

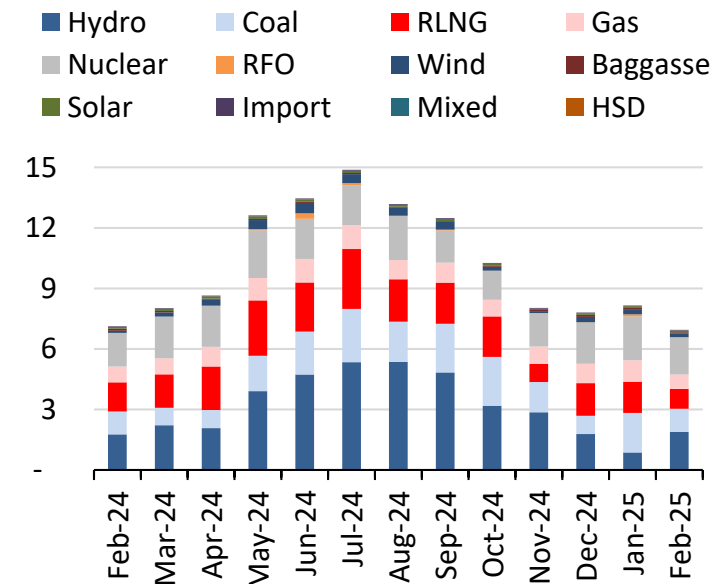
Power Generation

February Power Generation Reaches 6 Year Low

19 March 2025

- **Generation down 2.6% Y/Y.** Power generation declined by 2.6% Y/Y to 6,945 GWh during Feb-25, 5% below the reference generation. This is despite the government's Bijli Sahulat Package (Dec-24 to Feb-25) and improvement in industrial activity, likely driven by increased solarization. Feb-25 saw a Y/Y output decline of 9% in Gas and 32% in RLNG power plants.
- **DISCOs seek a 8th consecutive negative FCA in Feb-25.** The adjusted fuel cost in Feb-25 stood at PKR 8.23/KWh, lower than the reference cost of PKR 8.53/KWh. Consequently, DISCOs seek a negative FCA of PKR 0.30/KWh for the 8th consecutive month, attributed to lower fuel prices than anticipated by NEPRA and a better fuel mix for FY25. The 12.9% Y/Y decline in fuel cost is due to lower RLNG mix vs SPLY.
- **FO power plants face no utilization in Feb-25.** All FO based power plants in Optimus' universe remained unutilized in Feb-25. This is due to lower seasonal demand, accompanied by significant capacity additions available with lower variable costs in the NTDC system. Additionally, SPWL remained unutilized as well in Feb-25. EPQL's utilization remained stable at 44.4% in Feb-25. With ROE now based on hybrid take-and-pay basis, future utilization levels are key to overall valuations.
- **CPHGC utilized after 3 months of non-utilization.** In Feb-25, CPHGC's utilization increased to 13.3%. TEL's load factor declined substantially to 22.7% from 57.7% last month, while TNPTL's utilization increased to 65.7% in Feb-25, from 54.1% last month.
- **Outlook.** Power generation in Mar-25 is expected to rise due to seasonal factors. Hydel generation may rise with higher hydel flows while generation from other fuel sources is expected to rise with higher seasonal demand. FO generation will stay minimal due to low demand and high costs.

Power generation trend '000' GWh



Source: NEPRA, Optimus Research

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REN: REP-107



Power generation declined by 3.2% Y/Y during 8MFY25

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GWh	Feb-25	Jan-25	M/M	Feb-24	Y/Y	8MFY25	8MFY24	Y/Y
Hydel	1,883	866	117.4%	1,766	6.6%	26,115	26,971	-3.2%
Coal	1,151	1,964	-41.4%	1,129	1.9%	14,980	14,575	2.8%
<i>Coal - Local</i>	<i>1,043</i>	<i>1,269</i>	<i>-17.8%</i>	<i>994</i>	<i>4.9%</i>	<i>9,706</i>	<i>10,560</i>	<i>-8.1%</i>
<i>Coal - Imported</i>	<i>108</i>	<i>695</i>	<i>-84.5%</i>	<i>135</i>	<i>-20.0%</i>	<i>5,274</i>	<i>4,015</i>	<i>31.4%</i>
HSD	-	-	n.m	-	n.m	-	108	-100.0%
RFO	-	109	-100.0%	-	n.m	261	2,104	-87.6%
Gas	716	1,069	-33.0%	787	-9.0%	7,547	7,395	2.1%
RLNG	980	1,542	-36.4%	1,450	-32.4%	14,162	14,756	-4.0%
Nuclear	1,847	2,169	-14.8%	1,660	11.3%	14,952	14,683	1.8%
Import	30	34	-11.8%	26	15.4%	300	215	39.5%
Mixed	-	-	n.m	-	n.m	-	-	n.m
Wind	174	218	-20.2%	108	61.1%	2,180	2,489	-12.4%
Baggasse	79	95	-16.8%	101	-21.8%	513	477	7.5%
Solar	85	86	-1.2%	90	-5.6%	728	564	29.1%
Total	6,945	8,153	-14.8%	7,130	-2.6%	81,738	84,427	-3.2%

Source: NEPRA, Optimus Research

Reduced RLNG contribution has lowered fuel cost Y/Y

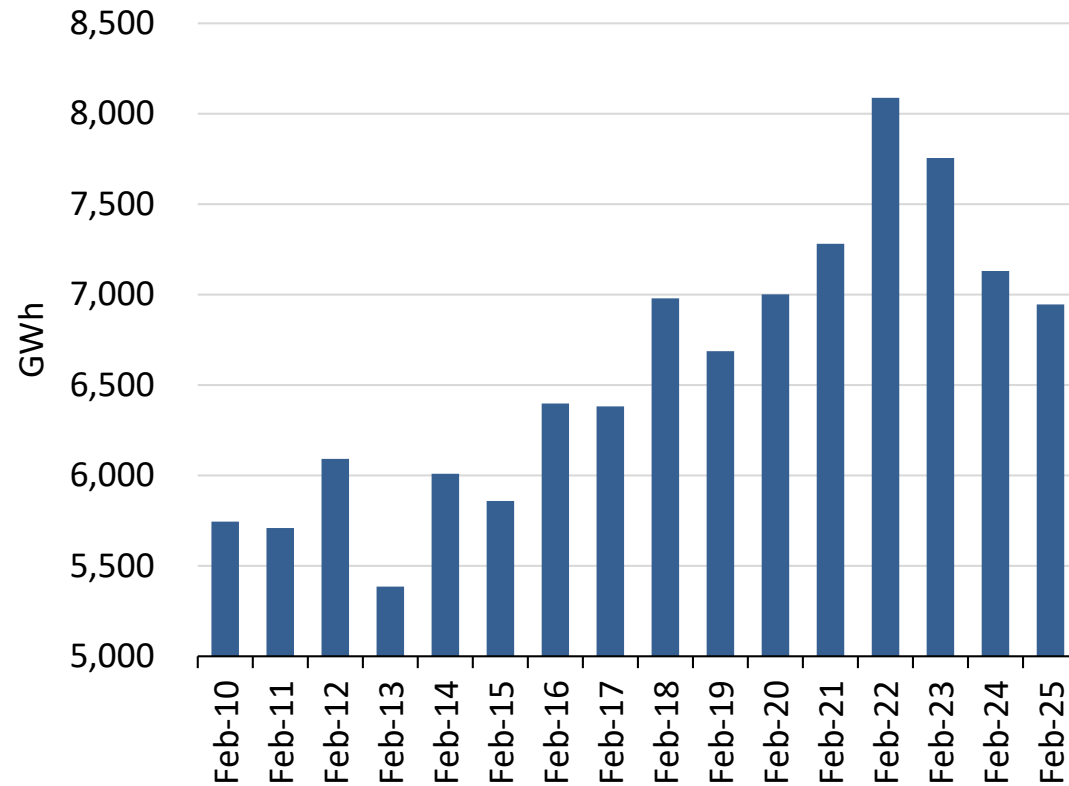
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PKR/KWh	Feb-25	Jan-25	M/M	Feb-24	Y/Y	Feb-25	Jan-25	Feb-24
						Contribution to Fuel Cost		
Hydel	-	-	0.0%	-	0.0%	-	-	-
Coal	14.26	15.52	-8.1%	14.88	-4.2%	2.36	3.74	2.36
<i>Coal - Local</i>	<i>13.78</i>	<i>12.54</i>	<i>9.9%</i>	<i>14.19</i>	<i>-2.9%</i>	<i>2.07</i>	<i>1.95</i>	<i>1.98</i>
<i>Coal - Imported</i>	<i>18.90</i>	<i>20.96</i>	<i>-9.8%</i>	<i>20.02</i>	<i>-5.6%</i>	<i>0.29</i>	<i>1.79</i>	<i>0.33</i>
HSD	-	-	0.0%	-	0.0%	-	-	-
RFO	-	30.44	-100.0%	-	0.0%	-	0.41	-
Gas	13.36	13.21	1.1%	12.38	7.9%	1.38	1.73	1.37
RLNG	22.35	22.47	-0.6%	22.03	1.5%	3.15	4.25	4.48
Nuclear	1.83	1.81	0.8%	1.32	38.4%	0.49	0.48	0.31
Import	28.28	26.35	7.3%	27.20	4.0%	0.12	0.11	0.10
Mixed	-	-	0.0%	-	0.0%	-	-	-
Wind	-	-	0.0%	-	0.0%	-	-	-
Baggasse	5.97	5.98	-0.2%	5.98	-0.2%	0.07	0.07	0.08
Solar	-	-	0.0%	-	0.0%	-	-	-
Total	7.57	10.79	-29.8%	8.70	-12.9%	7.57	10.79	8.70
Total (Final)	8.23	11.01	-25.2%	9.43	-12.7%			
Reference	8.53	13.01	-34.5%	4.43	92.3%			
FCA	(0.30)	(2.00)	-85.1%	4.99	-106.0%			

Source: NEPRA, Optimus Research

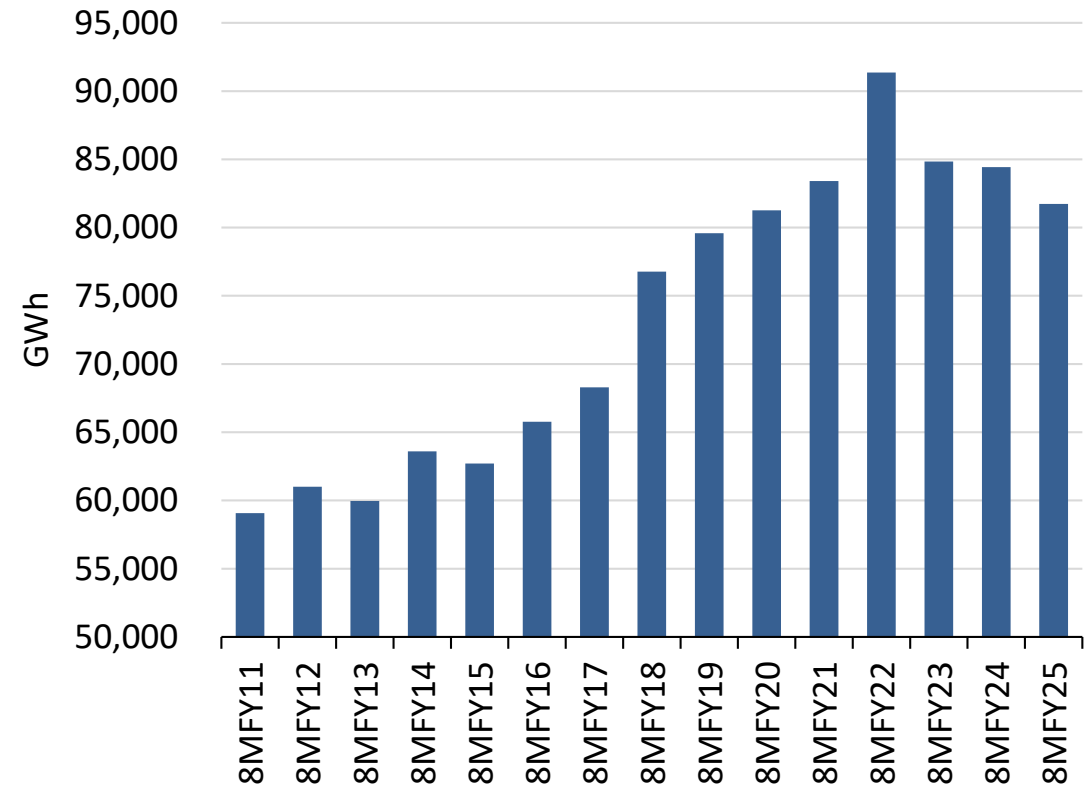
Yearly power generation slump persists

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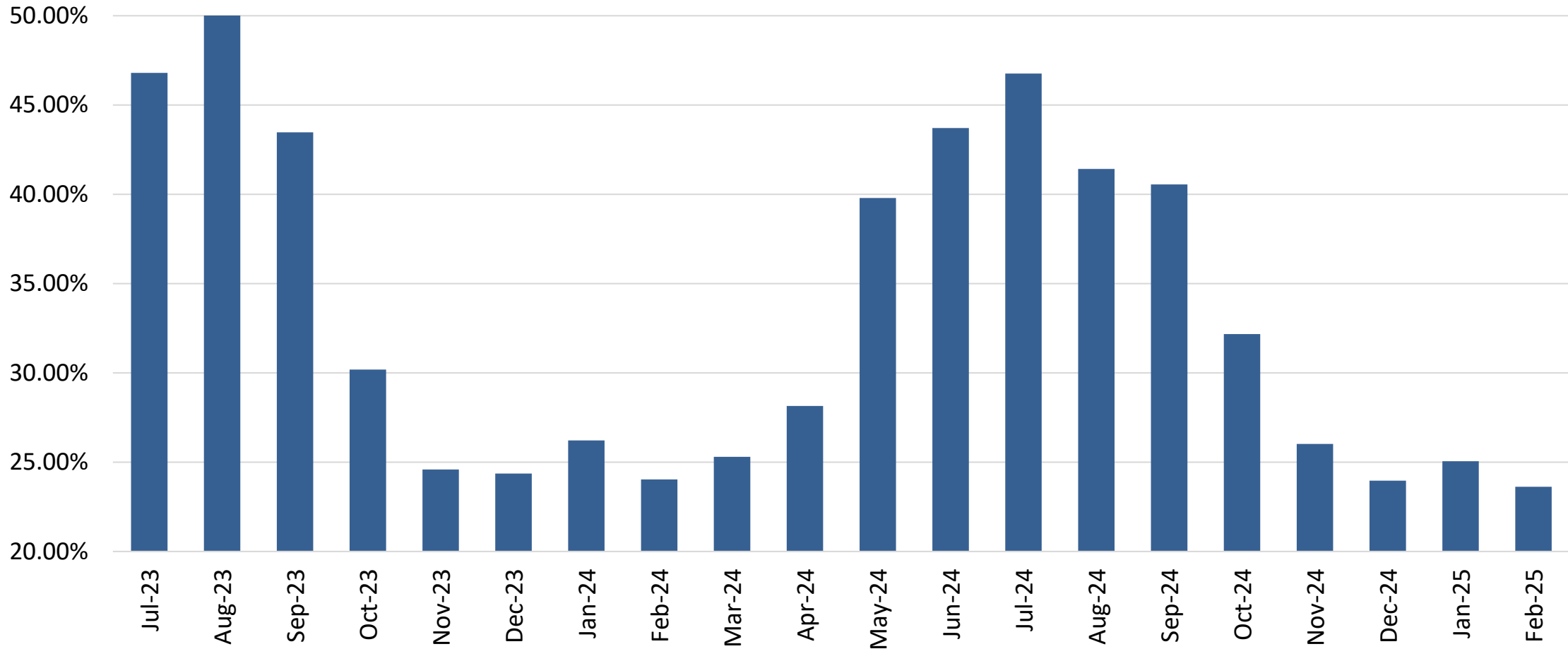
Source: NEPRA, Optimus Research

5 Year Power Generation Low on a cumulative basis



Source: NEPRA, Optimus Research

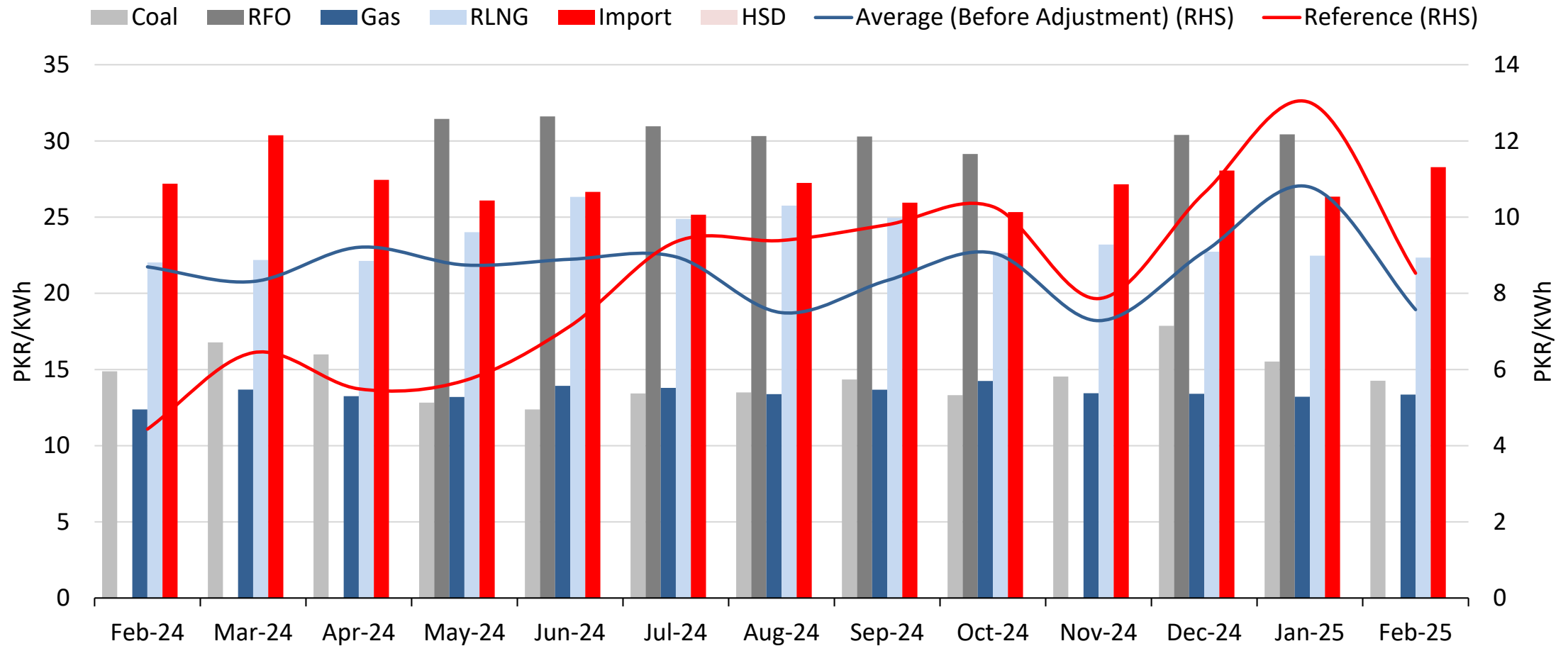
Pakistan's power capacity utilization remains suboptimal



Source: NEPRA, Optimus Research

Fuel cost declined Y/Y in Feb-25

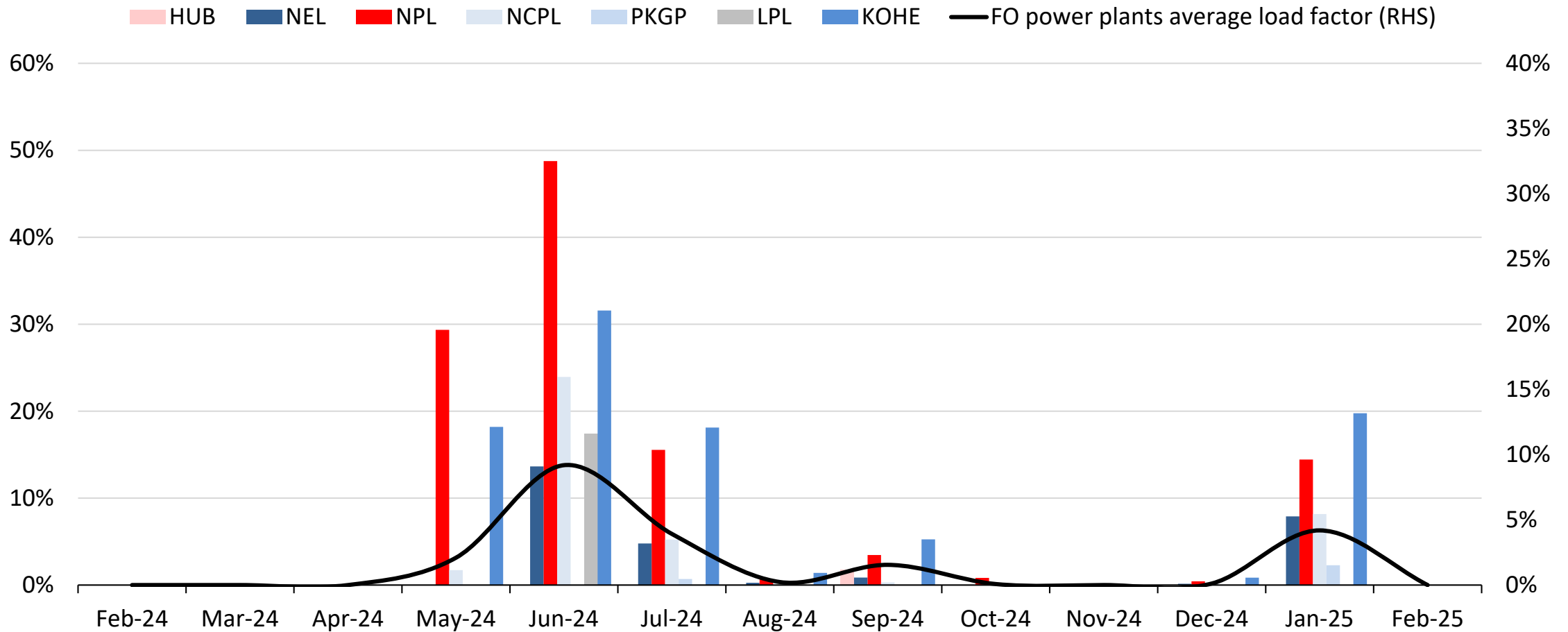
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Source: NEPRA, Optimus Research

FO power plants face 0% utilization in Feb-25

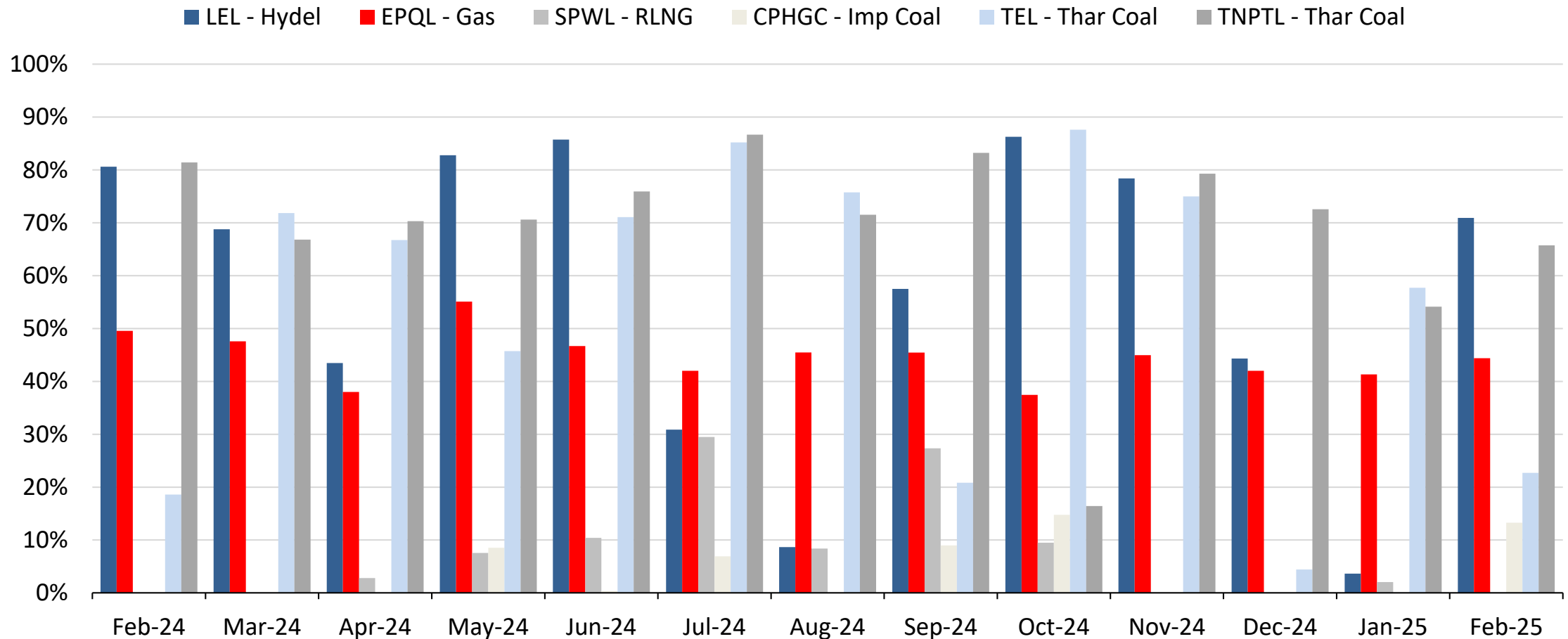
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Source: NEPRA, Optimus Research

CPHGC utilized after 3 months of non-utilization

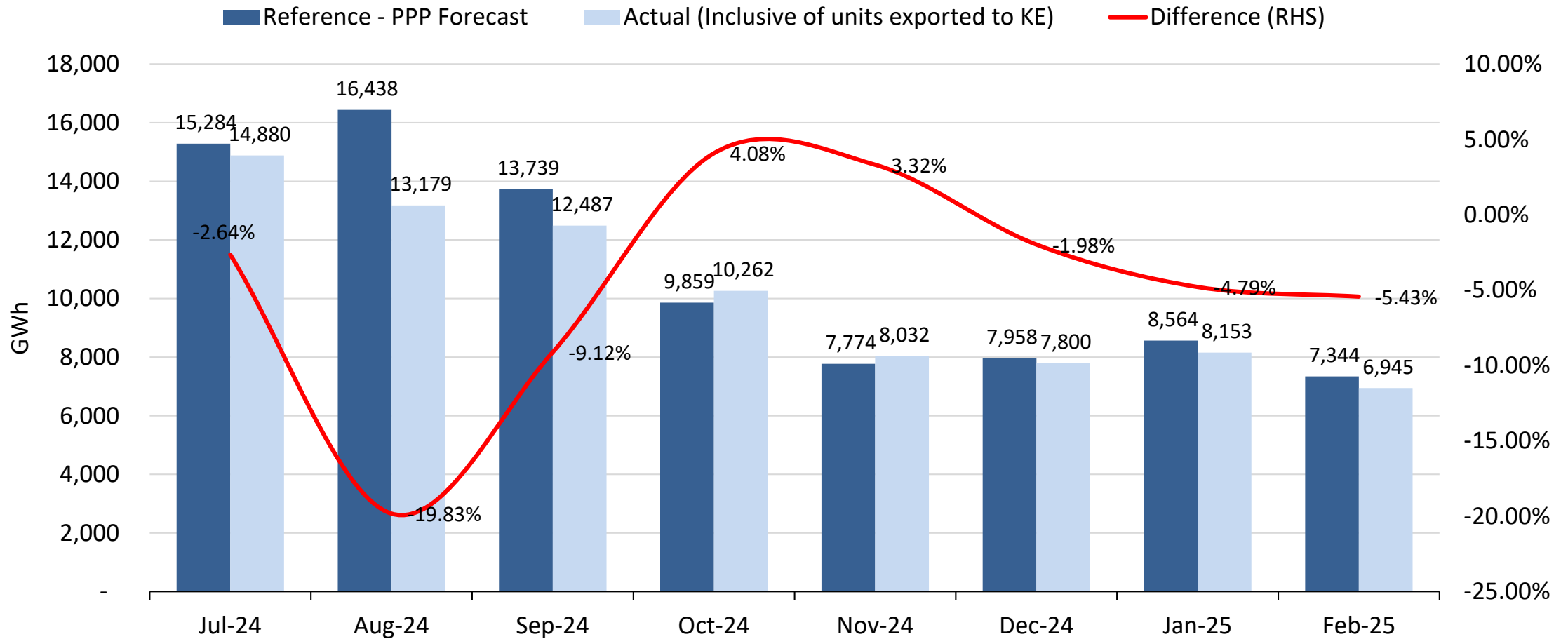
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Source: NEPRA, Optimus Research

During Feb-25, power generation was 5.43% lower than reference generation

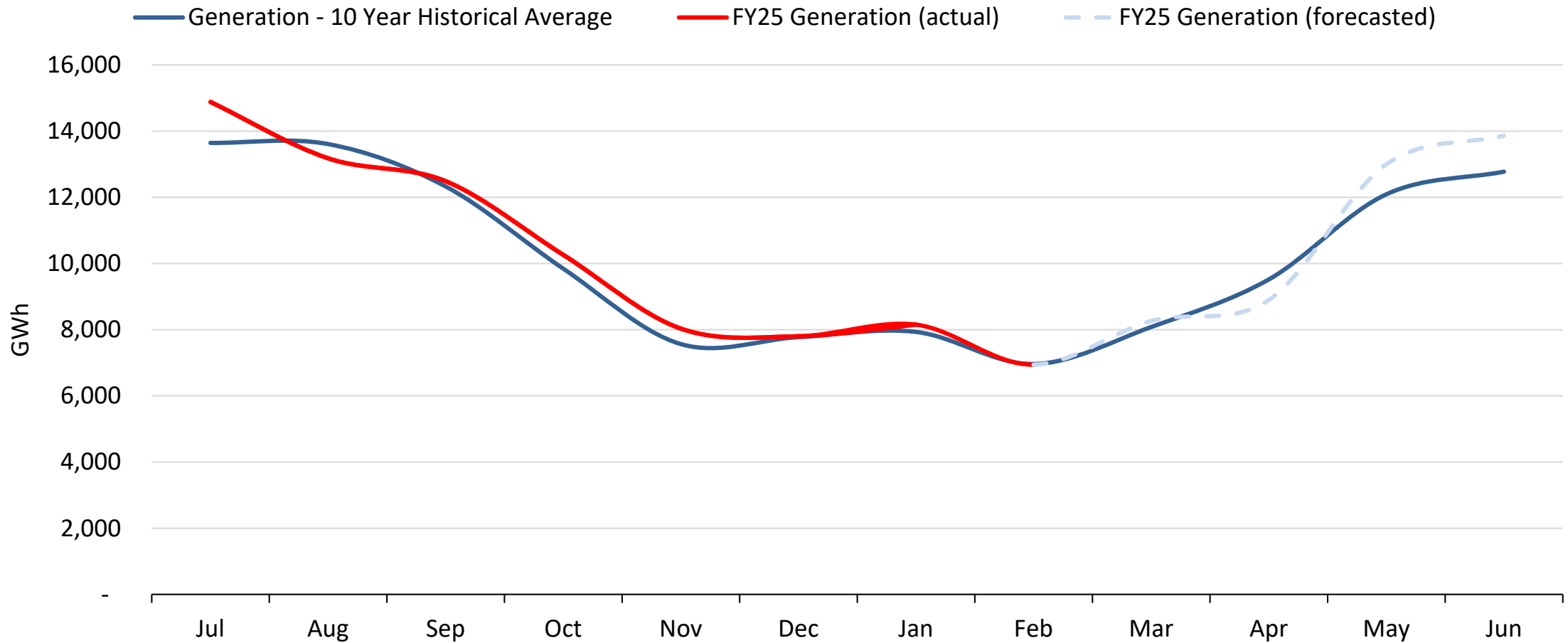
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Source: NEPRA, Optimus Research

Power generation to rise in Mar-25

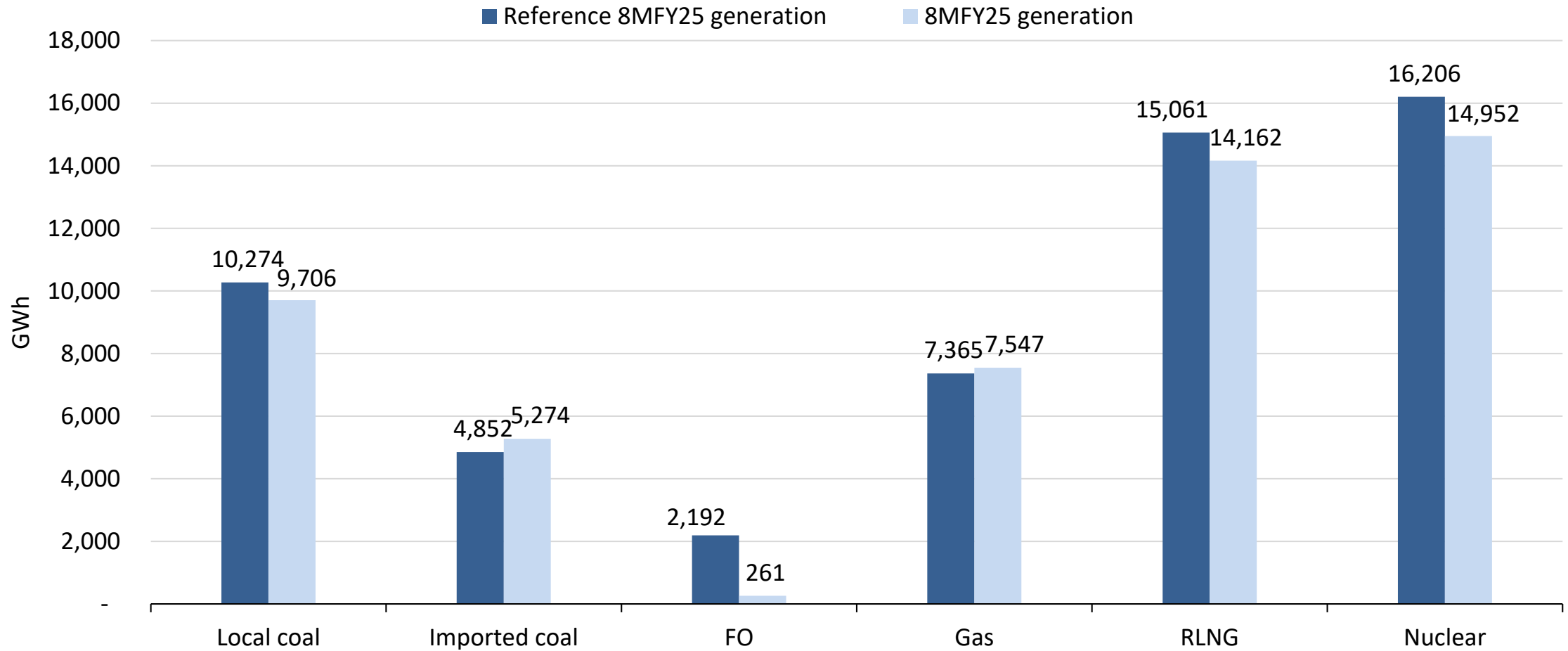
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Source: NEPRA, Optimus Research

Improved NEPRA fuel mix forecast

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Source: NEPRA, Optimus Research

Analyst Certification

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