

Chairman NAB- Islamabad Pakistan
DG FIA- Islamabad Pakistan
DG IB- Islamabad Pakistan

CC-

DG –ISI Islamabad
Chief of the Army Staff General Syed Asim Munir Ahmed Shah,

Subject -Economic Espionage Uncovered: The Circular Debt Conundrum and NEPRA & KE-Electric's Actions

As I write this plea, my heart aches at the catastrophic repercussions of soaring electricity prices in Pakistan. These relentless hikes are unravelling the economic and social fabric of the nation, jeopardizing not only the energy sector but also the broader stability of the economy. The crisis is exacerbated by economic espionage from our neighbor, whose declared agenda is to [destabilize Pakistan](#) on the economic front by using energy as the most lethal tool. Despite my efforts to expose these covert assaults, they remain overlooked by our intelligence agencies.

The problem is cyclical and deeply entrenched. Each tariff increase sparks a cascade of unintended consequences, undermining revenue goals and reform efforts while igniting unrest that threatens national sovereignty. The relentless cycle traps the people in perpetual economic distress, fueling despair and instability.

Yet, I hold onto hope. I urge the IB, FIA, and NAB to unite in addressing this crisis. Breaking the chains of corruption and inefficiency requires steadfast commitment, free from political influence or external pressure. The solution is within reach; it demands dedication, accountability, and an unwavering resolve to secure the nation's future.

Probe and Fix into NEPRA & KE-Electric's Dubious Role in Unending Massive Circular Debt

As a patriotic Pakistani, I have consistently monitored the country's energy sector, particularly the circular debt, tariff structures, and project costs. My scrutiny is driven by a deep-seated concern for the nation's economic well-being, transcending mere professional curiosity.

Through my regular writings in the media, I have endeavored to highlight the pressing issues plaguing our energy sector. My op-eds, penned with a sense of urgency, have sought to emphasize the sector's role in exacerbating Pakistan's economic woes, as exemplified by the title "[Power sector role in turning Pakistan into a begging bowl.](#)"

Recent reports of K-Electric's solar projects achieving record-low bids have sparked my attention. A closer examination of the bids revealed that the Winder and Bela solar projects secured tariffs of Rs11.65 per unit and Rs11.20 per unit, respectively or **USD 0.0416 per unit (kWh)**. These figures warrant further scrutiny, particularly in the context of global benchmarks and the prevailing energy landscape in Pakistan.

In light of these developments, I urge stakeholders to conduct a comprehensive review of these solar projects, ensuring that the tariffs agreed upon are genuinely competitive and aligned with the nation's economic interests.

https://tribune.com.pk/story/2515384/k-electric-solar-projects-achieve-record-low-bids#google_vignette

Given the global downward trend in solar tariffs, primarily driven by advancements in technology, economies of scale, and increased market competition, it is imperative to ensure that solar projects in Pakistan are competitively priced.

Notably, recent international benchmarks demonstrate significantly lower tariffs, such as:

- The Central Electricity Regulatory Commission (CERC) in India approved a tariff of approximately **USD 0.0304/kWh**.
- The Solar Energy Corporation of India Limited (SECI) auction achieved a record-low tariff of **USD 0.0270/kWh** for 1,070 MW of solar projects in Rajasthan.
- Eni SpA's winning bid of **USD 0.032/kWh** for a 50-MW solar project in Kazakhstan.
- It is noteworthy that the Member Technical NEPRA has publicly commended K-Electric's open bidding process through the media. However, it appears that this acknowledgement may have overlooked the historical context of previously approved solar power projects by NEPRA.
- Notably, these earlier projects were granted tariffs approximately half of the current bid prices, despite the rupee-dollar exchange rate being around 1 USD = 100 PKR at the time. This discrepancy raises serious concerns regarding the transparency and competitiveness of the current bidding process, potentially indicating bid rigging or collusive tendering.

	Capacity MW	Tariff Rs. / kWh	date
JAVED SOLAR PARK (PVT.) LIMITED	50	7.5327	21-Feb-20
Helios Power	50	6.2026	25-Jan-18
FAS Energy Pakistan (SMC-Private)	50	7.5257	21-Feb-20
Enertech Bostan Solar (Pvt.)	50	6.9474	11-Feb-20
Kulachi Solar Power (Private)	50	7.5329	21-Feb-20
Siachen Energy Limited	100	6.6444	20-Jan-21
P&G Energy (Private)	62.2	7.0136	19-Nov-18
Gharo Solar (Pvt.)	50	6.7272	8-Jul-20
Zorlu Solar Pakistan (100	6.2562	25-Jan-18
NASDA Green Energy (Pvt.) L	50	7.234	25-Jan-18

Pakistan's electricity market is plagued by a flawed business model, courtesy of NEPRA, which prioritizes passing on costs to consumers rather than ensuring transparency and competitiveness. My experience with NEPRA has been nothing short of disheartening, as they seem to turn a blind eye to the actual EPC costs of power projects, even when tariffs are exorbitantly high.

The consequences of this negligence are dire. Pakistan's economy has suffered greatly, and the country has become a "**begging bowl**" reliant on external aid. The situation is so dire that it's become a laughingstock, with **Indian Prime Minister Modi ridiculing Pakistan's economic woes in his speeches – a painful reminder of our nation's struggles.**

It's a painful truth that NEPRA's lack of vigilance and professionalism in regulating the electricity market has led to exorbitant tariffs, severely undermining our national sovereignty. The consequences of this negligence are dire, and we must hold those responsible accountable. I implore the heads of organizations to take immediate action, completing a thorough investigation within a month to identify the culprits behind this crippling tariff. It's time for transparency and accountability in the electricity market, and I hope that soon I will transform NEPRA into Artificial Intelligence to get rid of the dead wood.

IDLE CAPACITY WITHIN K ELECTRIC TERRITORY: A BIGGER THREAT TO NATIONAL SOVEREIGNTY

In 2011, I authored an investigative report titled Pakistan Power Sector Outlook: Appraisal of KESC in Post Evaluation. This report is part of many MSc Engineering in many universities and global Business Schools.

https://sdpi.org/pakistan-power-sector-outlook-appraisal-of-kesc-in-post-privatization-period/publication_detail

It's a heartbreaking tale of neglect and mismanagement. I had warned them in this report, and pleaded with them to invest in hydropower projects in KPK or AJK, to transport electricity to Karachi through wheeling charges. But my words fell on deaf ears. The Ministry of Power and NEPRA turned a blind eye, allowing KE to build the LNG-fired 900 MW Combined Cycle Power Plant, Bin Qasim III.

The consequences are devastating. In October 2024, this plant produced 497 million units at a staggering cost of Rs 20 per unit, a cost that's only the ENERGY PURCHASE PRICE (EPP). Meanwhile, KE purchased 791.28 million units from the national grid at a mere Rs 9.25 per unit. The numbers are crippling - if only they had avoided the BIN-QASIM –III LNG-fired power plants, the government would have saved a whopping Rs 63 billion.

But what's even more tragic is the impact on the 3.6 million domestic, commercial, and industrial electricity consumers of KE who are shouldering this exorbitant cost. The connivance of KE, the Ministry of Power, and NEPRA is nothing short of disastrous. It's a tale of greed, negligence, and a callous disregard for the welfare of the people

Keeping in view this same anomaly, I wrote a letter to then COAS General Bajwa, in Oct 2021, which later on made public. In the letter when it was in the wild imagination of the GOP, I warned that circular debt would hurt Pakistan's economy which may lead the country to the

economic brink. My predation proved true and later GOP bent to the knees while begging to IMF for loans.

<https://crss.pk/coas-can-save-pakistan-from-economic-collapse-by-addressing-energy-security/>

In the letter, I mentioned the tragic tale of missed opportunities and broken promises. K-Electric's (KE) failure to establish an efficient, cost-effective generation fleet has left its consumers burdened with exorbitant costs. During the last decade, KE's reliance on imported fuel, legacy RFO, LNG-based IPPs, and Captive Power Plants (CPPs) resulted in:

- Higher per-unit costs due to lower efficiency (around 30%)
- Increased financial burdens on consumers
- A stark contrast to the more cost-effective power plants available on the National Grid system and some plants within KE territory, even in the load centres remain idle causing heavy capacity payments for the GOP and all types of consumers all over the country.

The privatization agreements entrusted KE with the responsibility of providing efficient, cost-effective power. Instead, KE's inefficiencies have led to a vicious cycle of expensive generation, hurting consumers and the economy of the country. Idle Capacity Available. Please look at the graph below KE is not using the available 1320 MW capacity of the Port Qasim Power Project and 1320 Hubco Coal Power Projects. Similarly, I haven't seen the generation of 1,140 MW in Oct 2024.

Error! Filename not specified.

It's a heart-wrenching tale of negligence and mismanagement. The contents of your letter have been echoed in the State of Industry report released by NEPRA last month, revealing a national tragedy of epic proportions. When KESC, now KE, was privatized, the subsidy allocated was a mere Rs 6 billion. However, in a shocking revelation, [Secretary Rashid Mahmood Langrial](#), now Chairman FBR, disclosed that KE has been receiving a staggering Rs 169 billion in subsidy from the federal government, surpassing the state-run Power Distribution Companies (Discos) in a press briefing on 26 Oct 2023. This monumental negligence on the part of the ministry and NEPRA has left the nation reeling. The situation is further compounded by the fact that, following the Economic Coordination Committee's decision in 2008, NEPRA approved the basket rate for KE, directing them to enter into a time-bound agreement with NTDC. Despite this, the Power Purchase Agreement (PPA) between CPPA and KE remains unsigned, a glaring oversight that has perpetuated the suffering of the nation.

The numbers are staggering, and the implications are dire. The people of Pakistan can only mourn the unprecedented negligence of those entrusted with the nation's well-being. It's a tragic tale of missed opportunities, wasted resources, and a nation's future held hostage by inefficiency and mismanagement.

Do we a live nation and do our intuitions work? I am raising this question because when country power plants are idle. Look at the electricity generation costs of the KE power plants in Oct 2024.

	GWh	Cost in Million	Cost per unit
Bin Qasim-I (Oil)	12.57	503.21	40.03
Gui Ahmed	12.3	381.7	31.033

Oh, the depth of this tragedy! When coal and nuclear power plants are poised to deliver electricity at nearly half the price, why does KE—a state within the state—persist in generating exorbitantly priced electricity for Pakistan’s industrial hub? This injustice compelled me, with the encouragement of my lifelong friends Syed Nasir Ali Shah Bukhari and Engineer Jabbar, to pursue justice through all national forums. I intend to escalate this matter to the IMF, World Bank, ICJ, and International Criminal Court under Article 7, addressing crimes against humanity.

I appeal to Lieutenant General (retired) Nazir Ahmed Butt, Chairman of the National Accountability Bureau (NAB), to take decisive action against this grave threat to national energy security. General, this is a battle for the soul of our nation against those exploiting energy as a weapon for destruction.

It is another tragic irony that Mr. Tariq Hamid Butt, DG NAB, initiated the case when GHQ referred me to the Prime Minister’s Office. Despite countless efforts and resources spent on pursuing this mission, the recommendations I submitted were ignored besides my two dozen visits to his office at my own cost. For over a decade, DG Operations has requested my reports, yet no remuneration has been provided, solely because of our shared history at Engineering University Lahore. This saga is a grim reflection of systemic neglect and misplaced priorities, and I implore you to act decisively to rectify it.

My Plea for Practical and Achievable Reforms in a Few Months to Make Pakistan an Economic Power

- KE- Electric must declared as DISCO, and all industries located within KE territory must rate of electricity being supplied by CPPA to KE and distribution charges. Is not will be a revolution when the industry of Karachi will have electricity at Rs 9.26 or US 03.31 cents.
- By declaring KE as DISCO, the electricity price in the whole country will reduce tremendously as well
- It is a big shame that India connected with Bhutan, Nepal, Myanmar, Bangladesh and Sri Lanka through the electricity grid but power plants located in Karachi are not connected with the KE distribution system
- Why not mourn the People of Pakistan – When the Ministry of Energy made an agreement for CASA 1000 by electricity from Tajikistan through 1,387 km transmission lines but never bothered to connect plants with KE grid with a few hundred kilometres
- While Iran is providing electricity to Gwadar for the last two decades
- All low-efficient power plants of KE- I will defend this step even at the LONDON Court of Arbitration.
- It is the test case for our agencies to check the record, and performance of all private and GOP nominated members BOG of KE, Members and Chairmen of NEPRA

for the last 16 years to reach the master-1 minds playing with the national energy security.

- I will also request not to involve the power sector committee constituted by the GOP. There are some serious reasons behind it. This is a very serious case of national sovereignty, with no compromise on the sovereignty of Pakistan

It's a cry for justice, a plea for integrity, and a beacon of hope in a nation torn apart by mistrust. I firmly believe that the Chairman of NAB, the DG of FIA, the FG of IB, and other members of the apex spy agency will stand strong against the tempests of pressure from politicians, political parties, and foreign powers.

These guardians of justice hold the key to bridging the chasm of distrust between the people of Pakistan, particularly its youth, and the state. If you all can solve this puzzle, the nation can heal in a matter of months.

This letter will serve as a testament to these agencies' commitment and a reminder that their actions will be scrutinized not just by the people **but by the Almighty Allah Himself**. As the great Winston Churchill once said, "Thank God. If the courts are working, nothing can go wrong." I say, if our agencies are working to check economic espionage, nothing can damage Pakistan.

Last my message is to Embrace a vision of progress and empowerment! Instead of spending billions on blocking VPNs or building firewalls, let's channel our efforts into innovation that inspires. Imagine the youth of Pakistan proudly chanting the national anthem in the streets, fueled by a transformative mission. Let's harness their talent to revolutionize the power sector by integrating Artificial Intelligence into NEPRA, creating a future driven by technology, efficiency, and national pride. Together, we can lead Pakistan into a new era of technological brilliance and unity!

Best Regards

Engineer Arshad H Abbasi

Islamabad-Pakistan- Mobile/ WhatsApp +92-333-5144405

Special Note for Chairman NAB, DG FIA and DG IB

This short strategy implementation brief aims to address the dire state of Pakistan's energy sector and the spiralling cost of electricity generation. Decades of failure by the national power regulator, NEPRA, and the Ministry of Power have left consumers—whether tied to K-Electric or otherwise—unprotected. The negligence has eroded Pakistan's energy security, a critical component of national stability worldwide, including in neighbouring India.

As an energy expert, I cannot overstate the gravity of the situation. While Pakistan possesses one of the world's most formidable nuclear arsenals, its crumbling energy infrastructure has transformed the nation into an economic casualty. This disrepair has not only led to rampant poverty, affecting 40% of the population but has also exposed vulnerabilities that could be exploited by adversarial forces. Evidence suggests covert economic espionage aimed at

destabilizing Pakistan's economy, with the energy sector, weaponized to widen mistrust between the state and its 250 million citizens.

The persistent inefficiencies within Pakistan's energy sector are not mere coincidences but seem to be deliberately orchestrated by stakeholders seeking financial gain. To address this alarming crisis, an immediate and thorough investigation involving FIA, NAB, ISI, IB, and GHQ is imperative to trace and counteract the covert actions aimed at destabilizing Pakistan's economy—a known but unchecked threat from its [EASTERN NEIGHBOR](#). A unified and transparent approach is critical to restoring integrity to the energy sector, safeguarding national economic stability, and protecting Pakistan's sovereignty. The urgency to act cannot be overstated..

Special Note- *The structure and essence of this brief are deeply rooted in mathematics—the bedrock of engineering and scientific progress. As a dedicated energy expert, I firmly believe that throughout the span of human history, no fiction writer, poet, nation, society, or religion has ever questioned the undeniable authority and universality of mathematics. It stands as the ultimate tool of precision and truth, providing the framework upon which all technological and engineering advancements rest, ensuring solutions that are both rational and enduring.*

--

Engineer Arshad H Abbasi

Islamabad-Pakistan- Mobile/ WhatsApp +92-333-5144405

Choose a job you love, and you will never have to work a day in your life- Confucius