

# Tariff collection must be ensured in power sector :Zhao Yonggang

*Exclusive interview of CEO of China Power Hub Generation Company (Pvt.) Ltd*

**C**hina Power Hub Generation Company (Pvt.) Ltd. CPHGC is a priority project of the China Pakistan Economic Corridor (CPEC), located in Hub, in the province of Balochistan, it is joint collaboration between China's State Power Investment Corporation (SPIC). The \$2 billion project includes 2x660 MW power plant and a dedicated jetty that provides 9 billion kWh of uninterrupted electricity to the National Grid every year, meeting the electricity needs of 4 million households in Pakistan.

CPHGC celebrated its commercial operations date on 21st October 2019 when the Prime Minister of Pakistan, Imran Khan, visited the Plant.

SPIC is a Fortune 500 company and one of the top five producers of electricity in China, an integrated energy group with power at its core. HUBCO is the largest Independent Power Producer (IPP) in Pakistan with a combined power generation capacity of over 1600 MW.

We recently got in touch with Mr. Zhao Yonggang, CEO of China Power Hub Generation Company (Pvt.) Ltd and had an intimate talk about one of the premier success stories of China Pakistan Economic Corridor. He continues to say in his interview.....

**EU: What is the contribution of China Power Hub Generation Company (CPHGC) to the cause of overcoming energy crisis in the Pakistan?**

**ZY:** As you know, CPHGC has greatly helped in easing the electricity crises in Pakistan. So far, since our COD our net generation has been 8876 GWh of clean uninterrupted electricity, the Plant has been operating continuously, even during the pandemic in the process meeting all our critical parameters of success.

**EU: To what extent the CPHGC got support from the different stakeholders in setting up a new power generation plant in Pakistan?**

■ By M. Naeem Qureshi



**ZY:** CPHGC has had tremendous help from our stakeholders from both China and Pakistan. First of all our Chinese sponsor State Power Investment Corporation was the first CPEC sponsor that showed confidence in the team and went for the largest CPEC power project in Balochistan. It was as a result of this trust that enabled the consortium of 6 banks to sign the \$1.5 billion financing agreement for CPHGC. Of course, our local partner, HUBCO, which as you know is the largest Independent Power Producer in Pakistan too made this success possible. Based on SPIC and HUBCO's strong support to the company in every aspect, we were able to build this huge plant in record time, well before the deadline set by the government.

We are greatly thankful to the Government of Pakistan and the Government of Baluchistan for their support. I would like to share a vote of thanks for Pakistan's energy sector organizations, such as NEPRA, PPIB, CPPA-G, NTDC and other government organizations including the Board of Investment whose support played a pivotal role in our success.

### EU: What are the advantages of your power plant?

**ZY:** It is with immense confidence I share with that we are operating a supercritical eco-friendly power plant. We have deployed world class technology at the Plant which has resulted in high efficiency. Power generator is from GE and other critical components of plant are based on European technology. Our annual power dependable capacity is outstanding in Pakistan. We have invested nearly 10% of our construction cost in environment-friendly facilities that have enabled us to deliver uninterrupted eco-friendly electricity.

We have a dedicated coal jetty allowing us to import coal directly, that has lessened the burden on the port facilities in Pakistan and circumnavigate the road congestion issues that the other coal plants in Pakistan are facing. Our coal yard is custom built for the CPHGC plant. With its capacity to hold 120 days of coal stocks not only is it the largest coal yard in the country, it makes CPHGC self-sufficient to meet nonstop electricity demand for more than a quarter, despite the international coal supply chain challenges.

The boiler units being used for this project are state-of-the-art supercritical technology based, with main stream temperature of 571.4 °C, and main stream pressure of 25.63MPa. This super critical technology is the widely used to improve the entire efficiency, to lower the cost of fuel and to cut down the emissions. I would like to share with your readers, the good news. In October we successfully completed the 2020 annual capacity test. This shows that all our equipment and systems are at par with standards both in China and in Pakistan.

### EU: What measures have CPHGC taken for the environmental protection?

**ZY:** The seawater desulfurization process makes the desulfurization efficiency more than 90%. Also, Electro Static Precipitators (ESPs) are installed to control particulate matter emissions in this project. Low NOx (Nitrogen Oxides) burners for burning of pulverized coal are specially designed to reduce NOx (Nitrogen Oxides) emission in comparison with other burners.

As mentioned earlier, nearly 10% of the cost of the CPHGC Project has been deployed on technologies for pollution



control. According to the Environment and Social Impact Assessment (ESIA) approved by BEPA, the project will follow all NEQS (National Environment Quality Standards) standards.

We are also focused on making our Plant a model Green Plant. We will work with local partners and contractors in turning our open arid spaces into green canopy bustling with flora and fauna. We will plant indigenous flora, greatly contributing to the greening of the surrounding landscape. As you can imagine, this is not an easy task but this is part of the environmental measures that we are committed to.

We are also committed to ensuring the protection of sea life. Our jetty has been designed in a way that does not hinder the flow of seawater allowing the fish to swim past uninterrupted. We routinely have the seawater around tested and are meeting the requirements set forth by the Balochistan Environmental Protection Agency (BEPA).

### EU: In your viewpoint, what are the major challenges in energy sector being faced by Pakistan?

**ZY:** There will always be challenges for a growing economy like Pakistan. The country is geared to become a major electricity producer and with the help of joint ventures as well as foreign investment it can harness the natural advantage into powerful economic growth engine and generate employment at large. However, challenges remain. Ease of doing business is one. Investors seek simple procedures in setting up enterprises. For the power plants it's the tariff collection that is major challenge that I hope the authorities will take care

of on a priority basis.

### EU: What are the initiatives of the CPHGC and its future plans under its CSR obligations?

**ZY:** We have had an active CSR program even before the start of construction in 2016. We had an opportunity to help the people of the locality and we wanted to do something that would help them in the long run. The underlying issue was employment for the local youth. We immediately commenced a program and after screening hundreds of applications with the help of Hunar Foundation, we sponsored the education of 30 local students. Job opportunities were offered at our Plant to those technically qualified students who were willing to work at the plant site in accordance with our workplace policies.

It gives me immense pride to say that CPHGC has been at the forefront of community-based initiatives since the beginning. Our CSR initiatives take their direction from the government. We are willing to assist the local government improve the lifestyle of locals. And we are thoroughly focused in helping the people of Hub, Lasbella.

We have spent more than 130 million rupees in various CSR projects and have committed millions more for the coming years. Our CSR initiatives include one-of-a-kind Floating Jetty at Allana Goth, a TCF School in Gaddani, COVID-19 supplies and ration bags to the locals at the height of the lockdown, a football ground at a local school and much more. You will see in years to come we will have more CSR projects for the surrounding communities that will help to increase their standard of living. ■