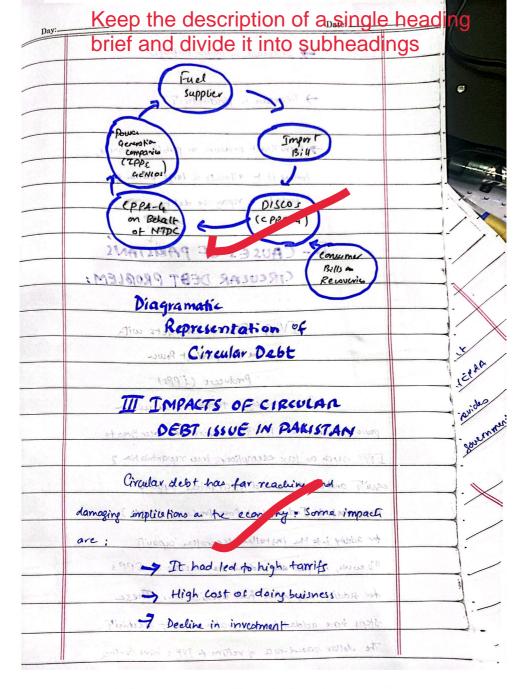
Date:	1
Sparres Dr. Barch Pawar 2ahra - 11	
DEBT ISSUE IN THE ENERGY	
EECTOR 7	
Q: 2 and established reflected to the series of the series	
Introduction: wow of the species and	
Puckaying Agencias CEPA Competalt of distribution	
Civallar Debt is a persistent	
problem of Pakisten that has caused significant	
economic and energy related challenged. Despite the	
efforts by successive governments, the arrays of	
circular debt has not been should. The circular debt	
emerged in the 200 scedo were sown in the 1990,	
with the implementation of short term plans with IPPs.	-
Morcover, expensive power generation flower and	
delayed power tariff determination and unbudgeted	
substitute are also the causes of contributing to the	
growing circular debt in power sect the	
problem in power sector and aroular debt can	
be addressed if the proportion performance of 015 ws	
are improved, removel of electricity substitution,	
and by reducing the cost of energy seneration. The	
crowlar debt has negatively impacted Palvistan's econom	y.
so, the problem of circular debt needs immediate after	

Day:	Date:	
	II - WHAT IS PAKISTAN'S CIRCULAR	
	DEBT ISSUE IN THE ENERGY	
	SECTOR 7	
		No.
	The Power Generation Companies, such as Tipps	
	Pos produces electric power which is sold to power	
	Purchasing Agencies, CPPA- a on bahalt of distribution	
	companie, DISCOs through the transmission companies of NTDC.	
	The DISCOS supply power to the end users.	
	Similary Certal Purchasing power Agencies,	
	CPPAG. I are to make payments to the power producing	
	companies and NTDC on behalf of Discos within a	
	given timeframe work will don't this doct on a beginn	
	The Problem stems from the DISCOS being unable	
	to make timely payments due to marks including lower	- P. P. P.
	recovers from the end customs and Transmission and	
	Distribution lesses. It will be discussed for the This	
	in turn hinders cppA-lin is making payments to	
	Rowa producing Companies and Transmissia Companies.	
i	So, the cycle goes on as the Pour Producing	
	companies are unable to make payments to feel	
	Suppliers. Under the DPAs, the delayed payments	
	to power companies bears mark-up and increases	
	trancial Liability.	



Day	y:Date:	
	- Increase in power outrages	
	→ Decrease in productivity	
	Traper (respective)	
	-> Significant preur an public tinance,	
	its budget to repay the debt	
	on February (c PPA-G)	
	IV- CAUSES OF PARISTANS	
	CIRCULAR DEBT PROBLEM:	
	Diagramatic	
	IV-A Flawed Contracts with	
	the Independent Power	
	Producers (IPPS) Powar policy is 19914 and successive	
	power policies have provided lucrative threatives to	
	IPP: such as tax exemption, tree repartination of	-
	equity and dividents and guarante capacity	
	inepaymonts to Independent Por a producers (IPP1)	
	the adding into the in road generation capacity	
	Moreover, it has also added the cheeks of IPPS	
	steps have added the generation cost of electricity.	
	The dollar hased rate of return to IPP & have brother	

Date:	
burdened the nortional excheques as he ruppe is declining	
So, It causes the circular debt to Increase.	
	•
IN-B High West of Power	
Generation contributing to	-
High rate of Circular Debt	
Pakistan's energy mix is highly expusive	
as it has relied an imported hulls for over 40 years. Over	
the years, paluistant reliance as re-sovific significal	
natural gas (RLNG) hand imported that has also increased	
The high cost of electricity was not allow the people to	
pay the bills and as a result exacerbate the circular	
debt issue to litera look and interest agent through notice	
Add and highlight	
references IV-c Pitfalls and delays	
in the Tarif Determination	The substitute of the substitu
The Tarrif determination rate is also	
delayed by an average 9-12 mann. It adds to	
repayment arrears. To pover he gap between	
adval cost and notified rate, as The squanment	
motified tamif rate len then recommended by NEPAA	
due to political mason of tournment provides	
subscidic to the DISCOS. Many a time, sovernment delays	
	So, It cause the circular debt to Increase. II-B High lost of Power dereration contributing to High rate of Circular Debt Pakistan's energy mix in highly expensive on it has received on Imported the for over 40 years. Our the years, pakistan's relations on 52-gasify significal material 300 (PCNC) had imported at how also increased the high cost of electricity. I as not allow the people to pay the bills and as a result exacerbate the circular debt issue. Add and highlight references IV-C Pitfalls and delays i- the Tarrif determination rate is also delayed by an average of 12 marks. It adds to repayment arrears. To powe he gave between acdual contrained notified rate, as the gavenment

Date:	-
there payment and passes on the contr to compliant	
anstorners through taxe, surchanges and tarrit wikes.	
It puts burden on the motomer learny to reduce	
electricity demand and low bill collection by	
DISCOS. The hill lower recovery exactrbates he	
High rate of availor Oction bound	
IV-D High Transmission and	
-200 copy of Olishibutian Cosses and Delian and Him	
HAMPE Hoor Revenue collection by 1210 1 100 100	
natural 300 CRENCE) Road imposos 210, of how also increased	
The hip cost of electricity deas not allow the people to	
Au the Discos including re-electric have	
been incuming hoge Transmissia and Distribution lesse	
and fluing low rewreey of the billed amount	
which add to the civalar debt ?) -VI	
1- the Tarnt Determination	
Financial less due to Fransmissian	
and Distribution losses is 195 billia	
rupee, according to Prime report	
active usite and notified rate on the comment	
	Australia Discos in la costs to compliant Ourstomers through taxe, surcharges and tarrit wices. It puts burden on the austome learny to reduce electricity domand and bout 510 collection by DISCos. The bill lower revoucy exacurbates he are now debt about the discount of the discount of the discount of the discount collection by DV-D thigh Transmission and Poor Revenue collection by All the Discos including to electric have been incuming longe Transmission and Distribution loss and facing low recovery of the billed amount which add to the circular debt of the circula

IV-E Unbudgeted Subsidies Government prevides tamit differential substitutes to DISCOS for distributing electricity + end consumers at journa notified power transft. But does not provide these subsidies fully to DISCOS . It led to increase in civalar debt Add more arguments in V- HOW THE PROBLEM OF PHOSTAN CIRCULAR DEBT CAN BE WOULD our but the ALL ave disciminable bright for a bubituel rate. It has led do burden the V-A- Improving the Branual Performance of DISCOS as as set it The performance of DISCO'S must be improved. The bureaucratic management must be replaced with improducional and decentralial managements. The DISCOS must be divided into smaller units do the DISCO! are responsible for Tr D lesses when DISLOS are dentralized the in a large gap between control centers and operational of that lead to The move fransmission lesses and hers recovery with So, there is a need for dividing large geographical

Day:	Date:	
	domains of 01500s into two or three parts	
	V-B Electricity substitutes must	
	be removed.	
	Les Arrest per government and their governments. But	
	The electricity subsidy must be	
	reduced so that it will eliminate or perception	
	that electricity is an entitle out of government. The	
	people would use the electricity with care. morever,	
	The fovernment has subsidized electricity for the	
	poor but The rich are also uping the electricity for	
	a substituted rate. It has be so burden the	
	country; economy. so, electricity bill a heald	
	be taken on the original rates not the subsidized one	
	VC Use of technology for making	
	electricity excludable to nar-payers	
190	replaced with testimicinal and decembration managements	
	Instead of blocking out he electricity	
	of the whole area, some technological tooks would	
	be employed to make electricity advable to	
	man-payers. Left 130 throw logo has not not lost med	
	of Example of the exist of Norman sound	
	lounda-resistant cables must be deployed in high	

Day:_	Date:	-cral
	theft region so that electricity may not be	
	theft. It would increase the bill payments and	
	reduce theft and circular debt smart metering	
	is also a technique that add he used by DISCOS	
	to know these areas who are consuming electricity but	
	are not paying bills. I was also ge warring	
	one of technology and reducing he was ag	
	IV-D Reducing the cost of	
	Energy Generation	
	The cost of energy generation must be	
	reduced. It can be reduced by:	
	9 - Replace the dollar-indexed to 7	
	return to IPPs with the or based an	
	Palustani Rupes	
	b- In order to preduce reliance an imported	
	huel, government needs to war an	
	indijeneous energy resources such as	
	That wal and renewable energy resources	
11560		
	V- CONCLUSION	1 to the last and
St.	Circular Debtis a major challenge	
	for Palvistan's economy and energy sector. There are	

Increase the number of arguments
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y:_	Date.	
	many causes behind this problem such as flaved	
	contract with IPPs, high cost of pour generation,	
	delays in tamit determination uph transmission	
	and distribution lesses etc. The problem of circular	
-	debt can be addressed by improving the financial	
	performance of 01500, removed of electricity substitutions	
	use of technology and reducing the cost	
	every generation of the problem of circular debt	
Y	s solved the economy of Palastan can be	
	The cot of energy remotion making in	
	reduced. It can be reduced by:	
	4 - Replace the dollar-indexed roll of	
	return to 1812 with the one bound on	
	Paleistani People	
	b. In order to reduce relience on imported	
	thel, covernment needs to work an	
	inclifement totals remained fuct to	