

MONTHLY NEWSLETTER

January 2025



Editorial

The Great Solar Rush in Pakistan

Pakistan's power sector is undergoing a dramatic transformation driven by persistent power shortages and surging electricity tariffs. The escalating costs, which have risen sharply over the past three years, are compelling households and businesses to seek alternative energy solutions. Among them, solar energy has emerged as a frontrunner, reshaping the nation's energy landscape and ushering in a shift from centralized systems to decentralized power generation.

According to Bloomberg, Pakistan imported solar panels worth \$2.1 billion in FY2024, adding 16 GW of capacity primarily sourced from China. This surge in imports represents 23 times the current grid-connected solar capacity and is equivalent to one-third of the country's total installed generation capacity and half of its peak electricity demand. Remarkably, in just the first half of FY2025, an additional 5.2 GW was imported. However, this rapid growth comes with economic concerns, as the outflow of around \$3 billion in the past 18 months could strain the economy if left unchecked.

A key factor fueling this solar boom is net metering, introduced in 2015 under the Net Metering Regulations. These regulations empowered consumers to become "prosumers" by allowing them to install small-scale renewable systems and sell surplus electricity back to the grid. The results have been remarkable — 764 MW of net-metered solar PV capacity was installed in 2023 alone, nearly doubling from 2022. By September 2024, the country's on-grid net-metered capacity was estimated at 3.2 GW. Yet, given unregistered and unreported installations, the actual figure may be even higher.

As solar adoption continues its rapid ascent, there are critical steps that Pakistan's power sector must take to ensure a stable and efficient energy future:

Transmission Infrastructure Modernization: Upgrades are essential to address geographic mismatches between power generation and consumption centers.

Electricity Market Development: Establishing competitive markets that encourage flexible generation and storage options will be key.

Energy Storage Solutions: Large-scale energy storage must be integrated early to accommodate fluctuations in renewable power supply.

Policy and Grid Coordination: Renewable energy targets should align with grid expansion plans and industrial policies.

The great solar rush is both an opportunity and a challenge. With strategic planning and targeted investments in grid modernization, Pakistan has the potential to turn this solar revolution into a sustainable and economically viable energy transition. Let's harness this momentum for a brighter and cleaner energy future.

SAJTA Summit 2025 Calls for Renewable Solutions and Community-Centered Energy Transition

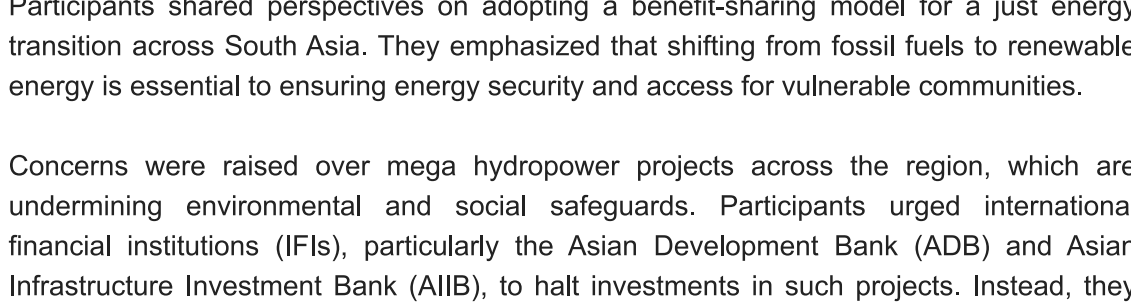


The South Asia Just Transition Alliance (SAJTA) Summit 2025 was held in Kathmandu, Nepal, from January 22 to 24, bringing together organizations from Bangladesh, India, Sri Lanka, Nepal, and Pakistan working on energy issues.

Participants shared perspectives on adopting a benefit-sharing model for a just energy transition across South Asia. They emphasized that shifting from fossil fuels to renewable energy is essential to ensuring energy security and access for vulnerable communities.

Concerns were raised over mega hydropower projects across the region, which are undermining environmental and social safeguards. Participants urged international financial institutions (IFIs), particularly the Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB), to halt investments in such projects. Instead, they called for support toward decentralized solar and wind solutions that empower communities, improve energy access, and reduce economic debt for developing countries.

Asian Study and Strategy Meeting on Coal and Renewable Energy



The Asian Energy Network and the Asian Peoples' Movement on Debt and Development (APMDD) organized the 'Asian Study and Strategy Meeting on Coal and Renewable Energy' from January 22 to 26 in Metro Manila, Philippines.

The event gathered participants from South and Southeast Asia to strategize against coal expansion and accelerate the adoption of renewable energy. Building on the outcomes of the Asian Energy Strategy Meeting held last June, discussions focused on countering coal development, advancing just coal phase-out plans, enhancing technical knowledge of renewable energy systems, and exploring financing strategies for a just energy transition.

The meeting strengthened regional collaboration, pushing for a community-centered and sustainable energy future.

Clean Energy for All



Clean energy for all

By Izzah Batool | 28 January, 2025

Access to clean energy, especially clean cooking technologies harnessed from renewable energy sources like solar and wind, presents an opportunity for uplifting the livelihood of women and girls. You! takes a look...



By Izzah Batool
(Published in You, The News; January 28, 2025)

United Nations General Assembly declared 26th of January as International Day of Clean Energy in 2023 in a bid to raise awareness and mobilise action for a just and inclusive transition to clean energy for the benefit of people and the planet.

When discussing people, it is essential to highlight the most vulnerable segments who bear the greatest burden of unclean energy use, such as fossil fuels. Among these groups, one stands out as the backbone of society - women.

Climate crises have taken over the world like a wildfire fuelled by our reliance on fossil fuels which threatens communities, ecosystems and livelihoods. Though it affects everyone, when it comes to women, it leaves a disproportionate impact on them. This vulnerability to climate change has resulted in violation of women right's particularly in marginalised and rural communities.

Read full article here: <https://www.thenews.com.pk/magazine/you/1275551-clean-energy-for-all>.

Indus Consortium to Host 'Banking on Renewables' Event on February 12

The Indus Consortium is set to host an important event titled Banking on Renewables on February 12, 2025 in Karachi, bringing together key stakeholders including banking professionals, policymakers, civil society organizations, and industry leaders. The event aims to promote sustainable financing practices and explore challenges in climate-related compliance for Pakistan's financial sector.

Key discussions will cover the State Bank of Pakistan's Green Banking Guidelines and environmental frameworks, along with the role of banks in advancing the country's solar energy potential. Two critical studies on the socio-economic and environmental impacts of Pakistan's gas sector will also be launched during the event.