

Pakistan Power Sector

Power Generation up by 9.4% during 8MFY22

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Pakistan Power Sector

Power Generation up 11.1% YoY during Feb'22

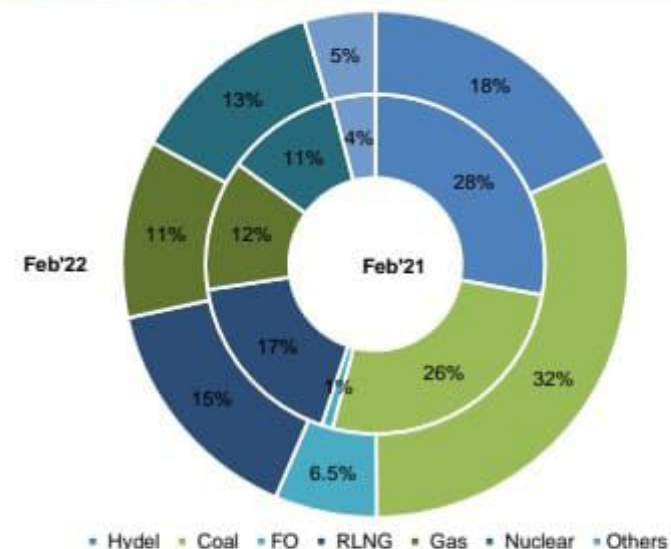
- Power generation went up by 11.1% YoY to 8,088 GWh (12,036 MW) during Feb'22, compared to 7,281 GWh (10,835 MW) during Feb'21. The rise in generation was owed to higher generation from FO, Wind, Coal and Nuclear.
- Major contributors during Feb'22 were Coal (share: 32%), Hydel (share: 18%), RLNG (share: 15%), Nuclear (share: 13%), Gas (share: 11%), FO (share: 7%), Wind (share: 2%), Bagasse (share: 1%) and Solar (share: 1%).
- FO based power generation increased by 6.8x YoY. Wind, Coal and Nuclear based generation also increased by 68%, 35% and 28% YoY, respectively
- During Feb'22, fuel cost for power generation decreased by 26.9% MoM to an average of PKR 8.94/KWh compared to an average cost of PKR 12.22/KWh during Jan'22. The decline in fuel cost was due to decline in Coal, FO and RLNG based cost of generation along with 2.9x MoM rise in Hydel based power generation.

Exhibit: Historical Power Generation during the month of February



Source (s): NEPRA, AHL Research

Exhibit: Power Mix During Feb'22 and Feb'21



Source (s): NEPRA, AHL Research

Pakistan Power Sector

Fuel Cost went down 27% MoM during Feb'22

- The decline in fuel cost by 27% MoM to PKR 8.94/KWh during Feb'22 was led by the following reasons:
 - Coal based cost of generation went down by 7% MoM to PKR 13.09/KWh during Feb'22.
 - RLNG based cost of generation declined by 14% MoM to PKR 14.32/KWh due to 2% MoM dip in RLNG prices to PKR 2,254/mmbtu (USD 12.83/mmbtu).
 - FO based cost of generation went down by 6% MoM to PKR 21.46/KWh.
 - Zero power production on HSD, the most expensive source of power generation.
 - Hydel based generation increased by 2.9x MoM during Feb'22.
 - Solar based generation also increased by 25% MoM.

Exhibit: Source wise fuel cost during Feb'22, Feb'21 and Jan'22



Source (s): NEPRA, AHL Research

Exhibit: Historical Trend of Fuel Cost during February



Source (s): NEPRA, AHL Research

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- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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