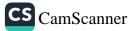
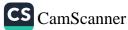
Nimra Rana 34555-66 CURRENT AFFAIRS QUESTION NO: 2 Increasing capacity payment to IPPs has made electricity hyper expensive Critically evaluate the statement and give recommendations. Capacity Payments: Definition: (a pacity payments are fixed payments made to independent Power Producers IPR) to ensure that electricity generation capacity is available, wether or not the electricity is actually produced. Purpose: These payments are designed to cover the fired posts of power plants, ensuring that they remain operational and ready to meet demand, especially during peak periods. Capacity payments are fixed charges paid to IPPs to ensure that power generation capacity is available, regoralless at whether the electricity is used. This model, which was designed to attract investment in the 1990s, has now become a burden due to several factors: Over capacity: Repharse and claporate heading by the Linking it to the asked part



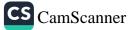
Sunta Barro Question No: 2 capacity now exceeds its actual demand, meaning that consumers are paying for unused elletricity. This is primarily due to generous thoms afferred to IPPs, which have resulted in a capacity for beyond what is negwired. especially during non peak times. Back ground: First mayor chunk at installed IPP in 1994 and then the following years 2005, 2011, 2014 but in those times the leaders didn't gave clong tim solution but used clocal solution to shootage of electricity such as bry generators were installed that why at coad a Coaal diesel, and LNG. Peak times: and loance In winters there is cless dearrand Make it relevant 28000 MW plus demand per dery in sumers 2022 to 2023 july where as in swinters from Jan 2023 - Jan 2024 the demand was below 14000 Mg) June, July, Angust. Moderate seasons, include march april, September, October, November



· In winters including month of Dec, Jan, Feberony requires loss electricity. If Pakiston is not even able to buy Jmw of evergy but still Pakiston has to pay 359. Which is capacity payment. In 2025 June there was a loan of 200 - 300 million Brillion on Palaistan of capacity payment but NOW in 2021 1000 trillion Rps lean is on Pakistan. amm end ations: Devalue of Rupees: Since, Pakistan has to pay in dollars the price of perjunit electricity. But the supeo is devalued but still have to pay in dollars though dollar value is tised. This had led to increased payments to IPPS, further driving up electricity costs. Circular Debt: The high value of cost of electricity, driven by capacity payments, has contributed to a growing circular debt problem his debt arises when the government fails to pay power producers, which then struggles to pay fuel suppliers, creating a vicious



Cycle that drives electricity prices even higher. Connent rate of Electricity: Pakiston's government, led by chenbert sharif, here raysed the electricity base terriff for domestic consumers to PICR 48.84. This increase apprended by NEPRA, excludes these using up to 200 units per month for three months Recommendations: 1 10 guinrad 1- Renegotiate IPP contracts: The government should consider renegotrating contracts with IPPS, forcing on reducing capacity payments and J adjusting torms to be more aligned with current alemand and economic realities 2. Druersify Energy Sources: ideal religion Increasing the share and renewable resources in the energy mix could help reduce dependence on expensive fossil-free-based IPPs and lower overall electrony costs.



General instructions for attaining good marks in current affairs

Too short

