# Day Break

Friday, June 21, 2024

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Power Generation & Distribution

## May-24: Power Generation Up by 3%y/y

- As per latest data available on NEPRA's website, overall power generation during the month of May-24 increased by +3%y/y to 12,617Gwh owing to higher generation through Nuclear/Hydel, up by +53%/18%y/y. However, Generation is up by +46%m/m during May-24 compared to Apr-24.
- Owing to higher cost of generation and lower demand, power generation declined by -74%y/y to 62Gwh during May-24.
- Gas/LNG based power generation decreased by -11%y/y to 3,857Gwh whereas Coal based power generation decreased by -15%y/y (2,061Gwh) to 1,754Gwh during May-24.
- We expect power generation to increase with the increase in demand during the peak summer season. Generation mix is likely to be led by coal, gas and LNG plants owing to lower cost of generation. RFO based generation is likely to remain low due to the high cost of generation.

### Power generation increased by +3%y/y during May-24

As per latest data available on NEPRA's website, overall power generation during the month of May-24 increased by +3%y/y to 12,617Gwh owing to higher generation through Nuclear/Hydel, up by +53%/18%y/y. However, Generation is up by +46%m/m during May-24 compared to Apr-24. This brings total generation for 11MFY24 to 113,690Gwh, down by -2%y/y, primarily led by -49%/23%y/y decline in production through RFO/Gas despite +9%y/y incline in production through both Hydel/LNG. Hydel/LNG contribution increased to 31%/19% in 11MFY24 whereas RFO/Gas contribution is down to 2%/9% compared to 4%/11% in 11MFY23.

**Power Generation Source-wise**

| Gwh | May-24 | May-23 | YoY | Apr-24 | MoM | FY24TD | FY23TD | YoY |
|---|---|---|---|---|---|---|---|---|
| Hydel | 3,906 | 3,312 | 18% | 2,070 | 89% | 35,144 | 32,121 | 9% |
| RFO | 62 | 241 | -74% | 0 | N/M | 2,164 | 4,260 | -49% |
| Gas | 1,110 | 1,271 | -13% | 975 | 14% | 10,274 | 13,309 | -23% |
| LNG | 2,748 | 2,988 | -8% | 2,157 | 27% | 21,318 | 19,644 | 9% |
| HSD | 0 | 0 | N/A | 0 | N/A | 108 | 206 | -47% |
| Coal | 1,754 | 2,061 | -15% | 902 | 95% | 18,092 | 18,316 | -1% |
| Nuclear | 2,360 | 1,543 | 53% | 2,043 | 16% | 21,156 | 22,197 | -5% |
| Imported Iran | 50 | 34 | 45% | 37 | 35% | 330 | 454 | -27% |
| Mixed | 0 | 28 | -100% | 0 | N/A | 0 | 123 | -100% |
| BAGGASSE | 57 | 75 | -24% | 56 | 2% | 667 | 965 | -31% |
| Wind | 445 | 607 | -27% | 287 | 55% | 3,425 | 3,312 | 3% |
| Solar | 125 | 124 | 1% | 113 | 11% | 911 | 971 | -6% |
| **Total** | **12,617** | **12,284** | 3% | **8,639** | 46% | **113,690** | **115,876** | -2% |

Source: NEPRA, IGI Research

### RFO generation down by -74%y/y during May-24

Owing to higher cost of generation and lower demand, power generation declined by -74%y/y to 62Gwh during May-24. This brings total generation for 11MFY24 to 2,164Gwh down by -49%YoY owing to overall lower generation from Hub Plant, Attock Gen, Hub Narowal, Liberty Power and Atlas etc.

### Gas/LNG generation down by -9%y/y during May-24

Gas/LNG based power generation decreased by -11%y/y to 3,857Gwh in May-24 on the back of lower generation from a) QATPL (down by 188Gwh) b) GENCO III (down by 116Gwh) and other IPPs (cumulatively down by 427Gwh). This brings total generation in 11MFY24 to 31,592Gwh down by -4%y/y.

### Coal based power production is down by -15%y/y during May-24

Coal based power generation decreased by -15%y/y (2,061Gwh) to 1,754Gwh during May-24 on the back of lower generation from Lucky Electric (down by 358Gwh) and Port Qasim (down by 265Gwh). For 11MFY24 generation is down by -1%y/y to 18,092Gwh led by higher generation from plants such as Thar Coal Block-I, Thal Nova and Thar Energy Limited.

**Exhibit: Cost of generation (According to Data released by NEPRA)**

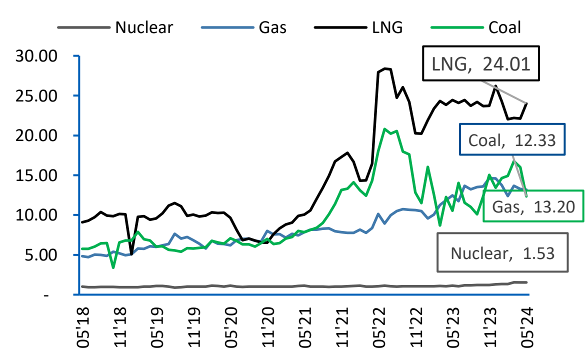
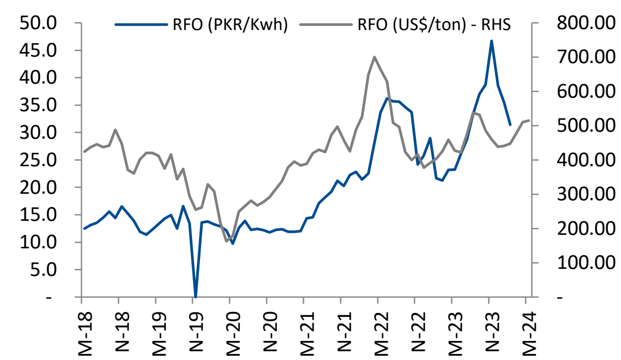



**Exhibit: FO Prices (USD/Mton) and Fuel Prices (PKR/Mton)**




### Total Cost of Generation down by -10%y/y during May-24

As per NEPRA, total cost of generation decreased by -10%y/y to PKR 8.74/kwh during May-24. Power cost on RFO is up by +35%y/y to PKR 31.45/Kwh. Moreover, gas based power generation increased to PKR 13.20/Kwh, up by +6%y/y, while generation cost through LNG stood PKR 24.01/Kwh. For the month of Jun-24, international RFO prices have averaged USD 500.03Mton as compared to USD 514.58/Mton in the preceding month.

**Exhibit: Fuel Wise Generation Mix (%)**

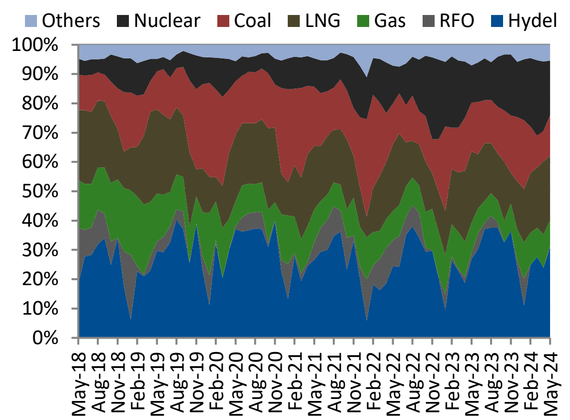
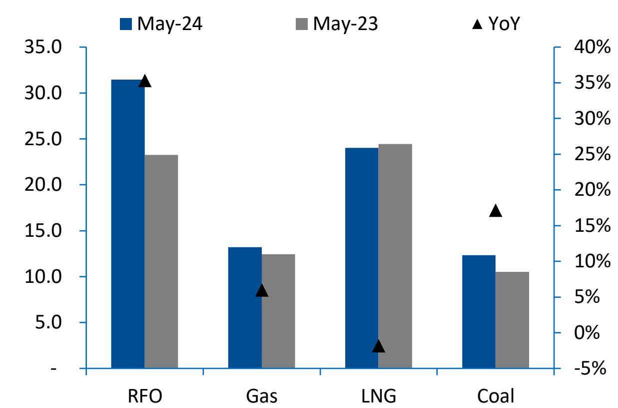



**Exhibit: Fuel Wise cost of Generation – Apr-24 (PKR/Kwh)**




## Outlook

We expect power generation to increase with the increase in demand during the peak summer season. Generation mix is likely to be led by coal, gas and LNG plants owing to lower cost of generation. RFO based generation is likely to remain low due to the high cost of generation.

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