REP-300

Pakistan Power Sector

Mar’25: Power generation fell by 8% in comparison to the reference

17-Apr-2025

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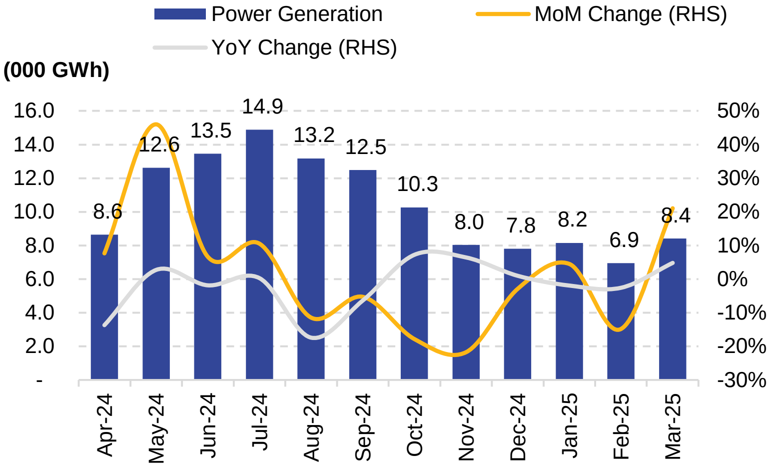
Pakistan Power Sector

Mar’25: Power generation increased by 5% YoY

- In Mar’25, power generation rose by 4.8% YoY, reaching 8,409 GWh (11,302 MW), compared to 8,023 GWh (10,784 MW) in March 2024. On a MoM basis, generation also saw a significant increase of 21.1%.
- However, during 9MFY25, total power generation declined by 2.5% YoY to 90,148 GWh (13,709 MW), down from 92,449 GWh (14,007 MW) in the same period last year. The decline is primarily due to reduced overall demand, influenced by higher electricity tariffs and a growing shift toward solar energy adoption.
- For Mar’25, actual power generation was 8.3% below the reference generation level, which may negatively affect the QTA.
- Local coal-based generation surged by 61.6% to 1,393 GWh but remained 3.8% below the reference generation target for FY25.
- Gas-based generation increased by 23.1% YoY but was 21.4% lower than the monthly reference.
- Wind power generation rose by 12.4% YoY and exceeded its reference generation by 9.5%.
- Solar power generation grew by 9.1% YoY and stood 6.2% above its reference level.
- Nuclear generation improved by 7.4% YoY but fell short of the reference generation by 11.2%.
- RLNG-based generation declined by 7.9% YoY but was still 17.8% higher than the target set at the beginning of FY25.
- Imported coal-based generation reached 545 GWh in Mar’25, compared to no generation in the same month last year.
- Hydel generation experienced a significant YoY drop of 41.5% and was 22.3% below the reference level, mainly due to reduced water availability.

Figure: Monthly Trend of Power Generation



Source (s): NEPRA, AHL Research

Exhibit: Source wise Power Generation

GWh	Mar-25	Mar-24	YoY	Feb-25	MoM
Nuclear	2,223	2,070	7%	1,847	20%
RLNG	1,528	1,658	-8%	980	56%
Coal (Local)	1,393	862	62%	1,043	34%
Hydel	1,297	2,217	-41%	1,883	-31%
Gas	979	795	23%	716	37%
Coal (Imported)	545	-	nm	108	405%
Wind	230	205	12%	174	32%
Solar	120	110	9%	85	41%
Baggasse	51	78	-35%	79	-35%
Others	39	28	37%	30	30%
Total	**8,409**	**8,023**	**5%**	**6,945**	**21%**

Source (s): NEPRA, AHL Research

Pakistan Power Sector

Mar’25: Ninth consecutive month of negative FCA

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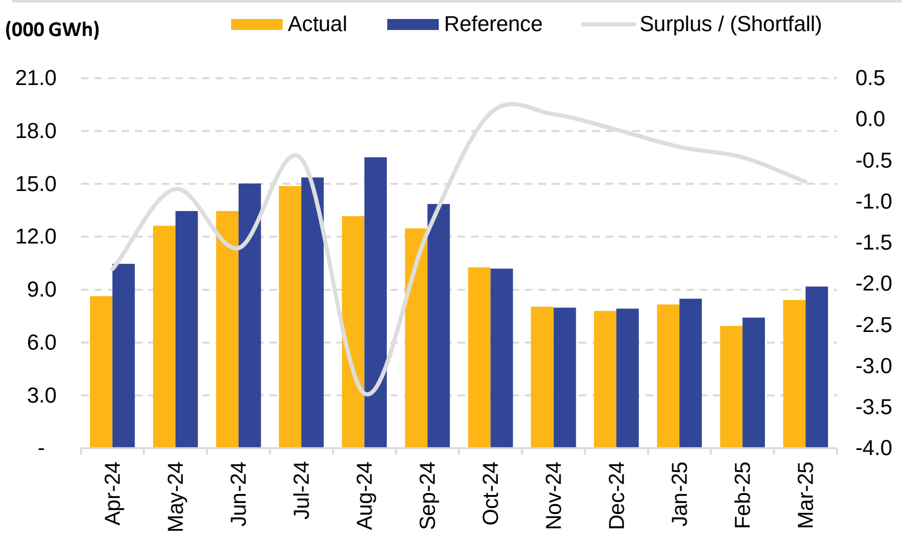
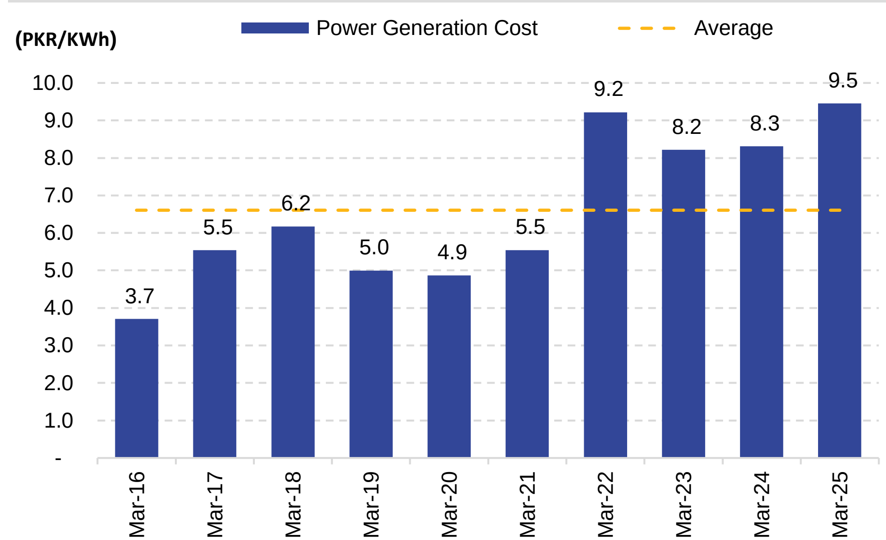
- The cost of power generation was PKR 9.46/KWh in Mar’25. However, when accounting for transmission losses and previous adjustments, the fuel cost increased to PKR 9.23/KWh.
- This actual fuel cost of PKR 9.23/KWh is lower than the reference fuel cost of PKR 9.26/KWh, which was projected at the beginning of FY25. As a result, a decrease of PKR 0.03/KWh in the fuel charge adjustment is expected, which will be refunded to customers in the May’25 electricity bill.

Figure: Historical trend of fuel cost and FCA



Source (s): NEPRA, AHL Research

Figure: Historical trend of fuel cost during March



Source (s): NEPRA, AHL Research

Mar’25: The generation was 8% below the reference

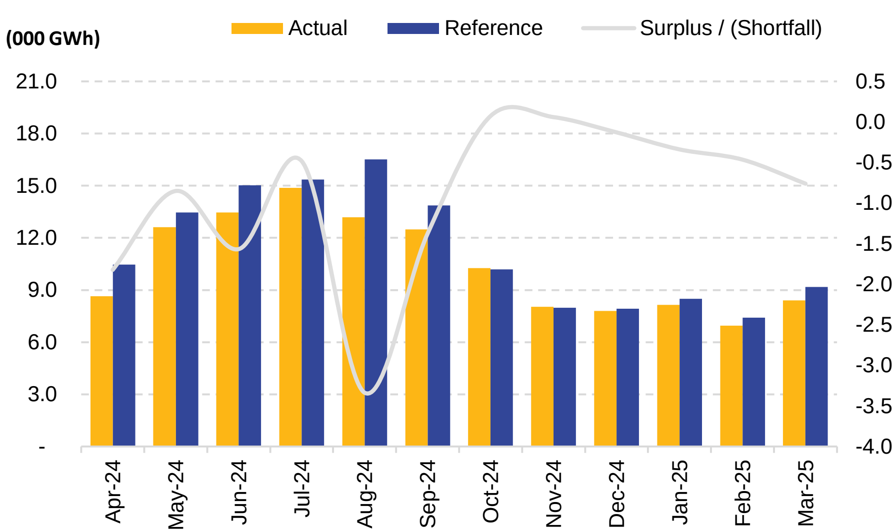
- Power generation for Mar’25 was 8% lower than the reference generation, which was set at 9,168 GWh.
- During 9MFY25, the shortfall has accumulated to 6,741 GWh, with actual generation witnessed at 90,148 GWh, reflecting a 7% decline compared to the reference generation.

Exhibit: Source wise Power Generation

GWh	Mar-25		Change	9MFY25		Change
	Actual	Reference		Actual	Reference	
Nuclear	2,223	2,503	-11.2%	17,175	18,711	-8%
RLNG	1,528	1,297	17.8%	15,690	16,355	-4%
Coal (Local)	1,393	1,448	-3.8%	11,099	11,726	-5%
Hydel	1,297	1,670	-22.3%	27,412	29,462	-7%
Gas	979	1,246	-21.4%	8,526	8,615	-1%
Coal (Imported)	545	614	-11%	5,819	5,469	6%
Wind	230	210	9.5%	2,410	2,513	-4%
Solar	120	113	6.2%	848	786	8%
Baggasse	51	67	-24%	564	1,062	-47%
Others	39	0	nm	340	0	nm
Total	**8,409**	**9,168**	**-8%**	**90,148**	**96,889**	**-7%**

Source (s): NEPRA, AHL Research

Figure: Monthly Trend of Actual and Reference Power Generation



Source (s): NEPRA, AHL Research

Power generation declined by 2% YoY during 9MFY25

Exhibit: Source wise Power Generation

GWh	Mar-25	Mar-24	YoY	Feb-25	MoM	9MFY25	9MFY24	YoY
Nuclear	2,223	2,070	7%	1,847	20%	17,175	16,754	3%
RLNG	1,528	1,658	-8%	980	56%	15,690	16,414	-4%
Coal (Local)	1,393	862	62%	1,043	34%	11,099	11,454	-3%
Hydel	1,297	2,217	-41%	1,883	-31%	27,412	29,167	-6%
Gas	979	795	23%	716	37%	8,526	8,190	4%
Coal (Imported)	545	-	nm	108	405%	5,819	3,982	46%
Wind	230	205	12%	174	32%	2,410	2,693	-11%
Solar	120	110	9%	85	41%	848	674	26%
Baggasse	51	78	-35%	79	-35%	564	554	2%
Others	39	28	37%	30	30%	340	356	-5%
Total	**8,409**	**8,023**	**5%**	**6,945**	**21%**	**90,148**	**92,449**	**-2%**
*Fuel Cost**	*9.46*	*8.31*	*13.8%*	*7.57*	*24.9%*	*8.65*	*8.75*	*-1.2%*

Source (s): NEPRA, AHL Research, *PKR/KWh

Exhibit: Source Wise Share

	Mar-25	Mar-24	Feb-25	9MFY25	9MFY24
Nuclear	26%	26%	27%	19%	18%
RLNG	18%	21%	14%	17%	18%
Coal (Local)	17%	11%	15%	12%	12%
Hydel	15%	28%	27%	30%	32%
Gas	12%	10%	10%	9%	9%
Coal (Imported)	6%	0%	2%	6%	4%
Wind	3%	3%	3%	3%	3%
Solar	1%	1%	1%	1%	1%
Baggasse	1%	1%	1%	1%	1%
Others	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Source (s): NEPRA, AHL Research

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Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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