

Pakistan Power Sector

Nov'25: Power generation stable at 0.2% YoY

17-Dec-2025

REP-300

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Best Broker: '25
 Best Bank for Research: '25
 Best Investment Bank for M&A: '25
 Best for Research: '24
 Best for Diversity & Inclusion: '24
 Best Investment Bank: '23



Best Securities House: '23
 Best Investment Bank: '23



Best Corporate Finance House: '25, '23-'13
 Best Brokerage House: '23 - '21
 Best Brokerage House (Runner-up): '25-'24
 Best Economic Research House: '23-'21
 Best Economic Research House (Runner-up): '25-'24



Best Brokerage House:
 2023



Best Broker: '25
 Best Equity Capital
 Market House: '25



Top 25 Companies
 ('17-'19)



Best Gender Equality Bond: '24
 Best Equity Advisor: '21



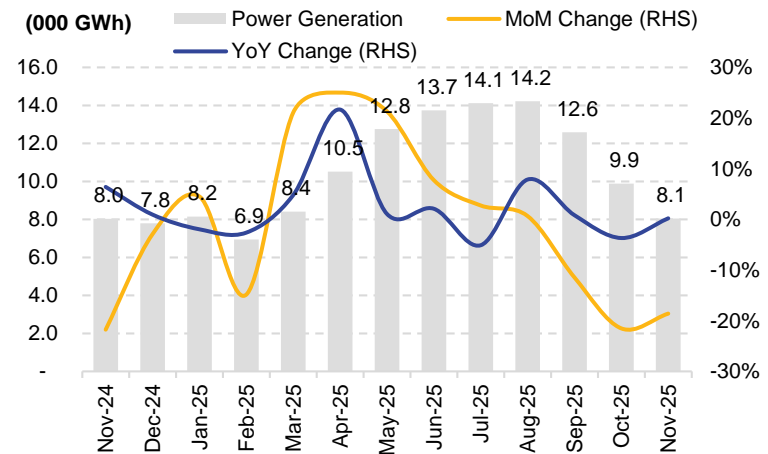
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Pakistan Power Sector

Nov'25: Power generation stable at 0.2% YoY

- In Nov'25, power generation remained stable at 0.2% YoY, reaching 8,050 GWh, compared to 8,032 GWh in Nov'24. During 5MFY26, generation totaled 58,869 GWh, also stable from the previous year.
- However, on a MoM basis, power generation declined sequentially, falling 18.6%, reflecting seasonal effects.
- Power generation remained 1.01% below the NEPRA reference (8,133 GWh), primarily due to the continued rise in distributed generation, despite lower tariffs and a shift of captive consumers to the grid following the imposition of the levy.
- The impact of PPA terminations and renegotiations has largely been absorbed through QTAs, with NEPRA approving a negative QTA of PKR 1.89/kWh for 4QFY25, applied during Aug–Oct 2025. QTAs are now normalizing, as reflected by the 1QFY26 QTA of PKR 0.33/kWh for Dec–Feb 2026. However, power demand running 5.2% below reference generation in 5MFY26 could exert upward pressure on tariffs going forward.
- Adjusted fuel cost in Nov'25 stood at PKR 6.16/KWh (lowest since May'21), lower than the reference cost of PKR 6.88/KWh.
- Consequently, DISCOs have sought a negative FCA of PKR 0.72/kWh, primarily reflecting lower-than-assumed oil prices and a higher hydel, lower thermal generation mix versus NEPRA's reference. Softer imported coal prices further supported the negative adjustment. NEPRA had assumed Brent crude at USD 73/bbl, whereas actual prices averaged USD 63/bbl in Nov'25.

Figure: Monthly Trend of Power Generation



Source (s): NEPRA, AHL Research

Exhibit: Source wise Power Generation

GWh	Nov-25	Nov-24	YoY	Oct-25	MoM
Hydel	3,153	2,860	10%	2,705	17%
Coal (Local)	752	1,019	-26%	1,261	-40%
Coal (Imported)	407	477	-15%	466	-13%
HSD	-	-	n.m	-	n.m
RFO	-	-	n.m	48	-100%
RLNG	696	907	-23%	1,949	-64%
Gas	680	858	-21%	905	-25%
Nuclear	2,031	1,655	23%	2,188	-7%
Wind	136	98	39%	185	-26%
Solar	86	69	nm	96	nm
Others	109	89	22%	83	31%
Total	8,050	8,032	0%	9,886	-19%

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

Pakistan Power Sector

Nov'25: Cost of power generation down 15% YoY



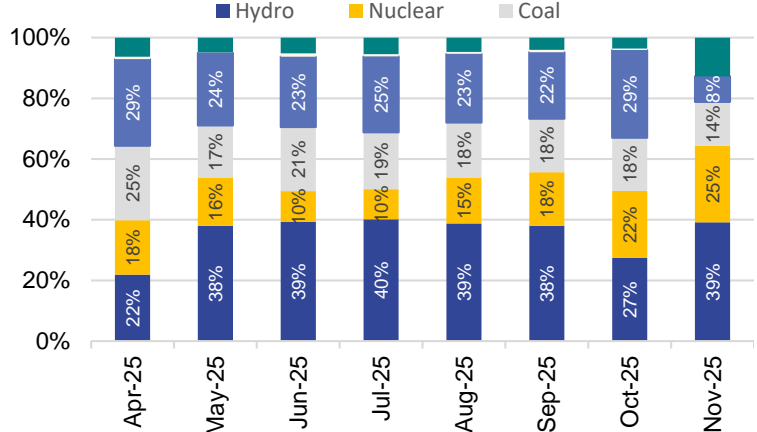
- Imported coal based generation costs declined to PKR 14.13/kWh, down 5.3% YoY, driven by lower coal prices. Imported coal generation was priced at a PKR 3.64/kWh discount to Thar coal, partly reflecting reduced Thar coal output. Historically, Thar coal based power has carried a ~PKR 4/kWh premium over imported coal.
- Hydel and RLNG generation exceeded NEPRA's reference, while nuclear, Thar coal, and imported coal generation fell short of forecasts.
- Hydel generation increased 10.2% YoY to 3,153 GWh in Nov'25, highest ever for the month, defying earlier expectations of weaker hydel flows this year. Output was 21.7% above the reference level, materially supporting lower fuel costs.
- RLNG based generation declined 23.3% YoY to 696 GWh in Nov'25, but remained 63.4% above the reference target for the month, exerting upward pressure on fuel costs, partly offset by lower oil prices.
- Imported coal generation fell 14.7% YoY to 407 GWh in Nov'25 and also remained 32.5% below NEPRA's reference, likely due to higher system constraints during the winter season.
- Power generation in Nov'25 was 1.0% below the 8,133 GWh reference, with a surplus of 150 GWh despite lower tariffs and captive consumers switching to the grid.
- Power generation in Dec'25 is expected to remain broadly stable MoM. Hydel output may continue to outperform earlier expectations of weaker water flows, supporting lower fuel costs and, in turn, negative FCAs. Looking ahead, NEPRA projects power demand to grow by 2.8% YoY in FY26.

Exhibit: Source Wise Share

	Nov-25	Nov-24	Oct-25
Hydel	39%	36%	27%
Coal (Local)	9%	13%	13%
Coal (Imported)	5%	6%	5%
HSD	0%	0%	0%
RFO	0%	0%	0%
RLNG	9%	11%	20%
Gas	8%	11%	9%
Nuclear	25%	21%	22%
Wind	2%	1%	2%
Solar	1%	1%	1%
Others	1%	1%	1%
Total	100%	100%	100%

Source (s): NEPRA, AHL Research

Figure: Historical trend of source wise share

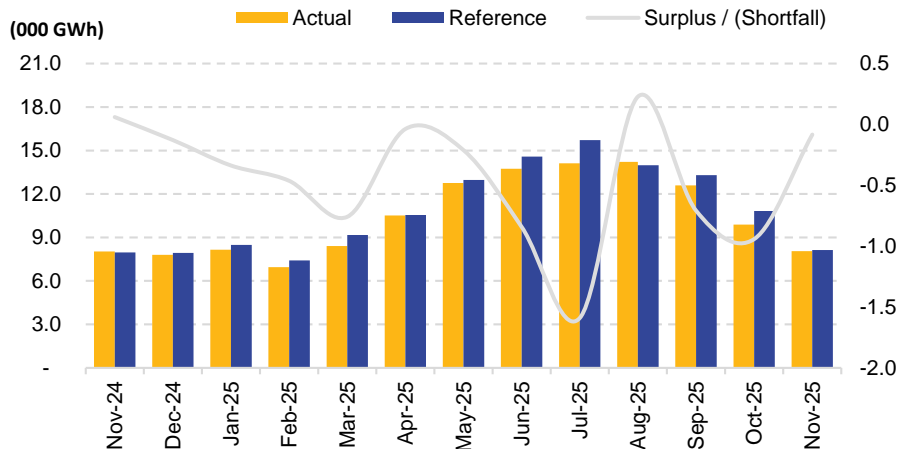


Source (s): NEPRA, AHL Research

Pakistan Power Sector

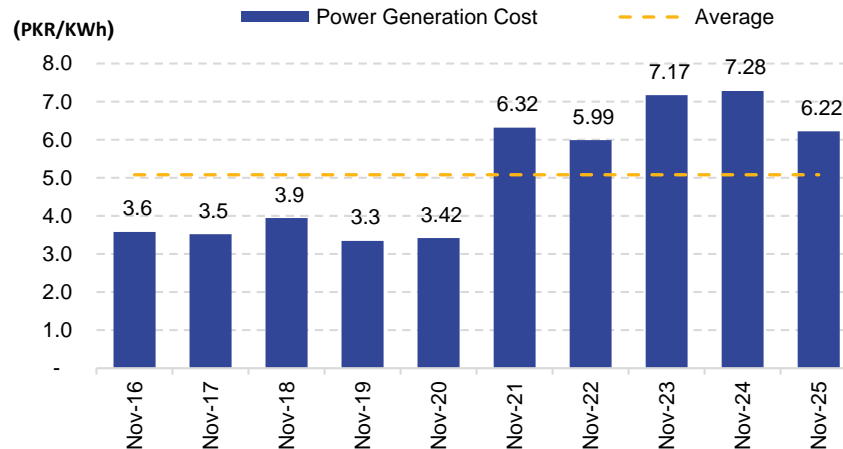
Nov'25: Cost of power generation down 15% YoY

Figure: Monthly Trend of Actual and Reference Power Generation



Source (s): NEPRA, AHL Research

Figure: Historical trend of fuel cost during November



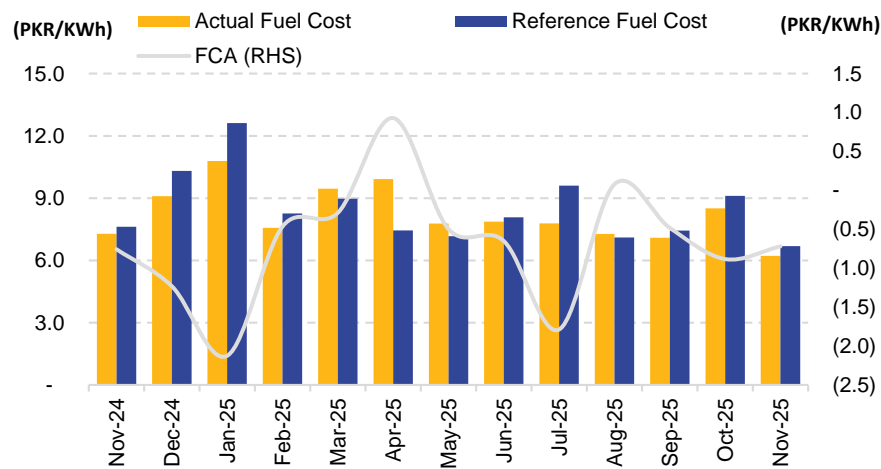
Source (s): NEPRA, AHL Research

Exhibit: Source wise Power Generation

GWh	Nov-25		Change
	Actual	Reference	
Hydel	3,153	2,590	21.7%
Coal (Local)	752	817	-8.0%
Coal (Imported)	407	603	-32.5%
HSD	0	0	n.m
RFO	0	0	n.m
RLNG	696	426	63%
Gas	680	1,103	-38.3%
Nuclear	2,031	2,196	-7.5%
Wind	136	156	-13%
Solar	86	92	nm
Others	109	150	nm
Total	8,050	8,133	-1%

Source (s): NEPRA, AHL Research

Figure: Historical trend of fuel cost and FCA



Source (s): NEPRA, AHL Research

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

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- Exchange Rate (Currency) Risk

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