

KARACHI: The National Electric Power Regulatory Authority (Neptra) has underlined the need to devise a utility-wise turnaround plan and monitor its implementation at the highest level to reduce aggregate technical and commercial losses.

According to a report prepared by Neptra, because of unmetered agricultural power supply, many utilities wrote off all losses from the transmission and distribution as agricultural consumption. Tackling the issues of adding power-generation capacity and stemming transmission and distribution losses on account of pilferage, is a daunting task for a government saddled with billions of rupees worth losses. Utilities face losses due to unmetered and unaccounted for sales, which need to be controlled.

Neptra has identified that the prevailing energy crisis has its roots in a number of issues including lack of integrated energy planning and demand forecasting; imbalanced energy mix with a heavy reliance on oil and costly imports.

According to the report, non-utilisation of vast indigenous resources such as coal and a lack of effective project structuring, planning and implementation has worsened the situation.

In the last five years, natural gas allocation for the power sector has decreased and the use of furnace oil for power generation has increased considerably.

The country spends billions of dollars per year on the import of crude oil and deficit petroleum products that have increased the cost of generation, raising circular debt and higher power rates. Further, the power system is corrupt and inefficient.

The authority notes that in order for the price of electricity to be affordable, a proper energy mix is vital. Over the years, the generation mix, which was earlier in favour of cheap hydel power, has deteriorated substantially.

At one time, the contribution of hydel energy was around 65 percent of the overall energy mix of the country, which has now fallen to only 29.15 percent, disturbing the energy mix and causing an increase in the consumer end tariff.

At present, the energy mix is heavily skewed in favour of thermal generation, which is mostly based on imported furnace oil. This not only leads to higher inflation but also jeopardizes the competitiveness of the country's industry in the international market, the report added.

Neptra has stressed that efforts should be expedited to reverse the energy mix towards cheaper hydel and coal resources.

Courtesy: The News