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5,300MW Plants will be converted to coal: Syed Naveed Qamar

KARACHI - The speakers at an International Coal Conference 2011 on Saturday emphasized on the Federal Government to develop the Thar Coal reserves for ensuring energy security in Pakistan. They also stressed to switch the power generation from existing expensive furnace oil and gas to coal based plants.

Renowned international and national coal sector specialists, foreign investors, existing project developers, representatives of development financial institutions, diplomatic corps and other stakeholders attended the international event, which was organised by Coal and Energy Department of Sindh and Sindh Board of Investment here at a local hotel. Prime Minister Syed Yousuf Raza Gillani delivered the concluding speech at the one-day conference.

The international conference was told that Thar region of Sindh province is endowed with mammoth coal (lignite) reserves estimated to be 175 billion tonnes which can produce 100,000MW of electricity for next 300 years and can be a key to energy security and economic prosperity.

Federal Minister for Water and Power Naveed Qamar, while addressing the conference, said the government is focusing its attention on shifting power generating system from existing expensive furnace oil and gas to coal. "The government has started working on the policy of retrofitting 5300MW of furnace oil based power plants to coal-based initially on imported coal and then on indigenous coal when available," he informed the audience.

He dispelled the image that the government was not ready to import electricity from Iran, saying that federal government has already made an agreement with neighboring country to import electricity for Gawadar through Zahidan route.

He admitted that the needs of electricity through rental powers plants/PPs have not been fulfilled, so we have to think on other options and explore other resources for power generation. The Coal reserves of Thar could be sustainable solution of energy crisis, he said, reminded that

previous government deliberately shelved the Thar Coal projects, which was inaugurated by the Shaheed Benazir Bhutto during her second government.

If the Thar Coal field project was not hindered by the successors of the PPP government in past, the country would not have been facing the energy crisis today, the federal minister said.

Naveed Qamar said the present government has approved an attractive incentive package to facilitate investment for the development of Thar coal reserves. The development of infrastructure has also been given immense importance. Infrastructure projects are being executed on a fast-track basis, he added.

Sindh Chief Minister Sindh Syed Qaim Ali Shah, in his welcome address, highlighted the objectives of this first-ever international coal conference and thanked President and Prime Minister of Pakistan for extending their utmost support for the early materialization of Thar coal projects.

He said that early announcement of upfront of tariff for power generation to be produced from Thar coal reserves will attract the investors. He also advocated for conversion of power generation from existing furnace and gas to coal based generation.

The representatives from international investment firms and coal mining companies made presentations in the conference and termed the Thar Coal 'good for production of electricity'. Removing the misconceptions about Thar Coal, Dr. Marcos Leontidis, mining expert from Greece, said that the stripping ratio in Thar is around 6.6: 1, which is much better than many lignite mines in the world including Greece. Dr. Larry Thomas, coal expert from United Kingdom, said that sulphur content in Thar is acceptable being at 0.7%, which is lower than found in many other lignite resources already being used in the world and its moisture levels are same or even less than found in most of the lignite mines in the world. He further said the coal from Thar although may not be exportable to other countries but can be transported to be used in other parts of the province after drying. Dr. Nigel Pickett from UK in his presentation said renewable energy cannot provide Pakistan reliable energy supplies due to its seasonal and cyclic nature. It has to be part of country's energy mix to meet the peak demands and reduce fossil fuel consumption. Volatility of oil prices in 2007 brought heavy stress on the economy and indigenous coal provides the only option to achieve energy security for the country.

Mr. Zubair Motiwala, Chairman Sindh Board of Investment, briefed the forum about investment potential of Thar coal and said many international companies from China, South Korea, Germany, Czech Republic, Australia, UK and Turkey have shown their interest in investment in coal mining and power generation in Thar Coal and also in the infrastructure projects. He also informed that the Government of Sindh is conducting 3rd International Competitive Bidding for blocks VIII, IX and X of Thar Coalfield and also blocks in Sonda and Badin for attracting international companies to develop coal mining and power generation projects in Sindh.

Mr. Mohammad Younus Dagha, Provincial Secretary Coal and Energy Development Department/MD Thar Coal and Energy Board stressed the need to create an ideal energy mix by replacing imported furnace oil to indigenous coal for power generation. He further said pursuing policy to replace Oil with Indigenous Coal in power generation will provide, fuel security, foreign exchange savings, lower electricity tariffs and increase the viability for Coal Projects in country. Pakistan with almost zero carbon footprint and very high proportion of renewable energy can pursue its case for financing its coal projects.