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## Part-II

Q:2

### Introduction:

Pakistan has been facing multiple and serious challenges like political instability, constitutional crises, security threats, unprecedented economic crisis etc. One of the severe crises faced by the country is the energy crisis where the state faces not only the inadequate amount of loadshedding but also mounting prices of electricity bills. This energy crisis has far reaching negative implications on industries, agriculture, markets, domestic life, and public sector. Furthermore, this energy crisis is further fueled by the capacity payments being made to IPPs which has made the electricity hyper expensive in Pakistan. There is a need

of addressing the issue of increasing capacity payments at the earliest in order to overcome its negative implications on the nation.

## Expensive Electricity Generation:

The country generates the most expensive electricity in Asia and the third most expensive in the world. The domestic unit charges vary from Rs. 24 to Rs. 90. The price of ~~the~~ per unit is decided on the basis of ~~the~~ slabs being introduced by NEPPA. From 1-100 units the cost almost 28 PKR including all the taxes and other charges. From 100-300 units ~~the~~ <sup>the</sup> slab price is 44 PKR per unit including all the taxes and other charges. From 300-600 units the slab price is about 56 PKR per unit. Above 600 units the minimum price is 72 PKR per unit.

In commercial sector (markets, industry, agriculture) it varies from 48 to 40+ PKR per unit. The prices got almost more than three times in the last two years. For example, the per unit price for the domestic slab between 300 to 600 was 18 PKR in 2022, now the price has risen by more than 56 PKR.

Increasing ~~the~~ capacity payments to IPPs has made electricity hyper expensive:

Independent Power Producers (IPPs) or the private sector producers produce electricity from hydrocarbons (HCs). These IPPs were installed in 1994, 2005, 2011, and 2014. As the demand increased so does the IPPs installation increased.

~~First and~~ The major reasons for hyper expensive electricity is the capacity payments made to the IPPs. According to a recent report by a Pakistan based think tank, Economic Policy and Business Development, the power generation capacity is around 43,500 MW and all IPPs operate on a 'take or pay' basis which means that capacity payments will be paid to IPPs whether they produce or do not produce electricity.

Out of the total IPPs, 52 percent are government owned, 28 percent belong to private sector and 20 percent are owned by foreign investors. The government plants ~~never~~ operate at only 33 percent capacity, while the capacity payments are Rs 750bn per year. And, the private plants

operate at 36% capacity and the capacity payments to them stood at Rs 1.18tn per year.

The IPPs installed in the 1990s and 2005 were mainly because of the huge demand and lower supply of electricity but the IPPs installed in 2015 and onwards were mainly to shift the equation from diesel to LNG and coal so that electricity prices could be reduced. However, Pakistan is now facing a serious ~~trade~~ tragedy where the installed capacity is more than the demand. Capacity payment is the amount paid by the government of Pakistan to the IPPs for the electricity that is not being produced.

The government agreed on minimum threshold to purchase electricity from respective IPPs, but now it can not buy that threshold because of less demand and the installed capacity is more than the demand. At least 16 IPPs were paid more than 5bn PKr but they ~~generated~~ did not generate a single megawatt of electricity. The foreign owned IPPs were mostly installed in 2011 and 2015 and the government pays them

in dollars.

## Recommendations:

### ① Renegotiating the Agreements of IPPs:

The agreement signed with IPPs should have been renegotiated long time ago. In 2020, the agreements made in 1994 and before were renegotiated and they were told that they would be paid only for the units of electricity that they produce and they ~~to~~ would be paid in the local currency. Unfortunately, most of the IPPs were installed in 2011 and 2015 and they can not be renegotiated until 2028.

Furthermore, the capacity payments should be based on the actual electricity produced, at a rate of Rs. 8 per unit, rather than the installed capacity, which is Rs. 24 per unit.

### ② Installing Local and Cheaper Energy Projects:

Local and cheaper energy projects should be installed such as the ~~hydel~~ hydro project.

and increasing focus on increased electricity generation from local coal of Thar. Lastly, and by and large, electricity generation from wind turbines and solar should be encouraged.

### (3) Updating / Revamping the Transmission Lines:

Though it is an expensive phenomenon but the country is in dire need of changing the outdated transmission lines. The local transmission and the broader network needs to be changed.

### Conclusion:

Though, Pakistan is facing the menace of capacity payments and most of the IPP agreements ~~are~~ can not be renegotiated until 2028, it would be best for Pakistan to renegotiate the IPP agreements once again and local and cheaper energy projects should be installed which would decrease our dependency on imported hydrocarbons. Lastly, the transmission lines should be revamped. If these steps are taken there is a possibility that the hyper expensive electricity prices would reduce.

## Q.No. 6

### Israel as an apartheid state:

The Zionist government of Netanyahu does not accept the two-state solution or to deal with ~~the~~ Palestine in a humanly way. Because the Zionist ideology is the Jewish ideology which believes in the establishment of Greater Israel.

The Zionist government of Israel is pursuing the policy of apartheid against the Palestinians. For example, they consider that the land between the Jordan river and the Mediterranean sea could be only Israel, and every Jew across the world has the right of birth ~~to~~ to be the citizen of Israel State. Moreover, the Muslims can not be the equal citizens of the Jewish state, they do not have equal political, social and economic rights. They can not own land, they can not become part of the government, they can not acquire elite post and even the colour of the Muslims' identity card and passports are different from the Jews. Furthermore, there is even discrimination on the lane of the roads, even the number

plates of the vehicles are different, the water resources ~~of~~ especially of the Jordan river are controlled by Jews, not the Muslims.

Israel can not deal with Palestine by pursuing ~~such~~ apartheid against the Palestinians to such an extent that humanity itself feels ashamed.

## Israel as an ethnic cleansing state:

Since the October 7, attacks, Israel has destroyed the North and Centre of Gaza. More than 40% of the buildings in the North and Centre of Gaza have been demolished. According to a report published by the UN, Israeli airstrikes have left more than 42 million tonnes of debris across the Gaza Strip. Educational institutions including all of the 4 universities have been targeted. According to a report published by the Global Education Cluster, almost 85% of schools have been damaged in Gaza. Almost all the hospitals in Central and Northern Gaza have been destroyed or hit.

The human loss stood at a staggering



levels. More than 40,000 Palestinians have lost their lives, including 13,000 children and 10,000 women. About 123 journalists have been killed. According to ~~rep~~ figures given by UNRWA, 207 of its workers have been killed since the war began and more than half of all aid workers killed around the world in 2023 were slain during the first three months of the war in Gaza.

According to the Palestinian Central Bureau of Statistics, Israel has killed 1.8 percent of Gaza's total population since October 7.

It can be said that Israel should not be allowed to spread its terror for anyone. And it is clear that Israel can not deal with Palestine by ~~etc~~ ethnically cleansing the Palestinians.