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PAKISTAN

ENERGY Forum 2015

OIL & GAS - RENEWABLES - POWER - INVESTMENTS

7th Annual Assembly of Energy Sector Stakeholders
19 February 2015, Serena Hotel, Islamabad

THEME: "Streamlining Energy Priorities for
Developmental & Economic Growth"

RECOMMENDATIONS



KEY RECOMMENDATIONS

From speakers at ENERGY Forum 2015

SPEAKERS and CHAIRPERSONS at the 7th Pakistan Energy Forum 2015, organized by SHAMROCK Conferences International and held in Islamabad on 19th February, 2015, presented the following RECOMMENDATIONS in their deliberations:

1. Pakistan has great potential for indigenous resources. The key challenge to unlock this potential is the creation of the right policies and incentive structures to attract the required capital.
2. Stress on the need to stabilize prices and foster investments, while ensuring optimum supply of fossil fuels and other energy resources in the country. The main task of the government is to devise and implement frameworks for a vibrant competitive energy market in Pakistan.
3. E&P companies in Pakistan can limit the impact of decrease in revenue due to falling oil price by concentrating on high ranging exploration prospects and consolidating their discoveries through focus on development and enhancement in production.
4. In renewable energy projects, storage of electricity increases the cost greatly because there is no grid scale storage system available in Pakistan yet. One solution for getting 24/7 power supply through renewable energy technology is to use a hybrid system e.g. 1000 MW solar PV + 1000 MW thermal (coal, gas, furnace oil).
5. A hybrid (RE + coal or gas) system can provide 24/7 for 40 years, and is financially more profitable than RE alone, or nuclear. If Pakistan can secure financing of multiple power projects from friendly countries, it can secure one for a hybrid system too.
6. If we need to add 1000 MW of electricity to the grid. The best option is to have leveled costs (all the discounted costs over the project lifetime divided by total energy). The lowest LC is the best choice.

7. Be aware, climate change threats may lead Pakistan to major concerns in terms of its Water Security, Food Security, Energy Security and National Security. Pakistan is among the top 8 countries most vulnerable to climate change.
8. If temperatures rise by more than 2°C, the effects could be sudden and irreversible. We still have time to slow down or adapt to climate change. Many useful technologies already exist, and make good economic sense but urgent action is needed now.
9. There are two key ways of responding to climate change: - Through Adapting to the changes, OR; Through Mitigation measures: GHG emissions reduction. December 2015 is the target date for a worldwide agreement that will unite all countries in an ambitious response to climate change.
10. Net Metering is the buzzword nowadays – It is the concept of producing solar energy at distributed locations and tying it in to the local electricity grid. Its main advantage is that every rooftop and open space becomes a small generating unit that can serve household needs as well as drive energy in to the local grid.
11. Hydel-Thermal mix in Pakistan is 31:69, which is almost the reverse of an ideal Hydel-Thermal mix of 70:30, which is necessary for overall economic development of the country.
12. Water Wing of WAPDA usually operates under financial stress. Therefore it is recommended that a fixed percentage of the amount must be allocated to WAPDA. More importantly there will be a need of revenue for the future responsibilities of WAPDA for sustainable development and implementation of new projects.
13. Application of High Efficiency Irrigation Systems – Drip / Sprinkler etc., Regulation of Ground Water Abstraction, Treatment of Saline Effluents for irrigation for productive use, and Capacity-Building is the way-forward.
14. Both the governments of Sindh and KPK have taken progressive initiatives and therefore, ensuing projects must be fast-tracked to spur industrial growth and minimize power shortages.

15. Financial Leveraging of various power projects in Khyber Pakhtunkhwa Province was also recommended, besides faster Capacity-Building at provincial and federal levels.
16. Focus on Balochistan, it has massive potential and potential for hydrocarbon and minerals exploration, especially oil & gas, to meet the energy requirements of the whole country. Gwadar is strategically located very close to the Straits of Hormuz where 30 % of the world's daily oil supply moves by ship or pipelines, between oil-rich Middle East, Central Asia and the heavily populated South Asia. Baluchistan is also blessed with seven wind-corridors, massive coal mines and long coast-line offering wave energy. So, it can easily be turned into the Energy Corridor of the World.
17. Pakistan is excessively focused on attracting foreign investments for power projects. We must channelize local money towards the power sector. Inefficiencies in the power generation and distribution system must be removed. Softer loan programmes should be launched to nurture the Renewable energy projects. Collection losses and real losses to the distribution companies should be minimized.
18. According to the Energy Information Administration (EIA), Pakistan has technically recoverable reserves of 105 TCF of Shale Gas and 9.1 Billion Barrels of Shale Oil. These can help improve the level of energy-security in Pakistan in future.
19. In order to exploit the opportunity created by Pakistan's geographical location in the Solar Belt, we can possibly establish Standalone Solar Micro Grids, which will provide a Clean Source of Energy. For this, we do have the expertise available in the local market. Pakistan should consider creating a one-window solution for IPPs, to simplify the procedure of establishing such projects.
20. Renewable Energy is a must for Pakistan due to the abundant local availability of Solar, Wind, Hydro, and bio-mass and Geo-thermal resources. We should take inspiration from countries like; Germany, where 20 million Germans already live in a 100% Renewable energy environment. Scotland also aims to derive 100% of its electricity from Renewable sources by the year 2020.