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Only Thar coal to be used for thermal power: Raja

ISLAMABAD: Drawing up a landmark energy policy, the government on Wednesday decided in-principle to utilise Thar coal deposits for thermal power generation to meet the growing energy needs responsibly.

“History will not excuse us if we do not take correct and timely decision(s),” Prime Minister Raja Pervaiz Ashraf remarked as he announced the landmark decision while chairing a meeting of the Thar Coal & Energy Board at his Secretariat.

“We have little space for providing sovereign guarantees, keeping in view our fragile fiscal condition,” the premier observed, saying, “Pakistan has been blessed with the world’s sixth largest coal reserves. It is up to us now to use these deposits for the progress and prosperity of the country by producing electricity at affordable costs. Besides, this policy decision will ensure energy security that has been eluding us since long.”

According to estimations, Thar area has reserves of nearly 175 billion tons of coal, 68 times higher than the country’s total gas reserves. It was informed at the meeting that the the Sindh Engro Coal Mining Company (SECMC) and Engro Corporation had been working on a \$1.3 billion integrated coal mining and power project in Thar area. The project included mining of 6.5 million tons of coal and a 1200-MW power plant.

In this regard, the meeting directed the Ministry of Finance to arrange a sovereign guarantee for the Sindh Engro Coal Mining Company (SECMC), a joint venture of the Sindh government and Engro Power Gen. Besides, the prime minister ordered the Ministry of Water & Power to get signed within a week a “coal off-take” agreement between the GENCO and SECMC for an Asian Development Bank-financed conversion of the two thermal plants in Jamshoro.

The Sindh government had requested the Centre that conversion of the existing 800-MW and new 600-MW power plants in Jamshoro, Hyderabad be designed as per Thar coal specifications.

“Today, we have laid the foundation of an energy policy which is based on our indigenous resources and would lead to savings of hefty foreign exchange which are presently being spent on import of fossil fuel to run thermal power plants,” averred Prime Minister Ashraf as he hoped that the meeting decisions would herald a new beginning and lay the foundation for sustainable socio-economic development in the country.

Among others the meeting was attended by Syed Qaim Ali Shah, Chief Minister Sindh, Dr. Abdul Hafeez Shaikh, Finance Minister, Syed Khursheed Shah, Minister for Religious Affairs, Chaudhry Ahmed Mukhtar, Minister for Water and Power, Dr. Asim Hussain, Advisor on Petroleum and Natural Resources, Dr. Nadeem ul Haq, Deputy Chairman Planning Commission, Ms. Rubina Saadat Qaim Khani, MNA, Mr. Jam Mehtab Dahar, Provincial Minister for Revenue, Jam Saifullah Dharejo, Provincial Minister for Irrigation, Federal Secretaries, Finance, Planning Division, Water and Power, Chief Secretary Sindh, Dr. Samar Mubarakmand, Member Science and Technology Planning Commission, MD TCB, CEO Genco Holding, President Engro Corporation, CEO SECMC and other senior officials.