

## Employee News Briefing

30-September-2024

### Business Recorder

#### CCP suggests govt to swiftly implement CTBCM model

The Competition Commission of Pakistan (CCP) has recommended the government to swiftly implement the Competitive Trading Bilateral Contract Market (CTBCM) model to open Pakistan's wholesale electricity market.

This move, the CCP believed, will foster competition and improve efficiency in the power sector.

In its Competition Assessment Study on the Power Sector, the CCP emphasized that retail competition should be the ultimate goal, allowing consumers to choose their electricity suppliers.

CTBCM test run: Nepra reserves determination on final report

The CTBCM model, approved by Nepra in 2020, is a critical step toward this vision, enabling bulk power consumers with loads of 1MW or more to purchase electricity either from Discos or from competitive suppliers.

The report highlighted the need for power distribution companies to activate their Market and Regulatory Affairs Departments (MIRAD) to prepare for competition.

The CCP submitted its findings to the Ministry of Finance, identifying several key challenges, including:

(i); High Capital Barriers: Significant capital requirements for generation, transmission, and distribution infrastructure are hindering new entrants from competing in the market.

(ii); Monopolistic Market Structure: The state-owned National Transmission & Despatch Company (NTDC) continues to dominate the transmission segment, operating under a single-buyer model, where the Central Power Purchasing Agency (CPPA-G) purchases electricity from power producers and sells it to distribution companies (Discos). This monopoly stifles competition.

(iii); Aging Infrastructure: Much of Pakistan's power infrastructure is outdated and in need of upgrades, which the CCP highlighted as a critical factor for enabling an open and efficient market.

The CCP's study also raised concerns over inefficiencies in the power sector, particularly within state-owned Discos, which continue to operate with average losses of 17%. These inefficiencies, combined with issues such as load shedding and circular debt, have hampered market development and competition.

Furthermore, the uniform tariff structure and subsidies compensating for tariff differentials were cited as barriers to competition, as they support inefficient Discos at the expense of more efficient ones. The CCP urged the government to revise these subsidies to encourage more competitive practices.

In its recommendations, the CCP called for the following measures:

(i); Immediate implementation of the CTBCM model envisioned in National Electricity Policy 2021, and National Electricity Plan 2023-27, to open the wholesale electricity market.

(ii); Rationalization of System/Wheeling Charges for transmission and distribution to support the effective execution of the CTBCM.

(iii); Strategic decommissioning of outdated, inefficient power plants to alleviate the financial burden of capacity payments.

(iv); Private sector participation in transmission infrastructure, along with the full implementation of the Transmission Line Policy 2015.

(v); Reform of the business model of Discos, including options for privatization or public-private partnerships, to address high losses and improve market dynamics.

The CCP also recommended gradually introducing retail competition in the power sector, starting by lowering the 1MW threshold, allowing more consumers to choose their electricity suppliers as the market matures, the CCP added

<https://www.brecorder.com/news/40324688/ccp-suggests-govt-to-swiftly-implement-ctbcm-model>



Women In Law Hold Awareness Session On Competition Law, Practice

September 29, 2024

**The event included a panel discussion followed by a question and answer session on the competition law and challenges associated with its practice**



An awareness session about competition law and its practice in Pakistan was organised in Islamabad this week.

The session had been organised by the Women in Law Initiative Pakistan, in association with the Competition Commission of Pakistan and with support from the Legal Awareness Committee of the Islamabad High Court Bar Association (IHCBA). IHCBA Secretary Shafqat Abbas hosted the event while the IHCBA cabinet, including its President Riasat Azad, and a large number of lawyers, attended it.



During the event, Women in Law Initiative Pakistan Founder Nida Usman Chaudhary shared the motivations behind the session. Sibah Farooq, the chairperson of the Legal Awareness Committee, then provided a comprehensive historical overview of the law, enlightening the audience about its evolution and significance.



Earlier, CCP Member Salman Amin gave the opening remarks for CCP.

A short documentary was screened, which covered the basics of competition law, followed by an in-depth presentation on the law by Kishwar Khan, the director general for research at CCP.

The panel discussion, moderated by CCP's Maryam Haseeb, featured CCP Exemptions Director Shazia Ashraf, Barristers Zainab Khan (Abs & Co), and Zainab Janjua (Partner Ajuris and representative of Women in Law). This session, followed by a question and answer segment, provided a unique opportunity for the audience to engage with these experts.

IHCBA President Riasat Azad concluded the event with his address. As a token of appreciation, shields and certificates were distributed, recognising their active participation and commitment to the cause.



Prominent attendees who graced the occasion with their presence and participation included former high court judge Advocate Jamila Jahanoor Aslam, members from the Azad Jammu Kashmir (AJK) Bar and senior advocates Kosar Awan and Bilquees Rasheed Minhas, IHCBA Executive Committee Members Syeda Rida-e-Batool, Advocate Sidra Ishaq and Women in Law Gilgit-Baltistan (GB) Chapter Lead Kulsoom Abbas amongst others.

<https://thefridaytimes.com/29-Sep-2024/women-in-law-hold-awareness-session-on-competition-law-practice>