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## Rs2 billion wrap up for Thar Coalfield

### PREPARATION OF DOCUMENTS FOR INTERNATIONAL BIDDING FOR THAR COAL SCHEME UNDER THE WORLD BANK'S TECHNICAL ASSISTANCE LOAN OF \$30 MN.

Sindh Chief Minister Syed Qaim Ali Shah has approved Rs2 billion package while presenting the provincial budget for 2009-10 on Monday for development of infrastructure at Thar coalfield. The progress of Thar coal is being phrased as tactical asset for Pakistan's energy sector which has been sighted after a dilemma as it would be vital in providing economical source of generating electricity to meet the increasing future demand. Although, quick track bidding process could perceive some development on the coal-based energy generation projects. KESC is also considering two small coal-based generation plants as an element of raising a mixed energy basket. On the other hand, China National Machinery Corporation and Oracle Coalfield (UK) have completed their exploratory work in Sonda and Thar coalfields and they are expected to submit their reports soon. Minister also referred to the efforts being made to bind alternative energy sources like solar, wind and geo-thermal in collaboration with international and national companies.

## Coal configuration

Coal is a major source of electricity in the world and some of the countries use coal in significant amount for electricity production like, United States 50%, Greece 58%, Germany 47%, India 69%, China 78% Australia, 80% and South Africa 93%. In Pakistan the share of coal in the energy mix is about 5% and in power generation even less than 1% despite the fact that Pakistan ranks among those countries which possess vast deposits of coal. Pakistan has been gifted with rich coal reserves-estimated to be over 185 bn tons, having production of only 3.31 mn tons and with consumption of 4.04 mn tons. This reserve could be used for production of electricity at a much cheaper cost and to overcome the power shortage that is unleashing long and dark hours of load shedding and badly hurting industrial production. These resources may be used for the production of sufficient electricity for the requirement of the country.

## Projected macro formation

PEPCO was working on all sides to make all possible arrangements for injecting 3000 MW electricity in the distribution system soon. The government had predetermined a target of 3,858 MW power generation during the year 2009-10. The boost in power generation includes 1381 MW of rental plants, 1949 MW of IPPs, 478 MW of hydropower and 50 MW of wind power from biomass to be supplementary in PEPCO system. The progression of generation may become pathetic because of outsourcing factors and import oriented structure however, Coal being national source could view more efficient element for generating capacity over the country. Govt is focusing home-grown energy resources like coal, hydro and wind, which the country has in plenty and if these possessions are developed, this can sheltered cheap energy supplies for the next 100 years. The important factor is to promotion of energy conservation measures, and the methodology of a realistic management plan in consultation with all stakeholders to save 25 to 30% energy, as a result saving foreign exchange, which is being spent on account of imports. The government has strong-minded the model policy mix for energy requirements and this time wants to enhance the power generation through alternative sources at affordable rates that includes allowance of duty free import of equipment (solar cells and wind turbines). Federal Board of Revenue (FBR) has decided to maintain with the exclusion of customs duty and tariff concessions offered to power sector in Budget 2009-10. The acknowledgment rate of 5% duty sets available on the import of machinery, equipment, and auxiliary for oil, gas, coal and hydel projects, and temporarily imported construction machinery, equipment and specialized vehicles for these developments.