

EXCLUSIVE INTERVIEW



“The issue of circular debt is being managed by improving recoveries and collections through electricity distribution companies. The Ministry has recently appointed independent boards across all distribution companies, providing them with targets to reduce distribution and other losses, thereby reducing the overall flow of circular debt.”

Sardar Awais Ahmad Khan Leghari

Federal Minister for Energy
(Power Division)

ICMA: How is the Ministry of Power addressing the challenges of load-shedding and ensuring an uninterrupted power supply for industrial and domestic consumers?

Minister: Load shedding primarily occurs in areas where collections and recoveries are problematic, unless there

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are technical issues. All industries are free from load shedding, as are domestic users without recovery problems. We are working hard to improve recovery levels in problematic areas so that load shedding in these areas can also be eliminated.

ICMA: What initiatives has the Ministry undertaken to promote renewable energy and reduce dependency on imported fuels?

Minister: Pakistan has one of the cleanest energy mixes in the world and the cleanest in South Asia, with more than 55% of energy generated from clean sources such as nuclear, hydel, solar, wind, and other renewables. Similarly, almost 75% of the country's electricity is generated from indigenous and local sources, while the contribution of imported fuels continues to decline.

“ The establishment of nuclear power plants under CPEC, along with additional hydel generation, are key strategic interventions ”

Going forward, as reform plans materialize, the contribution of indigenous sources to electricity generation is expected to increase to more than 85% over the next five to seven years, making Pakistan more energy secure and less vulnerable to the volatility of international commodity prices. This will also help conserve precious foreign exchange reserves.

ICMA: How is the Ministry tackling the issue of circular debt to improve the financial health of the power sector?

Minister: The issue of circular debt is being managed by improving recoveries and collections through electricity distribution companies. The Ministry has recently appointed independent boards across all distribution companies, providing them with targets to reduce distribution and other losses, thereby reducing the overall flow of circular debt. Similarly, we continue to work on rationalizing the cost of circular debt by reducing the interest rate associated with the circular debt stock and potentially reducing its impact on tariffs.

“ The National Transmission & Distribution Company is in the process of being restructured to establish an independent market operator and a separate projects and operations company to avoid conflicts of interest and accelerate progress ”

ICMA: Can you highlight the key policies designed to achieve energy self-sufficiency in Pakistan?

Minister: Energy self-sufficiency depends on utilizing indigenous sources for electricity generation. The establishment of nuclear power plants under CPEC, along with additional hydel generation, are key strategic interventions. Similarly, the development of coal mines

and power generation plants at Thar further strengthens energy security and self-sufficiency for Pakistan, while generating electricity at very low prices.

ICMA: What measures are being taken to modernize the national grid and improve transmission and distribution efficiency?

Minister: The National Transmission & Distribution Company is in the process of being restructured to establish an independent market operator and a separate projects and operations company to avoid conflicts of interest and accelerate progress. Additionally, we continue to invest heavily in distribution infrastructure to reduce losses.

“ The Thar Coalfields project is a successful example, where the Government of Sindh partnered with a private entity to unlock the potential of Thar Coalfields ”

ICMA: How does the Ministry balance the need for affordable energy with the push for sustainability and renewable energy adoption?

Minister: The Ministry focuses on adopting only those projects that meet the least-cost criteria. Similarly, we continue to encourage solar adoption, both on-grid and off-grid, to enable peak shaving. This helps us avoid peaker plants and load shedding, while benefiting from lower variable rates.

ICMA: What role do public-private partnerships play in expanding power generation capacity, and how is the Ministry encouraging such collaboration?

Minister: Public-Private Partnerships are crucial, and we will focus more on them. The Thar Coalfields project is a successful example, where the Government of Sindh partnered with a private entity to unlock the potential of Thar Coalfields. We will continue to evaluate opportunities where further success can be achieved through a Public-Private Partnership structure.

The Editorial Board thanks Sardar Awais Ahmad Khan Leghari, Federal Minister for Energy (Power Division), for sparing his precious time to give an exclusive interview for the Chartered Management Accountant Journal