

IPP built for Rs50 billion has received Rs400 billion in payments: FPCCI

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Abdul Mohamin, the acting president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), has called for public disclosure of details related to agreements with Independent Power Producers (IPPs). During a press conference on Monday, Mohamin highlighted that IPPs are receiving monthly capacity payments amounting to Rs150 billion, including payments to non-operational and partially operational plants. He urged for a forensic audit of all IPPs, stating, “If any irregularities are found, Pakistan can seek recourse through international courts.” Mohamin noted that electricity costs have become exorbitant, leading to widespread business and industrial shutdowns. “An IPP established for Rs50 billion has received payments totalling Rs400 billion. The situation has become unsustainable; if electricity prices continue to rise, industries will be forced to shut down,” he noted. He called for a review of

agreements with IPPs, suggesting that plants using imported coal should switch to local coal.

According to Mohamin, 52% of IPPs are government-owned and 20% are Chinese-owned. He demanded transparency in the terms and conditions of these agreements, urging for a review and renegotiation where necessary. “The details of the agreements should be made public, including which agreements were made during which periods and under what conditions,” he said.

Mohamin further accused IPP owners of exploiting the public, alleging, “IPP owners have sent their children abroad in anticipation of the situation’s deterioration.” He highlighted that payments to IPPs exceed the national defence budget, stating, “The defence budget is Rs2,200 billion, while capacity charges are Rs2,600 billion.” Yesterday, the former caretaker minister for Commerce and Industries Dr Gohar Ejaz, while referring to National Electric Power Regulatory Authority (NEPRA) data stated that at least four power plants which are receiving Rs10 billion per month are running without supplying any electricity at all. In a post shared on X (formerly Twitter) on Sunday, Ejaz referenced NEPRA’s data from January to March this year and highlighted how a significant portion of the country’s energy budget is being misallocated. During this period, NEPRA made monthly capacity payments amounting to Rs150 billion to various Independent Power Producers.