

SENATE OF PAKISTAN



REPORT NO. 02 OF 2022

REPORT OF THE SENATE STANDING COMMITTEE ON POWER

ON

**PROPOSED BUDGETARY ALLOCATIONS TO PUBLIC SECTOR
DEVELOPMENT PROGRAM (PSDP) OF THE MINISTRY OF
ENERGY (POWER DIVISION) FOR THE FINANCIAL YEAR 2022-23**

**PRESENTED BY
SENATOR SAIFULLAH ABRO
CHAIRMAN**

SENATE SECRETARIAT

PROPOSED BUDGETARY ALLOCATIONS TO PUBLIC SECTOR DEVELOPMENT PROGRAM (PSDP) OF THE MINISTRY OF ENERGY (POWER DIVISION) FOR THE FINANCIAL YEAR 2022-23

1. Senator Saifullah Abro, Chairman, Standing Committee on Power, have the honour to submit, on behalf of the Committee, this report on the budgetary allocations to Public Sector Development Program (PSDP) of the Ministry of Energy (Power Division) for the financial year (FY) 2022-23 in terms of Rule 166(7) of the Rules of Procedure and Conduct of Business in Senate, 2012.

2. The composition of the Committee is as under:

i.	Senator Saifullah Abro	Chairman
ii.	Senator Fida Muhammad	Member
iii.	Senator Syed Shibli Faraz	Member
iv.	Senator Saifullah Sarwar Khan Nyazee	Member
v.	Senator Zeeshan Khanzada	Member
vi.	Senator Prince Ahmed Umer Ahmedzai	Member
vii.	Senator Sana Jamali	Member
viii.	Senator Haji Hidayatullah Khan	Member
ix.	Senator Bahramand Khan Tangi	Member
x.	Senator Syed Muhammad Ali Shah Jamot	Member
xi.	Senator Muhammad Talha Mahmood	Member
xii.	Senator Hafiz Abdul Karim	Member
xiii.	Senator Muhammad Asad Ali Khan Junejo	Member
xiv.	Senator Ahmed Khan	Member
xv.	Minister for Energy (Power Division)	Ex-Officio Member

3. The Committee reviewed the budgetary / PSDP allocations and proposals for FY-2022-23 in its meeting held on 23rd February, 2022, which was attended by the following:

i.	Senator Saifullah Abro	Chairman
ii.	Senator Saifullah Sarwar Khan Nyazee	Member
iii.	Senator Prince Ahmed Umer Ahmedzai	Member
iv.	Senator Sana Jamali	Member
v.	Senator Haji Hidayatullah Khan	Member

4. Mr. Asim Iqbal, A.S (Power Division) briefed the Committee in detail on the PSDP budgetary proposals for FY 2022-23 of organizations under Power Division. The Committee was briefed that total no. of projects are 101, on-going schemes are 87 and new schemes are 14. The total proposed PSDP allocations amounts to Rs. 172 billion out of which Rs. 89 billion is of foreign aid, Rs. 40 billion is of local and Rs. 41 billion is GoP. The company wise allocations are: GENCO-I (Rs. 29 million), NTDC (Rs. 105,609 million), DISCOs

(Rs. 37,535 million) and PPIB (Rs. 27 million). The company-wise detail of the proposed, on-going & new proposals is as under:

(Min. Rs.)

Sr. #	Company Name	No. of Projects	Total Cost	Expenditure upto 30.06.2021	PSDP Budget FY 2021-22				Utilization (July - December 2021)				Utilization %	Budget Proposal 2022-23			
					Local	Foreign	GOP	Total	Local	Foreign	GOP	Total		Local	Foreign	GOP	Total
A	GENCO-I	1	177,176	65,996	5,000	17,000	-	22,000	109	13,614	-	13,723	62%	10,000	19,000	-	29,000
	NTDC																
	NTDC (GOP Financed)	5	24,291	552	-	-	6,150	6,150	-	-	-	-	-	-	-	9,700	9,700
B	NTDC - Ongoing Proj	46	554,751	128,968	25,512	23,087	-	48,599	6,693	12,704	-	19,398	40%	27,638	61,167	-	88,805
	NTDC (New Projects)	8	152,531	-	-	-	-	-	-	-	-	-	-	2,145	4,959	-	7,104
	Total NTDC	59	731,573	129,520	25,512	23,087	6,150	54,749	6,693	12,704	-	19,398	35%	29,783	66,126	9,700	105,609
	DISCOs																
C	IESCO	1	16,930	-	1,000	10	-	1,010	-	-	-	-	0%	1,000	2,330	-	3,330
D	MEPCO	1	1,890	-	-	-	573	573	-	-	-	-	0%	-	-	1,480	1,480
E	SEPCO	1	9,334	-	-	-	6,600	6,600	-	-	-	-	0%	-	-	4,206	4,206
F	HESCO	1	7,009	-	-	-	5,200	5,200	-	-	-	-	0%	-	-	2,819	2,819
G	QESCO	25	26,364	1,419	900	-	7,945	8,845	-	-	799	799	9%	-	-	16,090	16,090
	PESCO (Ongoing)	3	5,221	558	-	-	800	800	-	-	196	196	25%	-	-	1,559	1,559
	PESCO (SEZs)	2	2,863	1,230	-	-	1,616	1,616	-	-	541	541	33%	-	-	541	541
H	PESCO (New Projects)	6	32,416	785	-	-	-	-	-	-	-	-	0%	-	2,031	5,479	7,510
	Total PESCO	11	40,500	2,573	-	-	2,416	2,416	-	-	737	737	31%	-	2,031	7,579	9,610
	Total DISCOs	40	102,026	3,992	1,900	10	22,734	24,644	-	-	1,536	1,536	6%	1,000	4,361	32,174	37,535
I	PPIB	1	64	-	-	27	-	27	-	-	-	-	0%	-	27	-	27
	GRAND TOTAL	101	1,010,839	199,508	32,412	40,124	28,884	101,420	6,802	26,319	1,536	34,657	34%	40,783	89,514	41,874	172,171

5. While deliberating on the budget proposal FY 2022-23 for GENCO-I, the Committee was informed that project of (Installation of 2X600MW Coal Fired Power Jamshoro, Jamshoro Sindh Province, Asian Development Bank, GENCO-I) was approved by ECNEC in 2014. Total cost of the project was Rs. 177,176 million and proposed budget allocation for FY-2022-23 was Rs. 29,000 million. The Committee recommended that local / indigenous resources must be utilized for future coal projects. The Committee unanimously decided to have a briefing on the objectives, scope and data modelling approach of IGCEP in the next Committee meeting. The Committee suggested that total cost of the project must be bifurcated as only Lot-I project is started and LOT-II was not started yet. The Committee unanimously decided & directed CEO, GENCO-I to prepare a detail briefing on the project of LOT-II and submit to the Committee.

6. While reviewing the PSDP Budget Proposals FY 2022-23 for NTDC, the Committee was informed that there are total 59 projects and total cost of the projects was Rs. 731,573 million and proposed allocation for 2022-23 was Rs. 105,609 million. Five projects are GoP financed and 46 are on-going schemes through local and foreign Budget and 8 projects are new projects. Regarding the status of 220/132 KV GIS Substation Dhabeji - NTDC (SEZ) project, the land has been acquired and advance payment will be made this year. The Committee stated that allocation cost was given but expenditure cost was not provided in it. It

was informed that two projects were awarded but the contractors did not accept the Notice of Award (NOA). The Committee was informed that all GoP financed projects related to Special Economic Zones will be completed by December, 2023.

7. Regarding the ongoing schemes, the Committee was informed about the project of 220-KV Larkana Sub Station (NTDC) that loan has been approved by ADB and it will be mature by July, 2022. The total cost of the project was Rs. 6,449 million. The issue of land acquisition will be resolved soon. The Boundary wall will be completed by July, 2022 and tender process will be completed by August, 2022. The project will be completed by August, 2023. The Committee unanimously decided and directed that the budget proposal for 2022-23 must be increased to the maximum and revised in case of Rs. 150 million. The Committee unanimously decided and directed that the budget allocation 2021-22 must be increased from Rs. 350 million to Rs. 850 million.

8. On the construction of new 220-KV Guddu-Sibbi single Circuit Transmission Line for improvement of Power supply in South Areas (NTDC), the Committee was informed that ECNEC approved the project in 2017 and proposed budgetary allocation in 2022-23 was Rs. 538 million. The Transmission Lines will cover the area of 300 kms and will also feed the area link from Daddu to Sikarpur and from utch to Sibbi.

9. Regarding the project of IESCO "Power Distribution Enhancement Investment Program-II (Tranche-I) Advance Metering Infrastructure Project-AMI-IESCO- Asian Development Bank (IESCO), it was informed that project was approved by ECNEC for two DISCOs namely IESCO & LESCO in 2016 and total cost of the project was Rs. 16,930 million and proposed allocation in 2022-23 was Rs. 3,330 million. Last year, ECNEC revised it that it will be operated only in two selected circles of IESCO as a pilot project. The Loan for LESCO is now cancelled. Around 179000 meters will be installed in two circles of IESCO (Rawalpindi-I & Rawalpindi Cantt). These two circles have 9 lacs consumers. The project will be an improvement in technology that consumer will have the electricity bill within two days. The transformer monitoring & Meter monitoring will be easy and the payback period will be 9.5 years. The consultant was also hired in Lahore and project will get started in May, 2022. The Committee suggested that the need for such project was in other DISCOs, where electricity theft rate was high and needs to be controlled.

10. Regarding the PSDP Budget Proposal for FY 2022-23 (MEPCO), the Committee was informed that total cost of the project was Rs. 1,890 million. The budget allocation in 2021-222 was Rs. 573 million and Budget proposal for 2022-23 was Rs. 1,480 million. The project of construction of 132 KV Grid Station Barhi Khaas with 132 KV Transmission Line District D.G Khan (MEPCO) will be completed next year. The PC-I was approved by Board and sent to the Ministry for further process.

11. Regarding the PSDP Budget Proposal for FY 2022-23 (SEPCO), the Committee was informed that total cost of the project of Secondary Transmission Lines & Grid Stations in 2021-22 was Rs. 9,334 million. The budget proposal in 2022-23 was Rs. 4,206 million. After the third party evaluation to be completed by April, 2022, the proposal will be sent back to Ministry for further process. The funds are allocated but not released as the PC-I was not

approved yet. The Committee recommended that PC-I must be approved for this project as Rs. 6,600 million were allocated in 2021-22. The Committee also directed that details related to the new schemes included in the project must be provided to the Committee.

12. Regarding the PSDP Proposal FY 2022-23 for HESCO, the Committee was briefed that total cost of the project was Rs. 7,009 million and proposed budget allocation in 2022-23 was Rs. 2,819 million and approved by CDWP in 2021. After the completion of third party evaluation by 31st March, 2022, the proposal will be sent back to Ministry for further process. The Committee unanimously decided and directed that 11KV transmission lines damaged in interior Sindh must be rehabilitated and ELR funds must be utilized by DISCOs accordingly.

13. Regarding the PSDP Budget Proposal FY 2022-23 for QESCO, the Director (Finance), QESCO informed that total cost of the 25 on-going projects was Rs. 26,364 million. The total Budget allocation in 2021-22 was Rs. 8,845 million and Budget proposed 2022-23 was Rs. 16,090 million. The Committee observed that no single project was included in the Budget proposal for 2022-23 for eastern Balochistan. He informed that schemes were not included due to the non-connectivity of eastern Balochistan with national grid and electricity was also coming from Iran. The Committee unanimously decided and directed Director, Finance (QESCO) to include the schemes related to Eastern Balochistan in the financial year 2022-23.

14. Regarding the PSDP Budget Proposal FY 2022-23 for PESCO, the Committee was informed that there are 12 new projects included in the Budget Proposal for 2022-23. The total cost of the projects was Rs. 40,500 million. The proposed allocation for 2022-23 was Rs. 9,610 million. Regarding the project of installation of ABC Cables for Peshawar and Bannu Circle, it was informed that funds were released in May, 2021 and initially 25 high loss feeders in Peshawar will be benefited from it. Regarding the Project of Supply of Power to Special Economic Zone, Hattar, it was informed that grid work was completed in this Zone and short term supply of electricity was also provided to the SEZ.

15. After the detail deliberations, the Committee recommended that Ministry of Energy (Power Division) may take all possible steps for smooth execution of each project. The Committee has shown satisfaction regarding PSDP proposed by the Ministry of Energy (Power Division) for the financial year 2022-23.



(BUSHRA RAFIQUE)
Deputy Director / Secretary Committee



(SENATOR SAIFULLAH ABRO)
Chairman, Standing Committee on Power

Islamabad
The 28th February, 2022