
Corrupt contracts lead to high electricity costs, claims Gohar Ejaz

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Former caretaker commerce minister Gohar Ejaz has disclosed data on payments to Independent Power Producers (IPPs), revealing significant financial burdens on consumers. Ejaz shared on Sunday that over the past year, IPPs received payments amounting to Rs1.95 trillion. He criticised corrupt contracts and mismanagement that result in electricity being sold at Rs60 per unit, calling for public action against these deals. He highlighted that the government purchased electricity from one power plant at a record Rs750 per unit, and from coal power plants at an average of Rs200 per unit, while wind and solar plants sold electricity at over Rs50 per unit. Ejaz pointed out that despite operating below 20% capacity, IPPs were paid substantial sums, including Rs140 billion to one plant operating at a 15% load factor and Rs120 billion to another at 17%. These agreements, according to him, allow IPPs to invoice heavily without generating equivalent power, stressing the

need for “no capacity payment” agreements. He urged the government to only purchase from the cheapest electricity providers and treat all IPPs as merchant plants.