



Impact of Rising Electricity Prices on Consumer Behavior

The Case of Power Distribution Companies in Pakistan



May 2023



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Institute of Policy Studies
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Introduction

The power sector plays a vital role in driving economic growth and development in any country. It serves as a backbone for various industries and is crucial for ensuring the smooth functioning of households. However, the financial sustainability of power distribution companies (DISCOs) is a persistent concern, particularly in developing countries like Pakistan.

In recent years, Pakistan has experienced a significant increase in electricity prices, which has become a cause for concern regarding its potential impact on electricity consumption. Several factors have contributed to this upward trajectory of prices.

One of the primary drivers is the rising production costs in the power sector. Factors such as increasing fuel prices, maintenance expenses, and the need for infrastructure upgrades have led to higher costs of electricity generation. The reliance on imported fuels, such as oil and gas, further exposes the sector to fluctuations in global energy prices. These production cost increases are typically passed on to consumers through higher electricity tariffs.

Governments often consider various methods to generate revenue and meet their fiscal targets, and one of the approaches they may take is imposing higher taxes on the power sector. By levying higher taxes on the power sector, governments aim to collect additional funds that can be utilized for various purposes such as infrastructure development, social welfare programs, or reducing budget deficits.

However, when the government imposes higher taxes on the power sector, these costs are often passed on to the end consumers, leading to higher electricity prices. Power companies typically incorporate the increased tax burden into their pricing structure to maintain profitability. As a result, consumers may experience an increase in their electricity bills, affecting households, businesses, and industries that rely on electricity for their operations.

Higher electricity prices resulting from increased taxes can also have indirect effects on the broader economy. Industries that are energy-intensive, such as steel, cement, or chemicals, may face challenges in remaining competitive globally if their electricity costs become relatively higher compared to countries with lower tax burdens on the power sector. This can impact export potential, foreign investments, and overall economic growth.

Moreover, the growing energy demands in Pakistan have put pressure on the power sector, leading to increased costs of meeting the electricity needs of the expanding population and industrial sectors. As economic activities and urbanization continue to drive energy consumption, the power sector faces challenges in maintaining a sufficient and reliable supply, often requiring additional investments and infrastructure development.

Another factor influencing electricity prices in Pakistan is the exchange rate between the Pakistani rupee and the US dollar. Fluctuations in the exchange rate can affect the cost of imported fuels and equipment, which are essential for the power sector. Currency devaluation or parity between the rupee and the dollar can further escalate costs and, in turn, lead to higher electricity prices.

The implications of these rising electricity prices are a cause for concern, particularly regarding electricity consumption patterns. Affordability becomes a critical consideration as higher prices may strain household budgets, especially for low-income segments of the population. In response to increased costs, consumers may opt for energy-saving measures, such as using energy-efficient appliances, adjusting their consumption behavior, or reducing discretionary electricity usage.

One of the significant challenges faced by DISCOs in Pakistan is the escalating prices of electricity, which has a direct impact on their recovery ratios. The recovery ratio, defined as the percentage of billed amounts that DISCOs successfully collect from consumers, serves as an essential indicator of their financial health. A high recovery ratio not only ensures the financial viability of DISCOs but also enables them to invest in infrastructure upgrades, improve service quality, and expand their coverage. On the other hand, a low recovery ratio can severely strain the financial resources of DISCOs, limiting their ability to meet operational costs and adequately maintain the power infrastructure.

This research study aims to investigate the impact of rising electricity prices on the recovery ratios of power distribution companies in Pakistan. By analyzing consumer behavior patterns and electricity data, the study will seek to identify the specific factors contributing to changes in recovery ratios in the context of increasing electricity prices. Additionally, the research will explore potential strategies and policy interventions that can help DISCOs mitigate the adverse effects of rising prices and improve their recovery ratios.

Research Methodology

A detailed ‘computer assisted telephonic’ study was conducted in May to understand the relationship between the increase in electricity tariff and reported consumption of electricity. A total of 1,180 respondents were part of this study for which more than 1,000 households across the top 10 cities of Pakistan were contacted with a semi-structured instrument. They responded to a brief questionnaire of 10-12 minutes about their perception of inflation and its reported behavior on electricity consumption. Statistically minimum required sample was taken from each city which is mainly representative of one power supply company. More than 140 business owners of various categories were also part of this survey for an insight into the behavior of the commercial segment of society.

a. Sampling Distribution

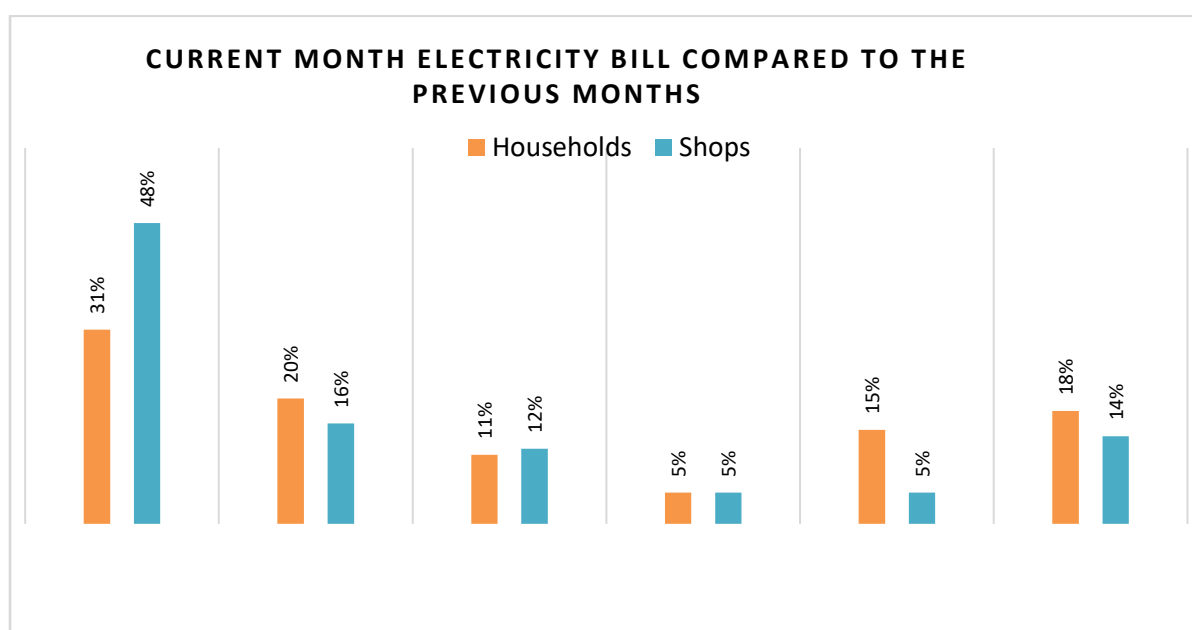
	Cities	Distribution Company	Total Sample	Household	Commercial
1	Karachi	K-Electric	389	295	94
2	Hyderabad	HESCO	45	29	17
3	Sukkur	SEPCO	43	40	3
4	Multan	MEPCO	49	45	4
5	Lahore	LESCO	228	213	15
6	Faisalabad	FESCO	84	79	5
7	Gujranwala	GEPCO	53	53	0
8	Rwp/Isb	IESCO	86	85	1
9	Quetta	QESCO	62	62	0
10	Peshawar	PESCO	51	44	8
11	Other	Others	90	90	0
	Total		1,180	1,035	146

Results and Discussion

According to the survey findings, it has been confirmed that an increase in electricity tariff has an adverse impact on the consumption of electricity, supporting the initial hypothesis. The survey focused on the issue of higher electricity bills compared to the past.

The survey results indicate that a considerable number of households and shopkeepers in Pakistan have experienced an increase in their monthly electricity bills. Among the respondents, 51% of households and 64% of shopkeepers reported a moderate increase of 5-20% in their bills. Additionally, 31% of households and 22% of shopkeepers claimed a significant increase of 25-50% or even higher in their electricity tariffs. However, only a minority of respondents, 18% of households and 14% of shopkeepers, mentioned that there was no change in their monthly bills.

These findings highlight the impact of rising electricity prices on the financial burden faced by households and businesses, potentially affecting their budgets and profitability. The results emphasize the need for effective measures to address affordability concerns and ensure a sustainable balance between electricity prices and the ability of consumers to bear these costs.



The survey findings revealed that electricity bills constitute a significant portion of monthly expenses for both households and shopkeepers. On average, households reported allocating almost a quarter (25%) of their monthly income towards electricity bills. Similarly, shopkeepers dedicated 22% of their earnings to cover these expenses. These numbers demonstrate the substantial financial burden imposed by electricity bills on individuals and businesses. High electricity prices can strain household budgets, limit disposable income for other essential needs, and impact the profitability of small businesses. These findings underscore the importance of ensuring affordable electricity tariffs and implementing measures to improve energy efficiency and conservation to alleviate the financial pressure on households and businesses.

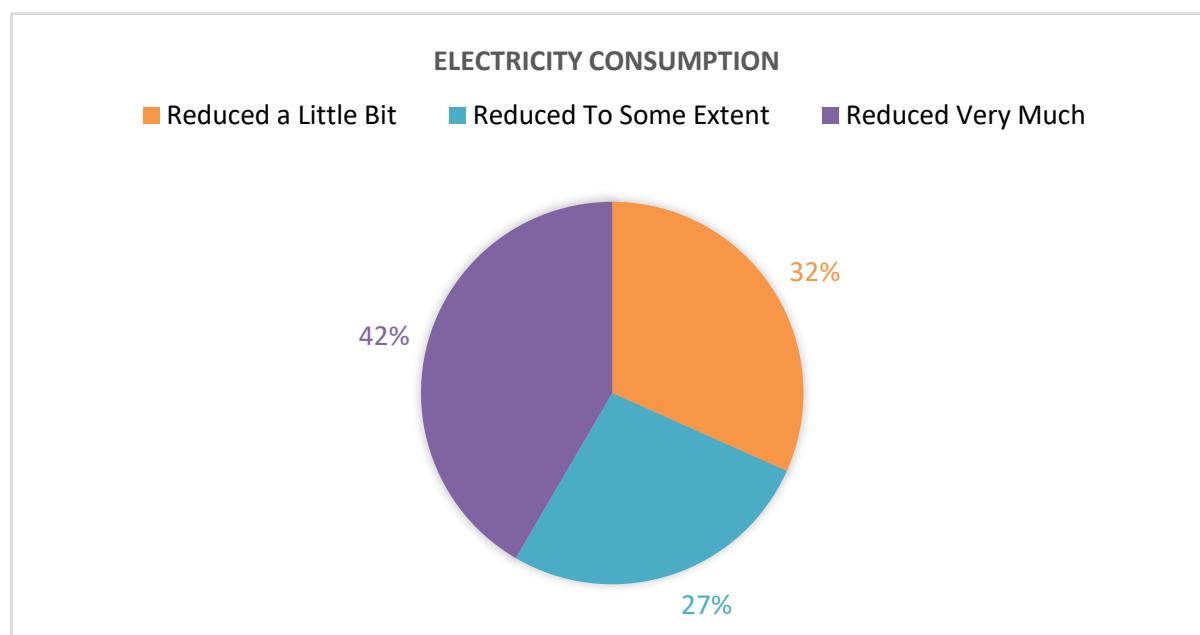
When comparing the reported perception of increase in monthly bill with consumption behavior, it becomes evident that electricity consumption has reduced to some extent, regardless of the reported increase (ranging from 5% to 50% or higher). Notably, there is a marked difference in consumption patterns between those who reported a less than 20%

increase and those who reported an increase of more than 25%. Among those who reported less than a 20% increase, approximately 35% claimed to have extensively reduced their consumption, while 33% reported a slight reduction, and 30% mentioned reducing their consumption to some extent. However, in the case of those reporting a more than 25% increase in their bills, the proportion of respondents claiming an extensive reduction in consumption reached 50% or more.

These findings indicate a correlation between the magnitude of the reported bill increase and the extent of consumption reduction. The higher the reported increase, the greater the likelihood of respondents implementing more significant measures to reduce their electricity consumption. This suggests that the financial burden imposed by higher electricity bills has motivated consumers to adopt energy-saving practices and make conscious efforts to reduce their electricity usage.

a. Electricity Consumption

In response to the recent increase in electricity tariffs, a significant portion of the respondents, approximately 41%, reported a drastic reduction in their electricity consumption. This suggests that a substantial number of individuals have taken substantial measures to curtail their energy usage. Additionally, 32% of the respondents claimed to have reduced their consumption to a lesser extent, indicating a moderate reduction in electricity usage. Furthermore, 27% of the participants reported reducing their electricity consumption to some extent, highlighting a lower level of reduction compared to the previous groups.

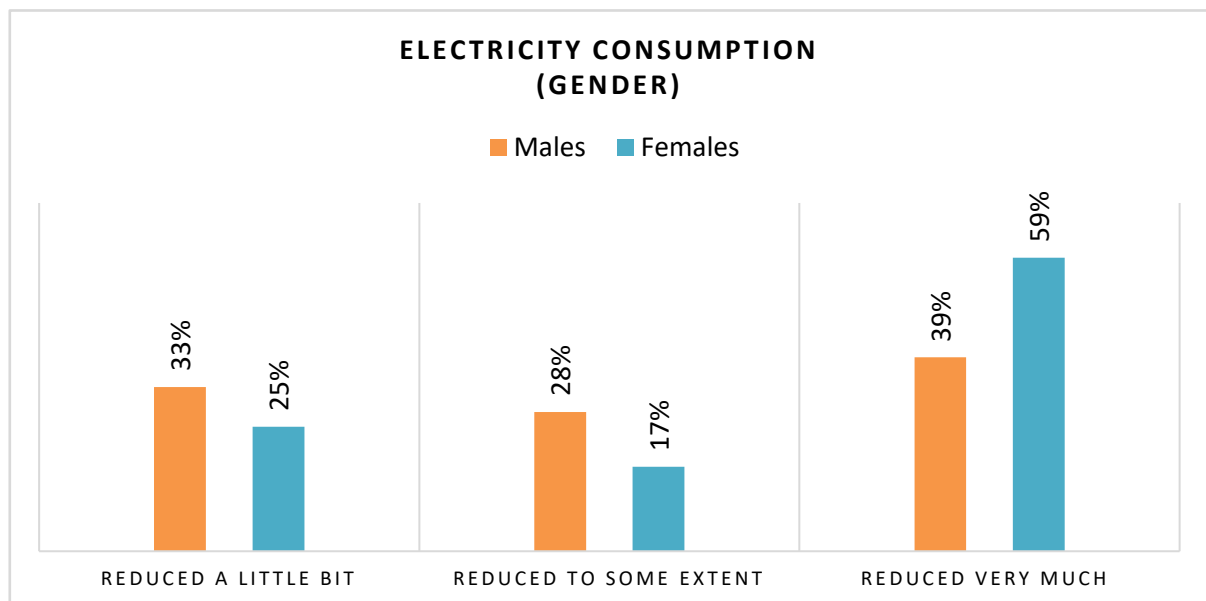
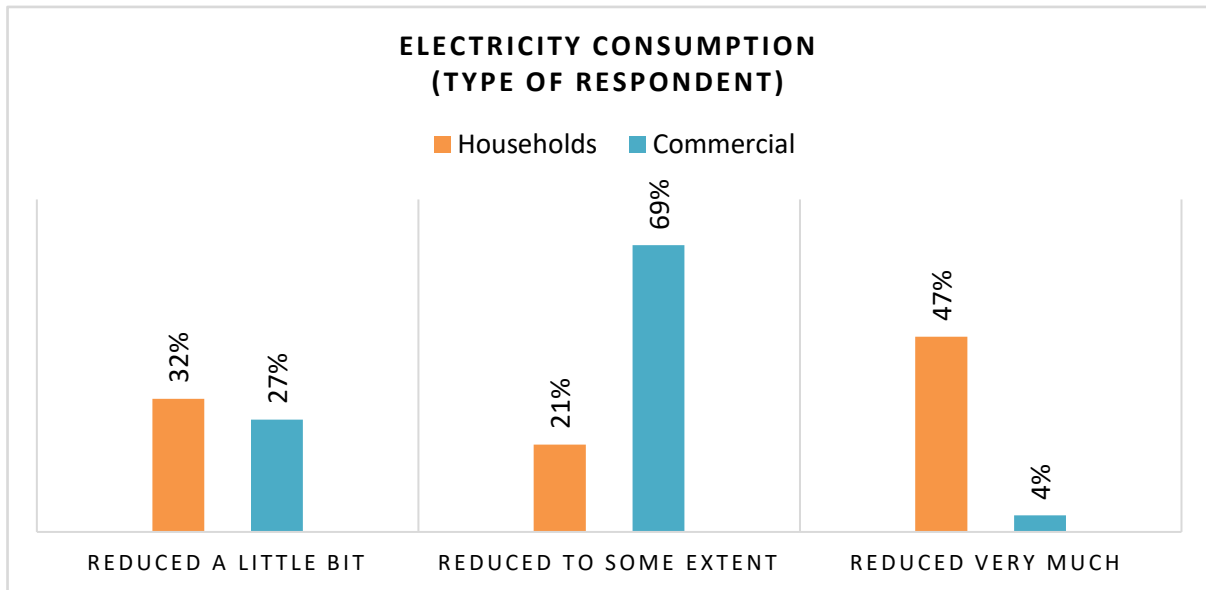


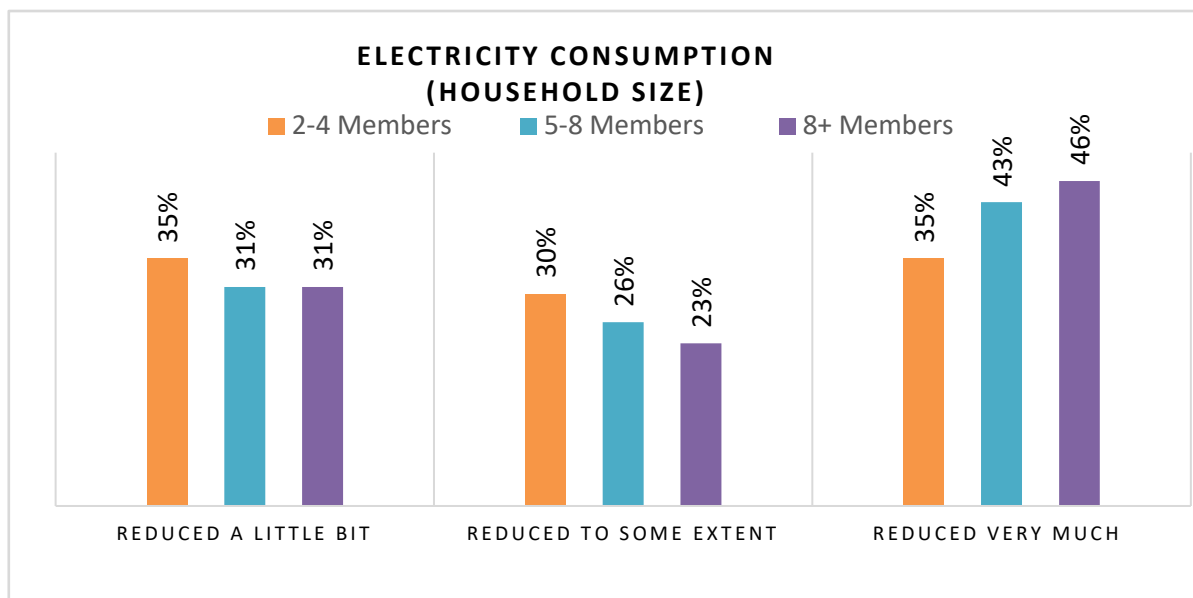
These findings illustrate the varying degrees of reduction in electricity consumption among respondents in light of the increased tariffs. It reflects a conscious effort by a significant proportion of individuals to adapt their energy consumption habits and mitigate the impact of higher electricity prices. Such measures may include practicing energy-saving behaviors, adopting energy-efficient appliances, and optimizing electricity usage.

An analysis of the relationship between electricity consumption and various variables revealed that 69% of shopkeepers reported reducing their electricity consumption to some extent. Whereas, among households, 47% claimed to have extensively reduced their electricity

consumption. Across different socio-economic classes, an average of 50% of households reported extensive reductions in electricity consumption. Interestingly, the survey reveals that females demonstrated higher levels of concern and were more likely to have extensively reduced their electricity usage compared to males.

The survey findings also indicate a direct relationship between electricity consumption and the size of the family or household. Larger families reported higher levels of reduction in electricity usage, while smaller families reported relatively lesser reductions. Another notable trend is a reduction in the usage of various electric appliances and utensils.





b. Households’ Current Economic Situation

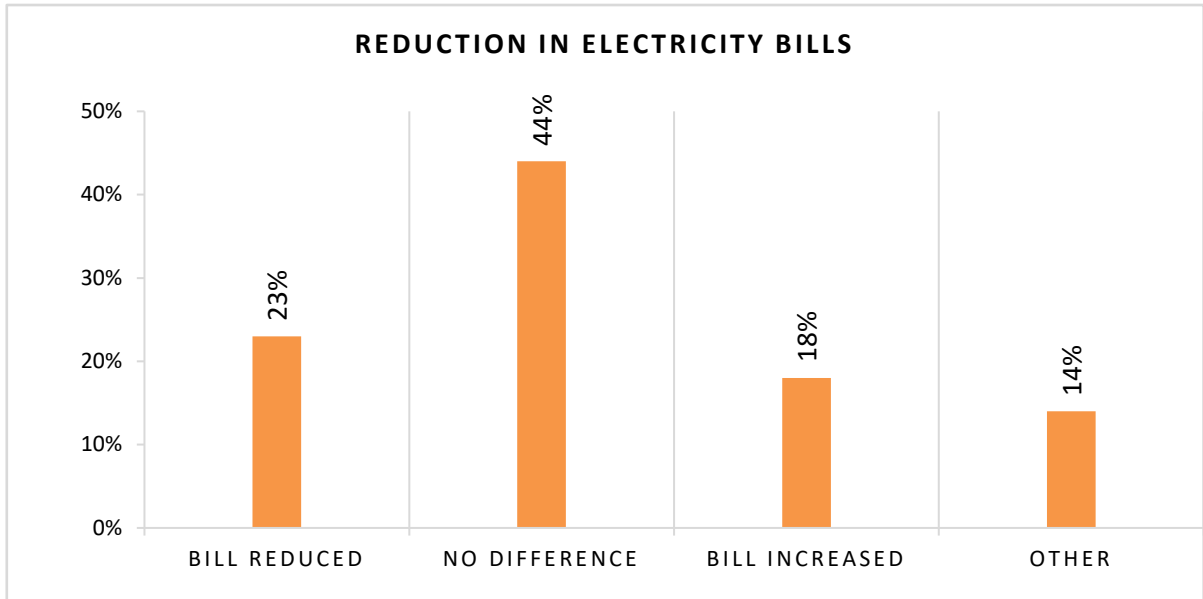
The findings of the survey, conducted in the current period of high inflation, reveal a worrying financial situation for a significant proportion of respondents. Among the participants, 40% claimed to be able to meet their monthly expenses from their income, while a substantial majority of 60% reported being unable to cover their expenses adequately.

Within the group of respondents who managed to meet their expenses, only 28% reported having any savings. This indicates that the majority, comprising 72% of this group, were unable to save any money despite meeting their monthly financial obligations. This highlights the financial strain faced by individuals in coping with rising inflation and maintaining savings for future needs or emergencies.

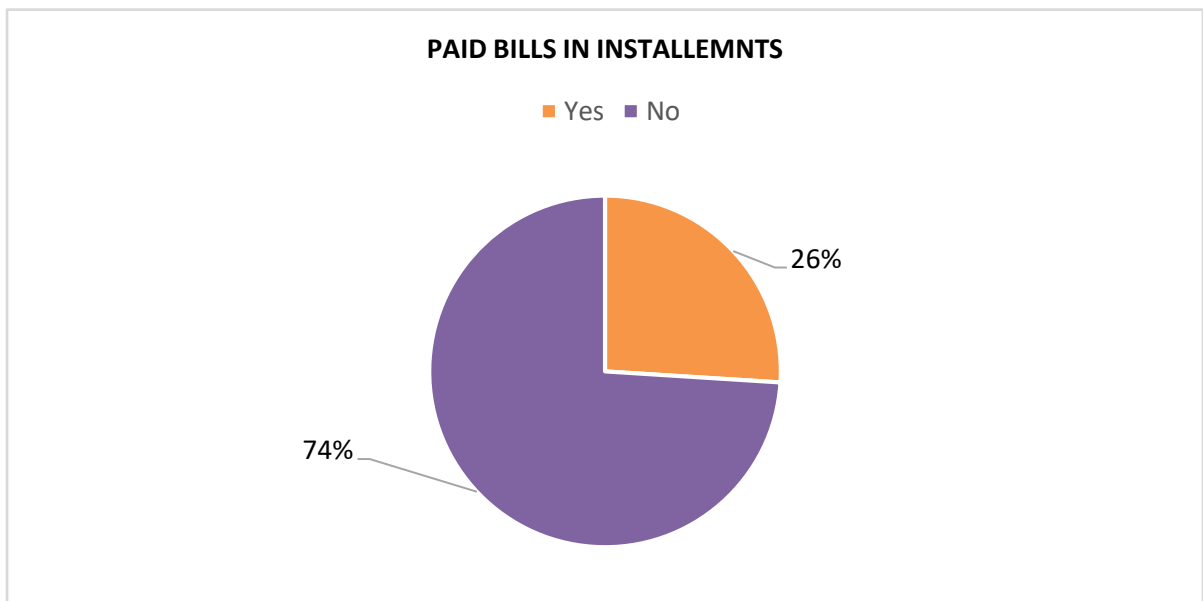
Conversely, among the 60% of respondents who were unable to meet their monthly expenses, different coping mechanisms were observed. Around 37% resorted to borrowing money on a monthly basis, suggesting a reliance on external sources to bridge the financial gap. Additionally, 40% of the respondents reduced their expenses, likely by cutting back on non-essential items or adopting cost-saving measures. Furthermore, approximately 22% of the participants took on additional jobs to supplement their income and fulfill their financial obligations.

These findings shed light on the financial challenges faced by a significant portion of the population in the wake of high inflation. The inability to save money, reliance on borrowing, expense reduction, and the need for additional employment highlight the economic pressure experienced by individuals and households.

Despite the fact that electricity consumption has been reduced significantly as a result of the increased tariffs, an interesting finding from the survey is that approximately 45% of the respondents claimed that their monthly billing remained unaffected. An intriguing revelation is that despite the overall reduction in electricity consumption, approximately 18% of the respondents claimed that their electricity bills had actually increased compared to previous months. This suggests that for a significant portion of individuals, the reduction in electricity consumption did not translate into a noticeable decrease in their monthly electricity bills.



In response to the recent tariff hikes, it was found that 26% of the survey respondents chose to pay their bills in installments over the course of the last year. This indicates a significant segment of consumers who have faced financial challenges in meeting their electricity payment obligations due to the increased tariffs. However, it is important to acknowledge that this approach may also bring about additional mental pressure on the head of the household, particularly due to the remaining amount from the previous bill and the arrival of a new bill.



The responsibility of managing installment payments falls on the head of the household, who may already be under considerable financial stress. Balancing multiple financial obligations, budgeting effectively, and ensuring timely installment payments can add to the mental burden of managing household finances.

The decision to pay in installments underscores the financial strain that the tariff hikes have imposed on a substantial segment of the population. It reflects the need for flexibility and

alternative payment options to accommodate the varying economic circumstances and affordability of consumers.

The survey found that a significant majority of approximately 55% of the respondents reported experiencing load shedding in their areas on three or more occasions. Additionally, 17% of the participants claimed facing load shedding at least once or twice per day. These findings shed light on the prevalence and impact of load shedding on the daily lives of individuals. The fact that a majority of respondents reported experiencing load shedding multiple times highlights the persistent challenge of power outages in certain areas. This can have significant implications for households, businesses, and overall productivity, as frequent disruptions in power supply can disturb daily routines, hamper economic activities, and adversely affect the quality of life.

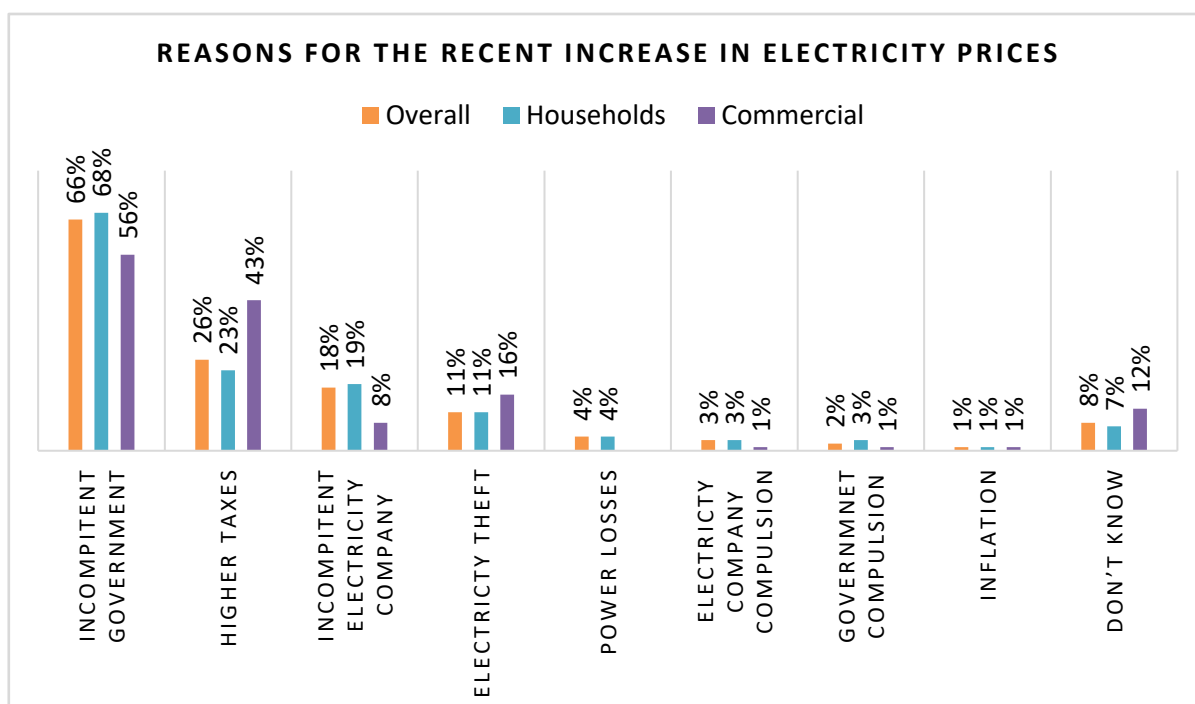
Conversely, the 28% of respondents who claimed not having experienced load shedding represent a relatively fortunate segment of the population who enjoy consistent access to electricity.

c. Reasons for the Recent Increase in Electricity Prices

When survey participants were asked about the factors contributing to the recent increase in electricity prices, a majority of the respondents (66%) pointed to government incompetency as the primary cause. This perception highlights a prevailing sentiment among the public regarding the role of governance in managing and regulating the energy sector.

In addition, 26% of the respondents believed that heavy taxation played a significant role in the rising electricity prices. This indicates concerns about the impact of taxes and levies on the overall cost of electricity, which directly affects consumers' monthly bills.

Furthermore, 19% of households expressed dissatisfaction with the incompetence of electricity-providing companies. This suggests that consumers perceive deficiencies in the operational efficiency, management, and service delivery of these entities, which they believe contribute to the escalating prices.

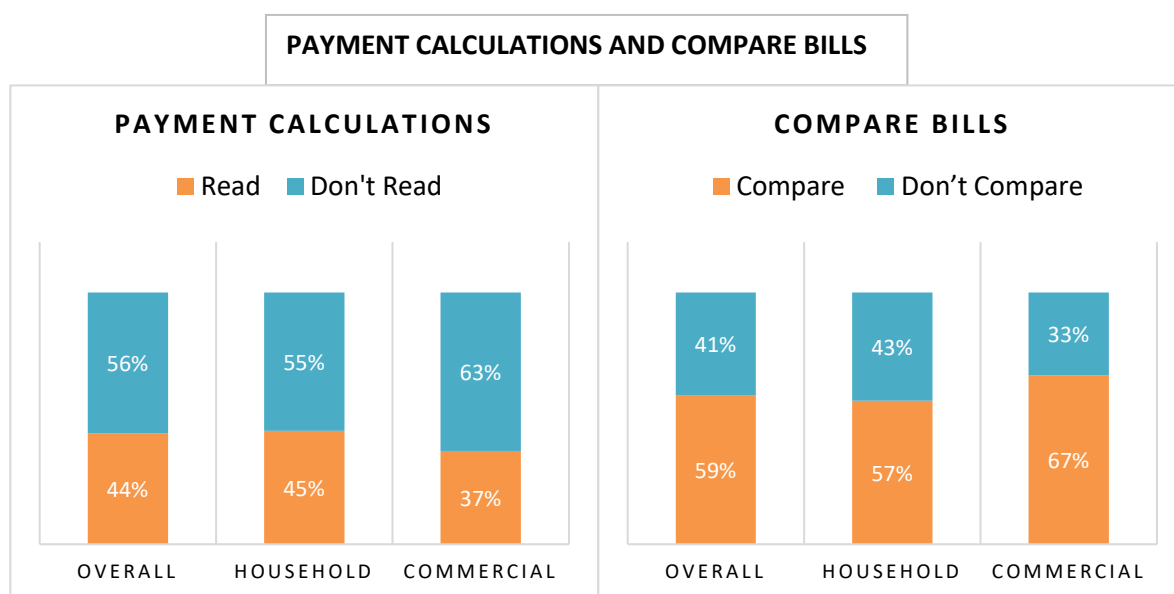


Interestingly, 16% of shopkeepers identified power theft as a notable issue impacting electricity prices. This highlights the recognition among a segment of respondents regarding the detrimental effects of illegal connections and electricity theft on the overall cost of electricity distribution

d. Payment Calculation and Comparing Bills

Among the survey participants, it was found that 44% of them reported reading the calculation of their bill payment. This indicates a significant portion of consumers (56%) does not actively engage with their electricity bills and take the time to understand the components and calculations involved.

Furthermore, 59% of the respondents mentioned that they compare their current electricity bill with the consumption of the previous month. This demonstrates a proactive approach by consumers to monitor and track their energy usage patterns over time, enabling them to assess any changes or discrepancies in their bills.

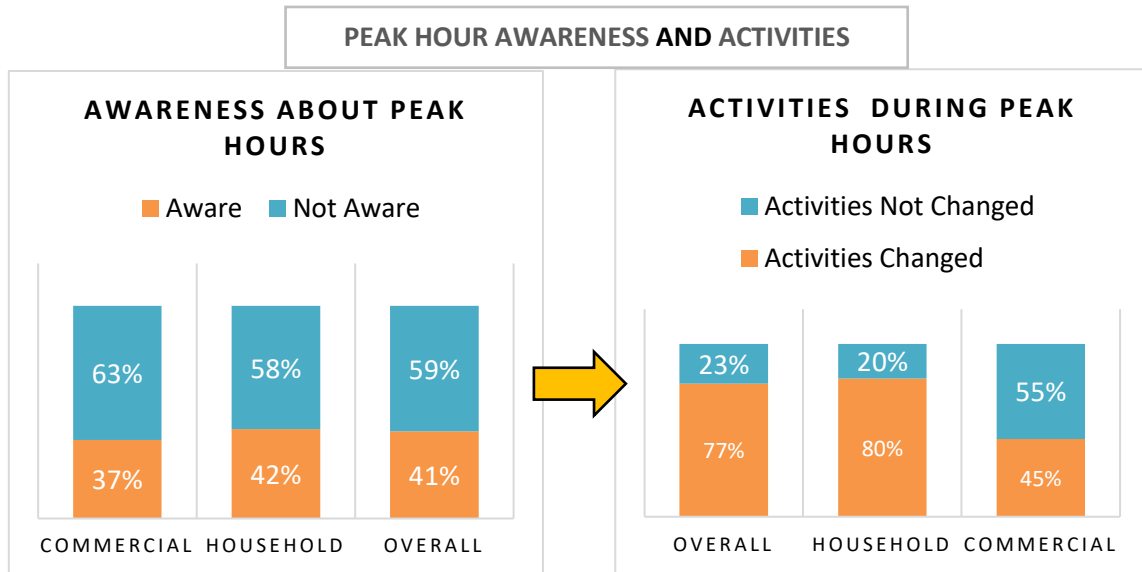


e. Peak Hours

According to the survey findings, around 41% of the participants demonstrated awareness of the specific peak hours during which electricity units are charged at higher rates. This indicates that a significant segment of the respondents (59%) had no knowledge about the time periods when electricity costs are elevated, which can be one of the reasons for higher electricity bills as the tariff changes during peak hours.

Among those who possessed this awareness, a notable proportion (77%) had made adjustments to their daily activities in order to avoid higher charges during the peak hours. By modifying their behavior and shifting their energy-consuming tasks to off-peak hours, these individuals aimed to mitigate the impact of increased electricity rates on their bills.

This proactive approach to managing electricity consumption showcases the potential influence of consumer knowledge on energy usage patterns. When individuals are informed about the specific time frames when electricity costs are higher, they become empowered to make conscious choices regarding their activities and usage of appliances.

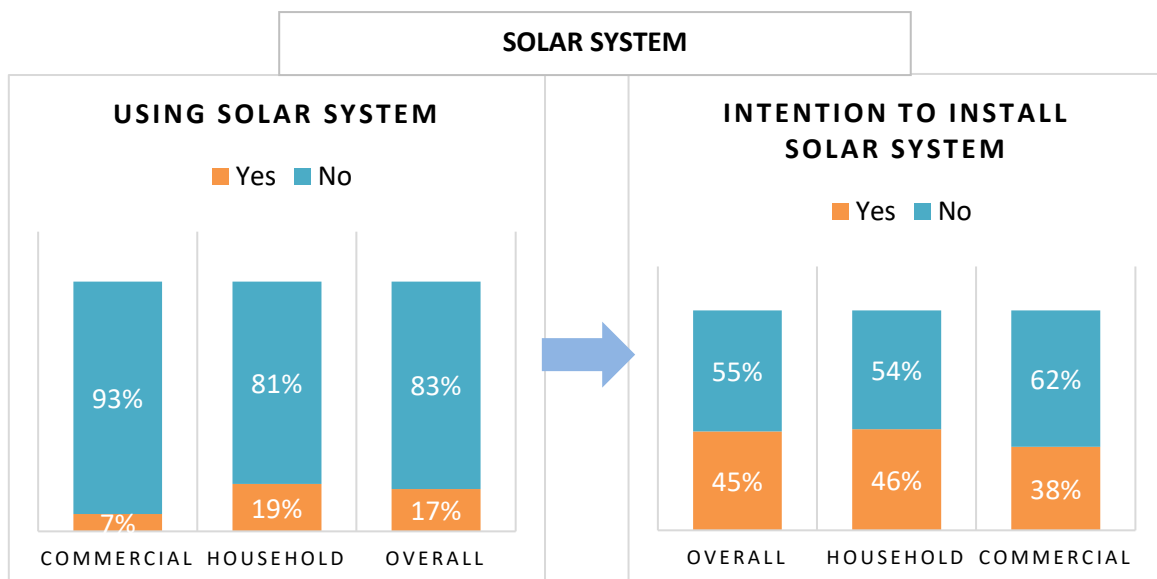


f. Solar Energy

The survey shed light on the adoption and intentions regarding solar energy usage among respondents. It was discovered that approximately 17% of the participants had already installed solar energy systems in their homes, showcasing a growing interest in renewable energy sources. Moreover, an encouraging finding was that nearly half of the respondents expressed an intention to install solar energy systems in the future, indicating a potential rise in solar energy adoption.

Among the respondents who had not yet installed solar energy systems (about 83%), the primary reasons cited for this decision were the high cost and the inability to afford such systems. The perceived financial barrier associated with the initial investment and installation expenses emerged as a significant deterrent for many individuals and households.

These findings highlight the importance of addressing the affordability aspect of solar energy systems to encourage wider adoption. Measures such as government incentives, subsidies, and financing options can play a vital role in making solar energy systems more accessible and affordable to a larger segment of the population. By reducing the upfront costs and providing financial assistance, barriers to entry can be overcome, promoting greater participation in the adoption of solar energy.



Reduction in Electricity and Adverse Impact on Recoveries and Revenue of Distribution Companies

Reduction in electricity consumption can affect the recovery ratio of DISCOs. The recovery ratio refers to the percentage of revenue collected by DISCOs from their customers compared to the total amount of electricity supplied.

When electricity consumption decreases, DISCOs experience a decrease in revenue because they are selling less electricity. This reduction in revenue can negatively impact their recovery ratio. If the revenue collected from customers decreases significantly, while the fixed costs of operating and maintaining the distribution infrastructure remain relatively constant, DISCOs may struggle to cover their expenses and meet their financial obligations.

Lower revenue from reduced electricity consumption can lead to various challenges for DISCOs, including difficulties in paying for power purchases from the generation companies, maintaining the distribution network, and servicing their debts. These challenges can further hinder their ability to invest in infrastructure upgrades, provide quality services, and improve the overall reliability of the electricity supply.

This study supports the hypothesis that an increase in electricity prices leads to a decrease in consumption and a potential shift towards alternative energy sources, particularly renewable energy such as solar energy.

For this study, we also contacted multiple Distribution Companies to share their recovery data to gauge the impact of recent hikes on their recovery ratios. However, only K-Electric returned our request with the required data. Based on the data obtained from K-Electric from April 2022 to March 2023, it is evident that its recovery ratio has dropped to 94 % while it was 96.69% based on SOI Report 2022 by NEPRA, which means there is a significant reduction in its recovery. Therefore, it can be observed that K-Electric is experiencing a 2.69% % loss in revenue because of recent hikes in tariff.

It is reasonable to assume (due to non-availability of data from DISCOs) that the recovery in their territories must have also been adversely impacted keeping in view that the consumers across major parts of the city are struggling to pay their bills. It is important to note here that a reduction of even 1% in recovery ratio from any Distribution Company translates in the loss of billions of rupees. As we have ten state-owned distribution companies, the accumulated impact of the drop in their recovery ratio must be in tens of billions which will ultimately be borne by the National Exchequer as these are not privatized entities.

When electricity prices are high, the burden of paying the full amount to power generation companies (GENCOs) falls on the distribution companies. This creates a considerable strain on their financial resources and impacts the overall health of the electricity distribution sector. The government may be required to provide financial support or subsidies to sustain these distribution companies, placing an additional burden on public funds and potentially impacting other sectors and developmental projects.

As electricity prices continue to rise, consumers face higher costs for their energy usage. In response to these increased expenses, consumers often adopt measures to reduce their electricity consumption. This can include implementing energy-efficient practices, optimizing appliance usage, and adjusting their daily routines to minimize energy usage.

Furthermore, as consumers seek alternatives to mitigate the impact of rising electricity prices, renewable energy sources like solar energy become an attractive option. Solar energy offers

the advantages of being clean, sustainable, and potentially cost-effective in the long run. It allows consumers to generate their own electricity, reducing their reliance on the grid and mitigating the effects of increasing electricity prices.

There exists a direct correlation between electricity consumption and the recovery ratio of a distribution company, as demonstrated below:

a. Decline in Revenue

The reduction in electricity consumption among consumers directly corresponds to a decline in revenue for distribution companies. As consumers actively take steps to reduce their electricity usage, such as adopting energy-efficient practices or modifying their consumption behavior, the amount of electricity purchased from the distribution companies decreases. This reduction in electricity sales directly impacts the financial stability and viability of these companies.

Distribution companies rely heavily on the revenue generated from electricity sales to cover their operational costs, including maintenance and repair of infrastructure, employees' salaries, administrative expenses, and investment in infrastructure improvements. When revenue declines, it creates a financial strain on the distribution companies, making it challenging for them to meet their financial obligations and carry out necessary upgrades and maintenance.

The decline in revenue not only affects the day-to-day functioning of distribution companies but also hinders their ability to invest in crucial infrastructure improvements. Aging infrastructure, such as power lines, transformers, and substations, requires regular upgrades and maintenance to ensure a reliable and efficient power supply. However, the lack of sufficient revenue can limit the ability of distribution companies to make these necessary investments, leading to potential issues with grid stability and quality of service.

b. Profitability and Sustainability

The reduction in electricity consumption not only affects the revenue but also poses challenges to the profitability and sustainability of distribution companies. With lower electricity sales, the profitability of these companies may decline, potentially leading to financial instability.

One of the key implications of reduced revenue is the limitation it places on distribution companies' ability to invest in infrastructure upgrades. Aging infrastructure requires ongoing maintenance and improvement to ensure a reliable power supply. However, the decrease in revenue restricts the funds available for necessary infrastructure investments, leading to potential issues such as increased system failures, extended outages, and a decline in the quality of electricity services provided.

Moreover, the reduced profitability hampers the ability of distribution companies to adopt new technologies and implement innovative solutions. With limited resources, they may struggle to integrate advanced technologies such as smart grids, digital metering systems, or renewable energy integration. These technologies are vital for improving operational efficiency, optimizing load management, and promoting a more sustainable and resilient power distribution system.

c. Regulatory Compliance

Regulatory compliance is a crucial aspect for distribution companies. They are obligated to meet certain revenue targets or recovery ratios set by regulatory authorities. However, the reduction in electricity consumption can pose challenges for distribution companies in achieving these targets, potentially leading to penalties or regulatory interventions.

When electricity consumption declines, the revenue generated by distribution companies decreases. This reduction in revenue makes it more difficult for these companies to meet the revenue targets set by regulators. The targets are typically designed to ensure the financial viability and sustainability of distribution companies, as well as to promote efficient and reliable electricity supply to consumers.

Failing to meet the prescribed revenue targets can have serious consequences for distribution companies. Regulatory authorities may impose penalties, fines, or take other enforcement actions to ensure compliance. These penalties can further strain the financial position of distribution companies, making it even more challenging for them to recover and invest in necessary infrastructure improvements or operational upgrades.

Moreover, non-compliance with regulatory requirements can result in regulatory interventions. This can include close monitoring of the company's operations, conducting audits, or even making changes to the management or ownership structure of the distribution company. Such interventions are aimed at ensuring that the company operates in accordance with regulatory guidelines and fulfills its obligations to consumers and the wider electricity market.

Conclusion

The results of this study highlight the negative impact of rising electricity tariffs on electricity consumption as well as the financial burden imposed on households and businesses. It is crucial for policymakers to address the issue of affordability and explore effective strategies to mitigate the challenges faced by consumers.

In conclusion, the survey findings confirm that an increase in electricity tariffs has an adverse impact on electricity consumption. The majority of households and shopkeepers reported varying degrees of increase in their monthly electricity bills, with a significant portion experiencing financial strain due to these increases. The data also revealed a correlation between the increase in tariffs and a reduction in electricity consumption, with higher increases resulting in more extensive reductions.

One key aspect to consider is promoting energy conservation among consumers. Encouraging and incentivizing energy-saving practices can help reduce overall electricity demand and alleviate the strain on households and businesses. This can involve educating consumers about the importance of energy efficiency, providing information on energy-saving technologies and appliances, and offering financial incentives or rebates for adopting energy-efficient measures.

Ensuring a reliable power supply is another crucial aspect that policymakers need to prioritize. By investing in infrastructure improvements and grid modernization, distribution companies can enhance the efficiency and reliability of the electricity supply. This can help alleviate concerns among consumers regarding frequent power outages or voltage fluctuations, thereby increasing their confidence in the electricity sector.

Furthermore, raising awareness about renewable energy sources is essential for a sustainable and affordable electricity sector. Educating consumers about the benefits of renewable energy, such as solar or wind power, can encourage their adoption and reduce reliance on traditional grid-based electricity. This can help consumers save on electricity bills and also contribute to environmental sustainability by reducing carbon emissions.

To achieve these goals, policymakers should implement targeted measures that address the specific challenges faced by different consumer segments. This can include targeted subsidy programs for low-income households, financial support for businesses to adopt energy-efficient technologies, and regulatory reforms to ensure transparency and accountability in the power sector.

By adopting a comprehensive approach that combines affordability, energy conservation, reliable power supply, and renewable energy promotion, policymakers can create a sustainable and affordable electricity sector. This will not only mitigate the adverse effects of rising tariffs but also pave the way for a resilient energy landscape that meets the needs of consumers and supports long-term economic and environmental goals

Policy Recommendations

Based on the findings of the survey, the following policy recommendations can be made:

I. Mitigate the Impact of Increasing Electricity Tariffs:

- Explore options for targeted subsidies or assistance programs to support vulnerable households and small businesses affected by tariff increases.
- Encourage energy efficiency measures and promote the use of energy-saving appliances to help offset the impact of tariff increases on consumption.

II. Promote Renewable Energy Adoption:

- Implement favorable policies and incentives to encourage the widespread adoption of solar energy systems, making them more affordable and accessible to households and businesses.
- Raise awareness about the benefits of renewable energy and educate the public on available incentives and support programs.

III. Improve Governance and Efficiency of Electric Supply Companies:

- Implement measures to enhance the performance and efficiency of electric supply companies, including better infrastructure planning, maintenance, and grid management.
- Strengthen regulatory oversight to ensure transparent and accountable operations of electric supply companies.
- Encourage competition and market liberalization in the electricity sector to drive innovation, efficiency, and customer service improvements.

IV. Improve Load Shedding Management:

- Develop and implement strategies to mitigate the impact of load shedding, including investments in reliable power generation infrastructure and the integration of renewable energy sources.
- Prioritize load shedding schedules and ensure equitable distribution of power interruptions across regions to minimize disruptions and inconvenience to consumers.

V. Taking distribution companies on board:

- In order to ensure the financial stability and recoveries of distribution companies (DISCOs) while implementing additional taxes or measures, it is crucial to involve them in the decision-making process. By considering their input and understanding their revenue streams and operational costs, policymakers can develop targeted policies that minimize disruptions to DISCOs' financial health and enable them to continue providing reliable electricity services to consumers.

VI. Current Economic Crisis and Tax Collection:

- As the country faces an economic meltdown, it is recommended that the government explores alternative sectors for tax collection instead of heavily burdening the power sector. Imposing additional taxes on an already financially strained population may worsen their economic situation. Diversifying the tax base to sectors with higher income levels would be more equitable and sustainable in the current economic circumstances. These policy recommendations aim to address the challenges identified in the survey and promote a more sustainable and affordable electricity sector that meets the needs of households, businesses, and the overall economy of the country.



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