

KP takes lead in hydro-power sector

RECORDER REPORT

PESHAWAR (January 07, 2013) : The provincial government of Khyber Pakhtunkhwa is far ahead than three other provinces in making remarkable achievements in hydropower sector to overcome the prevailing energy crisis, said a report on the performance of the Energy and Power Department of the province. For the better utilization of resources of hydropower, oil and gas sectors, the Khyber Pakhtunkhwa government in October 2008 established a separate Energy and Power Department. The mandate of the department is looking after of hydel, oil and gas sectors and renewable energy and working along with the Ministry Water & Power and Ministry of Petroleum & Natural Resources. Khyber Pakhtunkhwa, which had more than 70 percent hydro potential after getting control under 18th Constitutional Amendment, initiated vigorous efforts to open new revenue sources from its own resources. Under the amendment the levy of federal excise duty (FED) will further increased the revenue. The provinces can now raise foreign loans to develop its precious resources for its economic growth. In addition to hydro resources, the new resource of hydrocarbon is under exploration, and production and equal control on such resources were necessary. Taking advantage of the rights guaranteed under 18th Constitutional Amendment, the provincial government of Khyber Pakhtunkhwa took lead in not only making comprehensive plans for the utilization of its hydropower potential to generate cheap electricity, but also practically launched it. Khyber Pakhtunkhwa has become first province in the country, which has developed a clear vision and designed 10-Year Hydel Development Action Plan 2010-21 for the utilization of its untapped hydropower potential. Under the plan a total of 24 projects with a total generation capacity of 2004 MW will be completed. The present cost of the projects is estimated at Rs 334.497 billion and the projects have been included in the annual development programme (ADP) for financial year 2012-13. Work on all projects has been started and are in different phases of planning. The Action Plan is comprised of short, medium and long-term planning. Under the short-term three projects with capacity of 56.20 MW at the cost of Rs 12.433 billion will be completed in period of three years. The three-projects to be initiated under short-term plan are expected to generate revenue of Rs 2 billion per annum for the province. Similarly, 8 projects with capacity of 625.80 MW will be completed in five years at the cost of Rs 99.968 billion while under long-term 13 projects of 1322 MW will be completed in a period of 10 years at the cost of Rs 222.096 billion. The implementation of the Action Plan besides, help arresting the prevailing energy crisis will not only provide cheap electricity, but will generate huge revenue of Rs 74 billion per annum for the province on permanent basis. The projects identified under the plan are Daral Khwar HPP (36MW), Ranolia HPP (17MW), Machai (2.6MW) are situated in districts Swat, Kohistan and Mardan respectively. The present provincial government ha already launched work on 36 MW Daral Khwar HPP, 84MW Matilitan Swat and 69MW Lawi Chitral. The provincial government of Khyber Pakhtunkhwa has also sought the revision of Federal Power Policy 2002, which it considered totally against the interest of the province. The Chief Minister Amir Haider Khan Hoti in this regard has written a D.O letter to Prime Minister for amendments in various clauses, which were against the interest of Khyber Pakhtunkhwa as more than 70 percent hydel potential of the country lies in their province. On the request of Khyber Pakhtunkhwa the revision of policy has been finalized and will be approved soon from the Council of Common Interest (CCI)

for the benefits of the province. The revision of the Federal Power Policy 2002, after end of concession period, will make the provincial government owner of such private projects constructed in the province, thus adding to assets of the province. One example of such projects is 840MW Suki Kinari, having estimated cost of US \$1.7 billion. Furthermore, the bar of 50MW for construction of power projects in private sector has been removed and the rate of water use charges has been increased from 15 paisa per unit to 42 paisa per unit. The present provincial government had only initiated hydropower projects for generating cheap electricity and increasing the revenue of the province, but has also raised the issue of the equal basis power load shedding in the country. The provincial government instead of equal basis had stressed for equitable distribution of load shedding rather equal distribution. In this connection, on the demand of the Khyber Pakhtunkhwa a sub-committee of the CCI has carried out its work and has finalized its comments to the Ministry for implementation and load shedding would be on equitable basis. In the provincial government in its efforts for the protection of the rights of the people of the province had obtained stay order from high court against the charging of fuel adjustment surcharge in the electricity bill. Furthermore, due to timely effective negotiations with federal government and Azad Jammu and Kashmir (AJK) in Patrind HPP, the provincial government will get water use charges on equal basis from private sponsors, even though power house is located in AJK. The government of Khyber Pakhtunkhwa has also decided to chip in 24 percent of equity in two projects to be built-in on public-private-partnership (PPP) basis (Government of Khyber Pakhtunkhwa, Wapda and private sector ie Lower Palas, Kohistan 665MW and Lower Spat Gah Kohistan 496MW.

[Copyright](#)

[Business Recorder, 2013](#)