

General Elections 2008

Policy Commitments of Political Parties

Electricity and Natural Gas

Electricity and natural gas are two main sources of energy for domestic as well as commercial sectors. According to Pakistan Social and Living Standards Measurement Survey 2004-05, 83.9 percent households use electricity for lighting, whereas 15.5 percent households use gas and oil for the same purpose. In terms of accessibility, there exists a wide disparity between rural and urban areas. For example, 96.4 households in urban areas have electricity, as compared to 74.3 percent in rural areas. Similarly, 29.5 percent households are using natural gas as fuel. Of this number, only 4.9 percent households in rural areas are using natural gas, as compared to 61.6 percent in urban areas.

From the viewpoint of consumers, key challenges in these two public utilities are associated with low production, rising tariffs, and declining quality of services. The supply deficit is widening rapidly due to increase in demand of electricity and natural gas. For example, total current installed power-generating capacity in Pakistan amounts to 19,450MW, resulting in a capacity shortfall of 428MW by the end of 2006 and 1,329MW in 2007. The foremost challenge, therefore, is to address this gap and increase the per capita availability. The measures for increasing production need to be accompanied by a consumer-friendly tariff structure, especially which is capable to address the energy needs of the poor and disadvantaged.

The table provided below identifies some of the major challenges in electricity and natural gas, policy actions needed to address these challenge, and commitment of political parties whether they will implement the policy actions, if voted to power, after forthcoming general elections.

	Challenge	Policy Actions Needed	Political Party's Response
1	Pakistan has one of the lowest levels of per capita power consumption (413 kWh) in the world This is mainly attributed to growing demand-supply deficit and high tariffs. To cope with expected growth in electricity demand, it is estimated that Pakistan will need to add about 2,000MW of new capacity each year to avoid power shortages. Without this addition, there could be a supply shortfall of 15% within 2 years.	Will your political party take the following steps: Increase power generation capacity for annual addition of 2,000 MW in power supply system Raise per capita availability of electricity by at least 15 (or _____) percent from its existing level	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____
2	Power losses of WAPDA and KESC are much higher than international average. During 1996 and 2005, its total system losses including auxiliary consumption of generation plants, transmission and distribution losses ranged between 24.13 and 27.55 per cent. KESC's system losses ranged between 35.14 per cent in 1996 and 47.39 in 2003. As a result, the annual financial loss reaches billions of rupees.	Will your political party take steps to reduce the power losses of WAPDA and KESC, <i>at least</i> , by 50 (or _____) percent?	Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____
3	The previous government had committed to provide Electricity to All by ensuring power supply to villages having 100 and 50 houses and later to the villages with 10 houses till 2007. However, this commitment could not be fulfilled completely.	Will your political party ensure that the targets of village electrification set by the previous government are fully met?	Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____

	Challenge	Policy Actions Needed	Political Party's Response
4	Presently, only about 20 percent households have access to piped natural gas supply, and therefore, majority of the population has to rely on expensive fuel sources. Realizing this, the previous government had committed to supply natural gas up to district and tehsil headquarters in all the provinces. However, this commitment could not be fulfilled completely.	Will your political party ensure that the targets of natural gas supply set by the previous government are fully met?	Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____
5	Energy sector regulators, namely National Electric Power Regulatory Authority (NEPRA) and Oil and Gas Regulatory Authority (OGRA), are empowered to revise tariffs. Consumers are not adequately represented in the revision process due to poor capacities of consumer groups in preparing a counter-case against tariff petitions filed by power and gas companies.	Will your political party implement an intensive capacity building program for civil society organizations, particularly consumer groups, so that they have the necessary knowledge and skills to represent consumers in tariff proceedings of the regulators?	Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____
6	The energy mix of Pakistan is not diversified. Only three energy sources, i.e. gas, oil and hydro, account for 93 percent of the total primary energy supplies. Over the last few years, Pakistan is relying heavily on thermal sources, which has increased the cost of production.	Will your political party take steps to move the power generation system from thermal to hydro sources?	Yes <input type="checkbox"/> No <input type="checkbox"/> Other response: _____ _____ _____