

So far Pakistan has signed 30 Letters of Intent of 1760 megawatts for wind power projects, Energy Purchase Agreement (EPA) and Implementation Agreement (IA) signed by 12 IPPs of 706.4 MW. Five projects 255.4 are operational and nine projects of 500 MW have achieved Financial Close and are under construction. 11 projects of 800 MW have applied for the award of Tariff.

Flare talks to Chief Executive Officer (CEO) Alternative Energy Development Board (AEDB) Amjad Ali Awan. During the interview, he shares some very important information regarding the wind, solar and energy projects.

The Government of Pakistan has tasked the AEDB to ensure 5% of total national power generation capacity to be generated through renewable energy technologies by the year 2030. In addition, under the remote village electrification program, AEDB has been directed to electrify 7,874 remote villages in Sindh and Baluchistan provinces through ARE technologies.

About AEDB success so far

So far Pakistan has signed 30 Letters of Intent of 1760 megawatts for wind power projects, Energy Purchase Agreement (EPA) and Implementation Agreement (IA) signed by 12 IPPs of 706.4 MW. Five projects 255.4 are operational and nine projects of 500 MW have achieved Financial Close and are under construction. 11 projects of 800 MW have applied for the award of Tariff by National Power Regulatory Authority (Neptra). On the basis of available wind data, about 3000 MW of capacity will be developed in the next five years.

He said that his organisation is more focused on designing a sectoral response for increased governmental ownership of renewable energy initiatives. He said that through stakeholder engagement and capacity building, AEDB will work towards addressing energy issues which are institutional in nature.

He elaborates about project execution, environment and incentives for local and foreign investors. Renewable Energy Policy is in place that gives thorough roadmap of project development, procedures, and incentives and defines the role of stakeholders in a concrete way. Standardized security agreements (EPA and IA) for Wind, Solar and biomass/bagasse co-generation projects made available.

Detailed resource mapping for wind, solar and biomass resources being carried out by Energy Sector Management Assistance Program (ESMAP) of the World Bank.

Quality standards enforced to restrict the import of sub-standard solar equipment being introduced. No customs duty or sale tax for machinery equipment and spares meant for the initial installation or for BMR and expansion of RE projects.

About incentives for Renewable Energy Projects

Exemption from income tax, including turnover rate tax and withholding tax on imports is a big incentive for investors. Repatriation of equity along with dividends freely allowed, subject to rules and regulations prescribed by the State Bank of Pakistan.

Parties may raise local and foreign finance in accordance with regulations applicable to industry in general. GoP approval may be required in accordance with such regulations. Permission for power generation companies to issue corporate registered bonds.

About Role of AEDB as a one Window Entity

Standard bankable project agreements available Guaranteed Power Purchaser Permission to issue shares at discounted prices to enable venture capitalists to be provided higher rates of return proportionate to the risk.

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Permission for foreign banks to underwrite the issue of shares and bonds by private power companies (IPPs) to the extent allowed under the laws of Pakistan.

To another question, he said that the companies of wind, solar and alternate energy projects have given proposals to the government after financial guarantee, issue a letter to the company by AEDB.

We are at war to overcome energy Crisis

AMJAD ALI AWAN
CEO AEDB



“Amjad Ali Awan is a man of principle and being an honest and dedicated public servant, the government has given him a key post of CEO AEDB. The government has given him task to find out the sources to overcome the power crisis through renewable energy projects and bring foreign in Pakistan. He thinks Pakistan is in state of war to combat climate and energy woes.”

Within no time, it issues letter to the investors of renewable energy projects because it is very easy and convenient method introduced by the department.

About AEDB process to move ahead

He further said that when the AEDB receive any request letter for the project, it called all departments for negotiations and suggestions.

AEDB strictly follows three major rules and regulations before issue of the letter or NoC to the project. First, there is no Wapda grid station or transmission near the project, it should be free environmental health hazards and safety of the residents living in adjourn area than Neptra authority issues the power generation licence to the company when AEDB issues the Letter of Support. After issuance of the Letter of Support it gives 12 months as timeframe including financial guarantee.

About Solar power high tariff and prospects

He also explains that tariff of solar power increasing for the purpose of boost up foreign investment. In Pakistan, the capacity of solar power increasing day-by-day. Due to increasing capacity of solar there is an urgent need to establish solar panel and batteries factories.

He answered the question, in our country, especially Sindh we produce 34K-40K MW from wind energy. Pakistan is the best place for solar energy because of summer and sunny weather, and we will produce a lot of electricity. For example the Government of Punjab started 1000 MW and working effectively for the completion of project efficiently.

About major issues of alternative energy

The first crucial issue for the energy crisis is transmission line and infrastructure development. This is the responsibility of government to provide transmission line to projects. Second crucial problem is tariff and government is taking serious actions. Government is trying to set the tariff of solar this could help to boost the investment in Alternative Energy Power Plants.

He said that the production of wind energy and solar energy give more benefits, this energy easily produce in our country. Alternative Energy Power Plants are future technology and our board responsibility to encourage the investor and also remove hurdles in the path of these projects, and also give one window help services for the start of projects. He said more that we are supporting stakeholders for enhancing and encouraging foreign investment. The present government and Federal Minister for Water and Power Khawaja Muhammad Asif are exemplary options for the promoting of alternative energy.

Alternative Energy Development Board (AEDB) is the sole representing agency of the Federal Government that was established in May 2003 with the main objective to facilitate, promote and encourage development of Renewable Energy in Pakistan and with a mission to introduce Alternative and Renewable Energies (AREs) at an accelerated rate. The administrative control of AEDB was transferred to Ministry of Water and Power in 2006. ■