

SENATE OF PAKISTAN
HOUSE OF THE FEDERATION



Report No. 12
Parliamentary year 2020-2021

REPORT OF THE SENATE STANDING COMMITTEE ON POWER

ON

**PROVISION OF ELECTRICITY TO MAKRAN DIVISION THROUGH
ESTABLISHMENT OF POWER PROJECTS IN THE AREA**

Presented by

SENATOR FIDA MUHMAMMAD
Chairman Committee

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON POWER ON POINT OF PUBLIC IMPORTANCE RAISED BY SENATOR KAUDA BABAR REGARDING "PROVISION OF ELECTRICITY TO MAKRAN DIVISION THROUGH ESTABLISHMENT OF POWER PROJECTS IN THE AREA"

1, Senator Fida Muhammad, Chairman, Standing Committee on Power, have the honour to present, on behalf of the Committee, this report on Point of Public Importance regarding "provision of electricity to Makran Division through establishment of power projects in the area" raised by Senator Kauda Babar during the Senate sitting held on 22nd January, 2021."

2. The composition of the Standing Committee is as under:-

1.	Senator Fida Muhammad	Chairman
2.	Senator Mirza Muhammad Afridi	Member
3.	Senator Nauman Wazir Khattak	Member
4.	Senator Dr. Ghous Muhammad Khan Niazi	Member
5.	Senator Ahmed Khan	Member
6.	Senator Agha Shahzaib Durrani	Member
7.	Senator Mushahidullah Khan	Member
8.	Senator Dilawar Khan	Member
9.	Senator Moula Bux Chandio	Member
10.	Senator Syed Muhammad Ali Shah Jamot	Member
11.	Senator Muhammad Akram	Member
12.	Senator Molvi Faiz Muhammad	Member
13.	Senator Siraj ul Haq	Member

3. The Committee considered the subject matter in its meeting held on 2nd February, 2021, at 11:00 a.m. in Committee Room No. 4, Parliament House, Islamabad. The following attended the meeting:-

1.	Senator Fida Muhammad	Chairman
2.	Senator Mirza Muhammad Afridi	Member
3.	Senator Dr. Ghous Muhammad Khan Niazi	Member
4.	Senator Molvi Faiz Muhammad	Member

4. The Chairman Committee apprised the Committee that Senator Kauda Babar, Mover of the agenda item, was not feeling well and therefore he could not attend the meeting.

5. The Committee was told that the electricity issue of Makran Division was mainly due to non-connectivity with the national grid on which work was in progress and expected to be completed in 2023. The Committee was further told that the following 04 projects were in progress to end the electricity issues of the area:-

- i) Interconnection of isolated Makran/Gawadar area with national grid system at a cost of Rs.17,421 million.



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- ii) 132 deep sea port grid station with allied 132 kv D/C Transmission Line at a cost of Rs.806 million.
- iii) 132 deep sea port grid station with allied 132 kv D/C Transmission Line at a cost of Rs.1198 million.
- iv) Construction of 300 MW coal fired power plant at Gawadar.

6. The Chairman Committee asked about the updates of the German company that wanted to install a 50 MW solar power project at Gawadar. The Power Division and NEPRA expressed their unawareness in that regard. Senator Mirza Afridi informed the Committee that name of the company was "ib Vogt" which was granted generation license on 17th January, 2020. The Committee directed the Power Division and NEPRA to provide latest details of the P&G Energy, a subsidiary of ib Vogt GmbH Germany, which was granted generation license by NEPRA on 17th January, 2020 for setting up a 50 MG solar power plant at Gawadar.

7. The Committee again considered the subject matter in its meeting held on 8th February, 2021, at 02:00 p.m. in Committee Room No.4, Parliament House, Islamabad. The following attended the meeting:-

1.	Senator Fida Muhammad	Chairman
2.	Senator Mirza Muhammad Afridi	Member
3.	Senator Dr. Ghous Muhammad Khan Niazi	Member
4.	Senator Molvi Faiz Muhammad	Member
5.	Senator Nauman Wazir Khattak	Member
6.	Senator Moula Bux Chandio	Member
7.	Senator Ahmed Khan	Member

8. Senator Moula Bux Chandio informed the Chairman Committee that owing to illness he could not sit for a longer time and therefore requested to take agenda item (iii) first as it pertained to an important issue of lack of provision of electricity to Gawadar. He said that the government should make as much effort as possible to supply uninterrupted electricity to Gawadar. Senator Molvi Faiz Muhammad also stressed upon the need to resolve the issue of electricity in Gawadar.

6. Member, NEPRA, informed the Committee that M/s P&G Energy (Pvt.) Limited was granted generation licence by NEPRA on 17th January, 2020 for construction of 62.20 MW Solar Power Plant at Gawadar. On 8th July, 2020, the authority determined/granted tariff to the Company for the said power plant, he added. He said that tariff determination was subject to approval and issuance of notification by the federal government.

7. Secretary, Ministry of Energy (Power Division), informed the Committee that according to the existing ARE Policy all projects falling in a specific category would go through the mandatory competitive process. He said that the draft RFP had been sent to NEPRA in light of the said policy and if approved, the projects with lowest tariff would be selected. In order to win the bid with lowest tariff, the company under discussion would be required to participate in the auction process, he added.

8. The Chairman Committee emphasised upon the need to solve the long awaited problem of electricity in Makran Division. He said that the company in question had been waiting for go ahead signal from the government for the last two years but hurdles were being created on one pretext or the other. He further said that people of Gawadar could not get drinking water due to excessive load shedding of electricity. He termed it astonishing that the efforts made by a foreign



investor during the past two years were scrapped due to the reason that the government had introduced a new policy. Senator Mirza Muhammad Afridi remarked that the company was asked to take part in the bidding when NEPRA had already determined its tariff. Member, NEPRA, replied that the said company had applied for grant of licence on cost plus regime but with the introduction of new ARE Policy it would now be processed under the competitive regime. Senator Afridi called it unjust and unfair to the people of Gawadar. He was of the view that projects of urgent nature were delayed due to frequent change of government policies and as a result the people of Pakistan had to suffer.

9. Senator Nauman Wazir Khattak said that he was surprised to know that NEPRA had processed the case and determined the tariff under the cost plus regime at a time when new ARE Policy had already been enforced. He described the project half baked in the absence of batteries as it would only provide electricity in day time.

10. Secretary, Power Division, informed the Committee that the only sustainable solution of the electricity problem of Makran / Gawadar was its connectivity with the national grid on which work had already been started.

11. Senator Ahmed Khan said that they had been told about the construction of 300 MW coal power plant at Gawadar since 2018. He further said that until now the construction work had not started. He informed the Committee that nowadays electricity load shedding in Gawadar was 17-18 hours a day.

12. Keeping in view the miseries being faced by the people of Gawadar / Makran due to acute shortage of electricity, the Committee unanimously recommended the Power Division to process and approve the case of P&G Energy (Pvt.) Limited to install 62.20 MW Solar Power Plant at Gawadar as a special case and in relaxation of rules. Moreover, the Committee also recommended that the Power Division should take necessary steps to ensure uninterrupted supply of electricity to Makran Division. The matter was disposed of accordingly.


(ABID HUSSAIN)
Secretary Committee


(SENATOR FIDA MUHAMMAD)
Chairman Committee