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## PEPCO seeks funds for rental power plants

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The News reported that Pakistan Electric Power Company and National Bank of Pakistan have sought response of financial institutions to the proposal of opening letters of credit and provision of advance payments for rental power projects.

The demand came in a meeting between development financial institutions and CFO PEPCO and NBP president. The PEPCO and NBP expect the banks' response would come within two days. The PEPCO is currently in the process of installing rental power projects to meet the shortfall in power generation and achieve the government's target of getting rid of load-shedding by the end of December.

The PEPCO authorities believe that financial institutions will play their due role in overcoming power shortage in the country and participate in a syndicate to open Letters of Credit or Standby Letters of Credit as well as bankroll the rental power projects.

The PEPCO CFO explained the structure of rental power projects. The first meeting was held on February 24th 2009 and the second follow up meeting on March 2nd 2009. In addition, representatives of rental power projects including Pakistan Power Resources, Walters Power, Techno E Power and Turkish sponsors of Karkay Karadenz also made presentations on their projects and financing structure.

The official said that financial institutions expressed satisfaction over the awarding process of these rental projects and promised that they would discuss these projects within their institutions. He said in the question answer session the financial institutions' heads raised certain queries and concerns about rental power plant projects.

They were said that the government has advised the PEPCO to acquire 1,000 MW to 1,200 MW rental power projects through International Competitive Bidding. Besides that, the private power and infrastructure board was mandated to acquire further rental power and all projects have the approval of the economic coordination committee.

Following the approval of the ECC, the proposals were invited on the very transparent ICB basis. Similarly, the construction period is very short and can timely meet the countries power shortage.

(Sourced from the News)

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