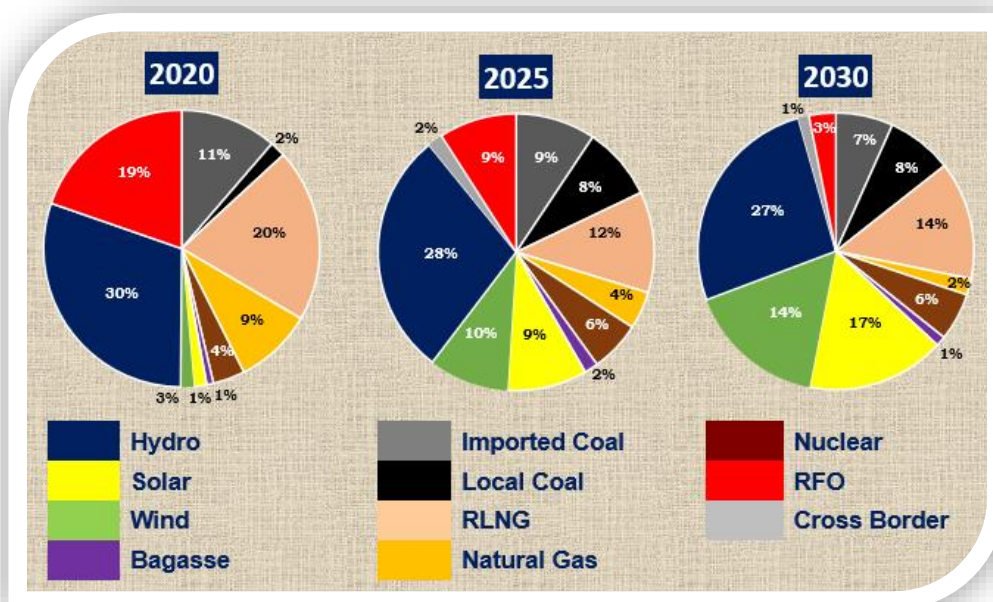
Intervention on Agenda Item 3(c)

Regional road map on power system connectivity: promoting cross-border electricity connectivity for sustainable development

Sensitized on the critical importance of reliable and affordable electricity with respect to country’s economy, Pakistan policy makers have focused on the sustainable development of power sector during the last decade or so.

During this timeframe, Pakistan has been able to resolve the capacity issue, however, due to certain reasons such as higher share of imported thermal fuel in the generation mix, capacity payment based power purchase contracts and underperforming governance standards, the prices of electricity have gone higher.

Lately, Pakistan is in the final stages of preparation of its first, formal long term generation plan which mainly aims at sustainable generation mix dominating with the indigenous resources, with the share of clean energy going to 60% of the energy mix by 2030 from the present 34%, as depicted in the following pie chart:



Factors like less reliance on imported thermal fuel such as RFO, RLNG and coal and bringing in higher quantum of Variable Renewable Energy (VRE), large as well as small hydro and local coal are meant to ensure affordable as well as sufficient capacity in the medium to long term basis.

Having ample diversity in the energy mix and that too dominantly based on the indigenous resources complements the energy security.

However, one aspect which needs to be strengthened is the cross border interconnection. Within next two years or so, Pakistan is going to add 1,000 MW hydropower import from Central Asian through CASA-1000 project. Pakistan needs to capitalize on its first major cross border electricity import initiative.

Cross border interconnections with Iran and India would certainly further complement the energy security of Pakistan. Further, Pakistan is also required to materialize the concept of utilization of CASA-1000 transmission network for export of electricity during the winter months as the export from Central Asia is restricted to a maximum of five months.

It is also pertinent to mention that cross border interconnections may also play another important role in economizing the electricity prices through reserve sharing which is a critical regulatory requirement and is meant to contribute for generation adequacy while minimizing the huge investments.

Consequently, promotion of cross border interconnections makes a lot of sense for Pakistan power sector both in terms of import and export of electricity as these may contribute immensely with respect to affordability and reliability of electricity.