

PRESS RELEASE

Energy experts call for solar net-metering to enhance Pakistan's electricity system

Karachi, Lahore, and Islamabad, September 14, 2022: Energy experts say that power consumers in Pakistan have a huge opportunity to reduce their electricity bills by installing solar power panels on their rooftops and connecting them with the national grid.

Through a system called net-metering, the government pays consumers the price of electricity that their solar panels inject into the grid, these experts say. This not only reduces the electricity bills of these consumers but also helps the government decrease power shortages, experts add. But, the experts point out, that this opportunity is not being fully utilized because of the financial barriers that the consumers face in installing solar panels.

The experts were speaking at a webinar on 'Net-metering in Pakistan: Potential, Challenges and Way Forward', held on Wednesday by Policy Research Institute for Equitable Development (PRIED).

Naila Saleh, Project Manager, Agora EW, and Technical Advisor, PRIED, said net-metering can advance renewable energy uptake in Pakistan and reduce dependency on unreliable power supply. "Distributed solar photovoltaic [PV] systems can shift electricity generation from fossil fuels and supply more affordable energy than the grid does. Yet, the overall growth in net-metered systems in the past seven years remains insignificant in Pakistan," Saleh said.

She added that easy financing is critical to adopt capital-intensive technologies such as solar PV, which have a high upfront cost but lower operating costs. "Limited adoption of State Bank's 2016 concessionary financial scheme for solar PV and its restricted access to a larger section of the society is a key barrier to its wide-scale diffusion," she said.

Atif Pervez, Battery Research Lead at NanoXplore Inc., Canada, said battery energy storage that is integrated into a renewable energy setup is important to enhance grid reliability and resilience while facilitating decarbonization. "Regular grid failures and rolling blackouts due to energy crisis are common in Pakistan. Battery storage, coupled with solar panels can provide low maintenance and low carbon footprint solution during continuous power outages," Pervez added.

Ameena Sohail, Managing Partner at Precision Advocates and Consultants, emphasized the need to practice a 'non-discriminative' distribution of power to all consumers. She suggested including customer service regulations in net-metering licenses and incentivizing power distribution companies (DISCOs) to resolve supply chain issues and delays in meter installations.

Discussing the challenges faced by DISCOs, Amjad Aslam, Deputy Manager Regulations, Peshawar Electric Supply Company shared the major obstacles in the slow uptake of new net metering connections. He said that a lack of technical training, legacy power infrastructure, non-uniform standards of net metering equipment and revenue erosion act as the main hurdles.