RENEWABLES FIRST

Pakistan’s Power Market Insights

August 2026

Author:

Huma Naveed | Renewables First

Designer:

Talha Ahmad | Renewables First

Disclaimer:

All the information and analysis provided in this document are accurate and to the best of our knowledge and understanding. In case you identify any error, feel free to reach out to us at: DataTeam@renewablesfirst.org, info@renewablesfirst.org

© Renewables First

You are actively encouraged to share and adapt the report. Please cite as "Renewables First, Power Market Insights- August 2026", **www.renewablesfirst.org**

Introduction

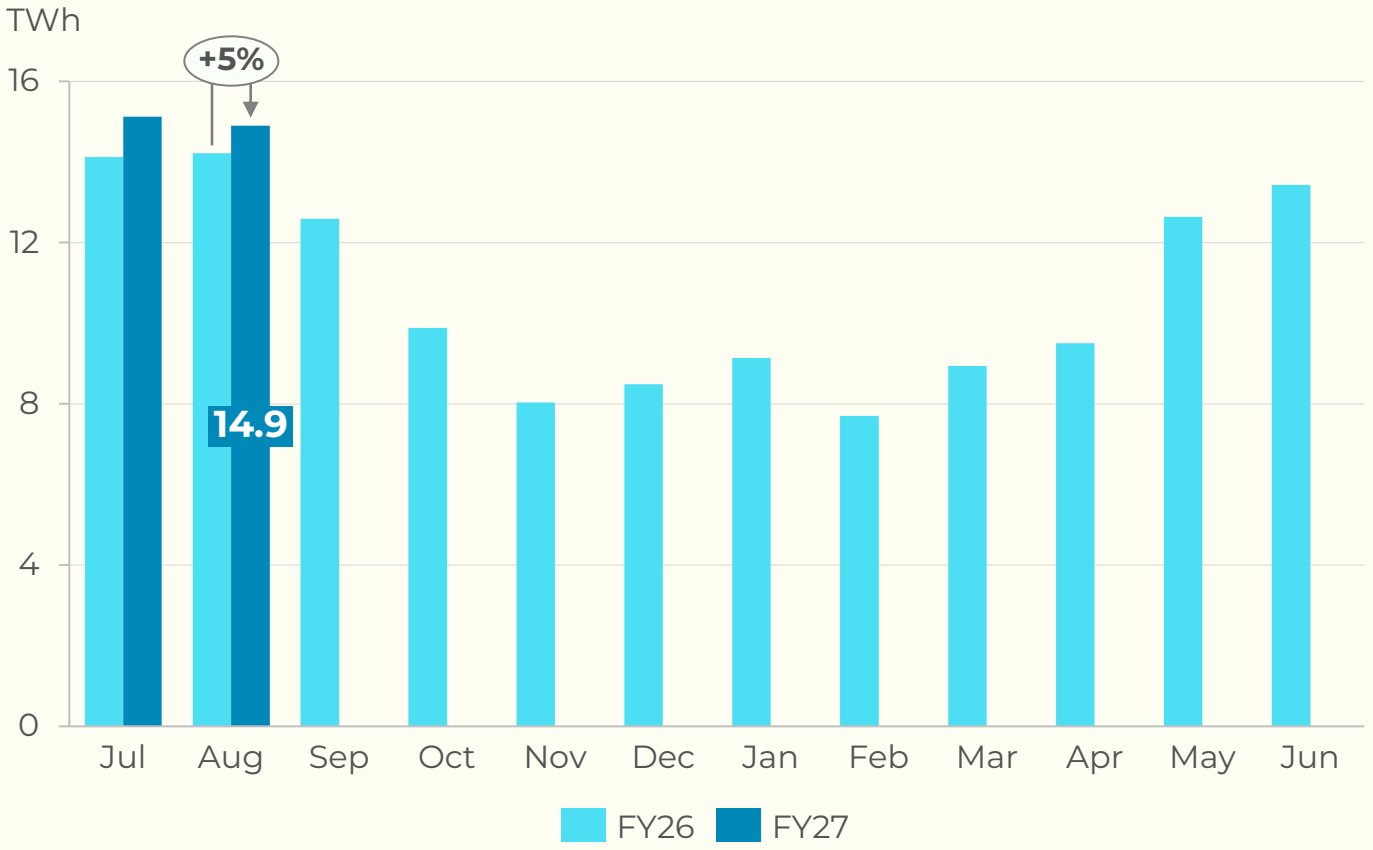
Our power market insights highlight important trends shaping Pakistan's power sector. This document focuses on long-term changes, such as the effects of fuel cost variations and shifts in the energy mix. The goal is to help businesses and consumers understand how the power sector is evolving in the country on a monthly basis.

- August generation reached 14.9 TWh, with hydel remaining the largest source at 38% of the generation mix.
- RLNG generation fell 40% YoY amid supply disruptions, while coal-fired generation rose 53%, increasing reliance on coal for power supply.
- Higher-cost thermal generation pushed actual generation cost to PKR 8.8/kWh, 24% above the PKR 7.1/kWh reference cost, resulting in a proposed PKR 25 billion FCA.

#RFPowerMarketInsights

Summer cooling demand pushed power generation 5% higher YoY in Aug 26

Month-wise electricity generation in FY26 vs FY27

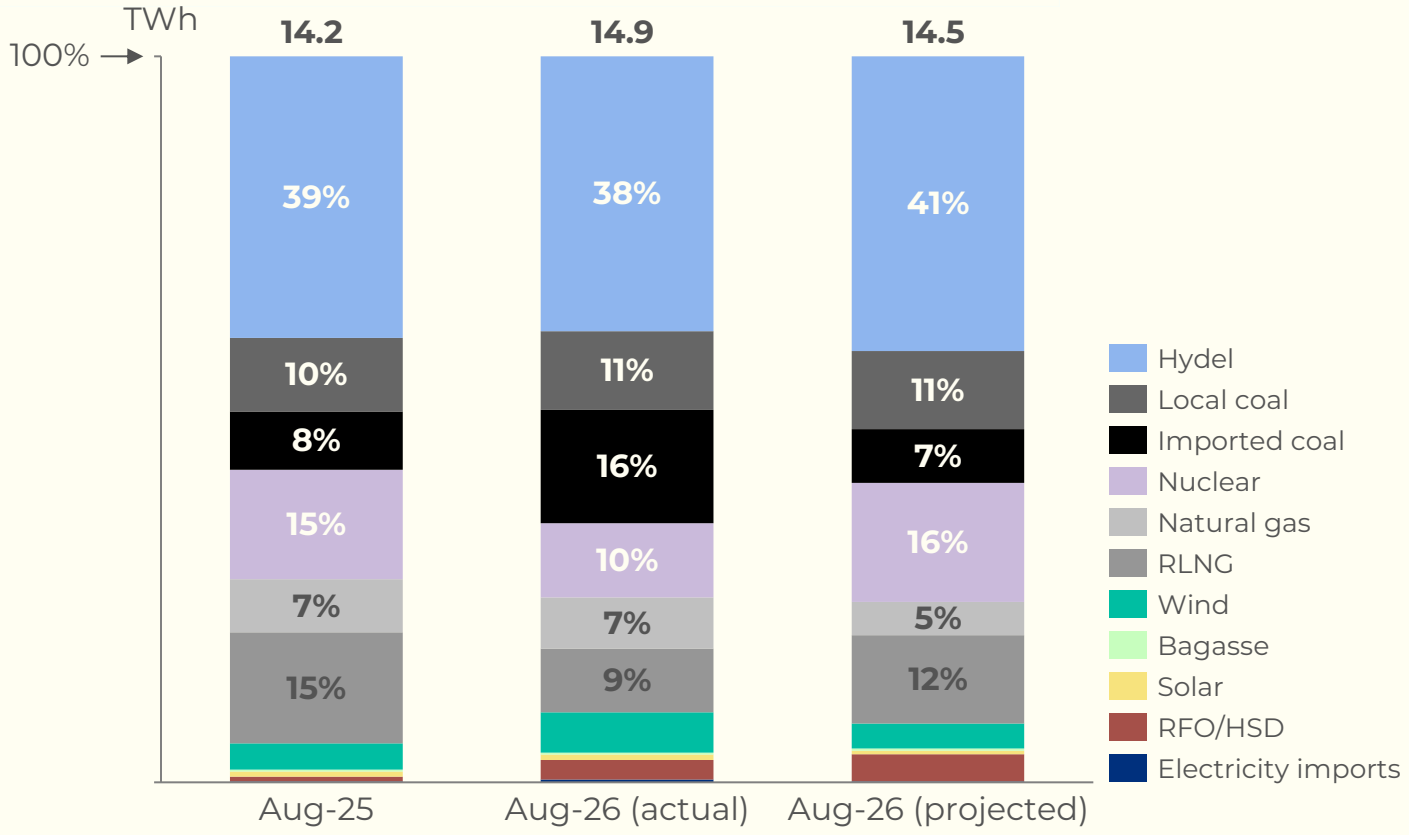


- Electricity generation rose to 14.9 TWh in Aug 26 as temperature climbed to 31°C, 0.9°C above average, driving a seasonal increase in cooling demand.
- Electricity consumption rose 6% YoY in the first two months of FY27, signalling economic activity (July LSM up 3% YoY) and industrial and agricultural consumption packages supporting demand.

Data Source: NEPRA, PBS & Renewables First's calculations

Hydel remained the largest generation source, accounting for 38% of the Aug 26 generation mix

Source-wise electricity generation mix , Aug 25 vs Aug 26 (actual) vs Aug 26 (projected)

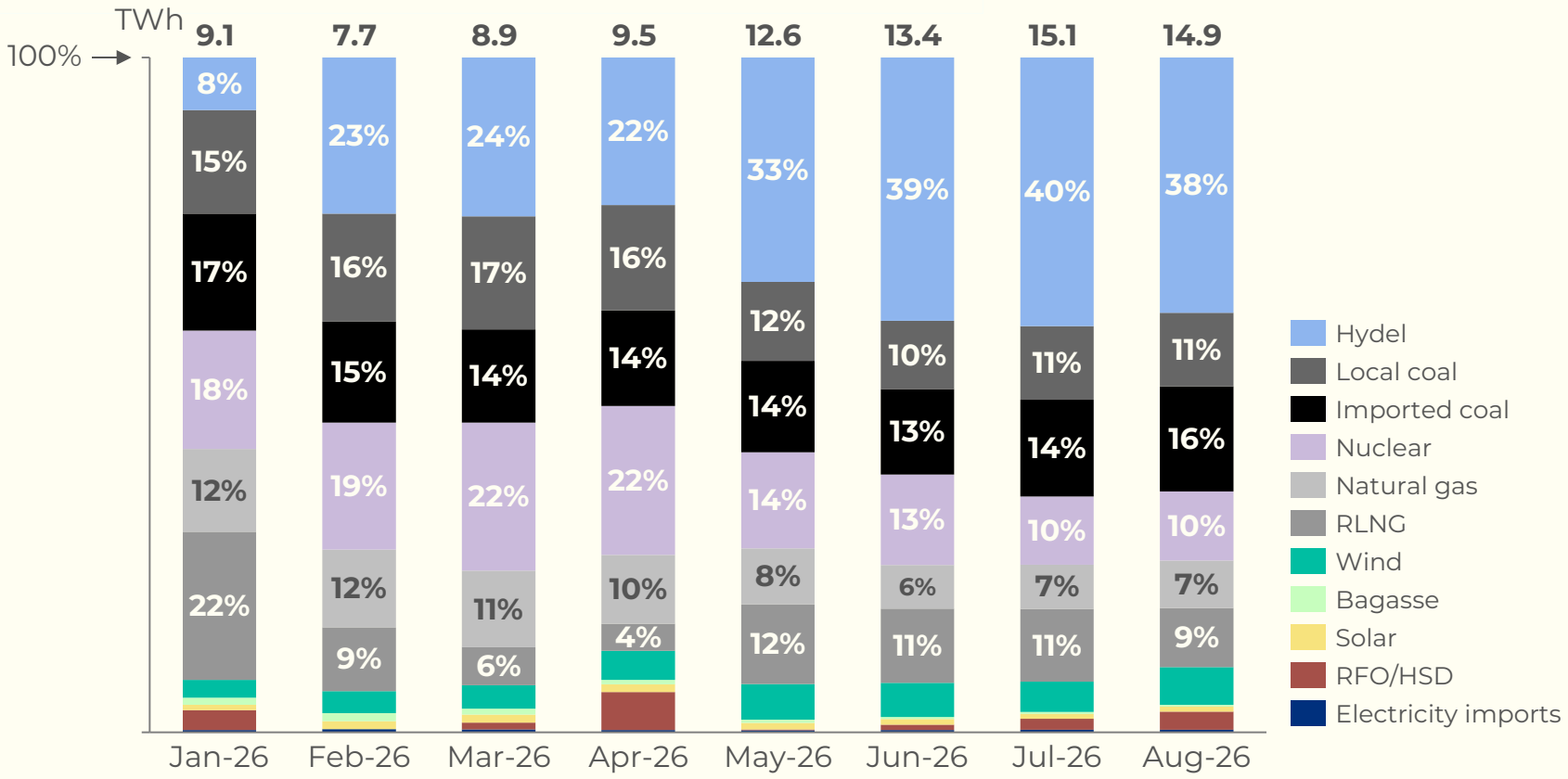


- Hydel generation rose 2.5% YoY to 5.7 TWh, supported by higher water availability from snowmelt and monsoon rains.
- Oil-fired generation increased from 0.1 TWh to 0.4 TWh, reflecting greater reliance on furnace oil amid RLNG supply constraints.
- Nuclear generation fell 29% YoY to 1.5 TWh, mainly reflecting the planned outage of KANUPP Unit-3.
- RLNG generation fell 40% YoY to 1.3 TWh as LNG supply disruptions sharply reduced cargo availability.

Data Source: NEPRA & Renewables First's calculations

Coal-fired generation rose 53% YoY as RLNG constraints drove fuel switching toward a carbon-intensive fuel

Source-wise electricity generation mix, Jan 26 - Aug 26

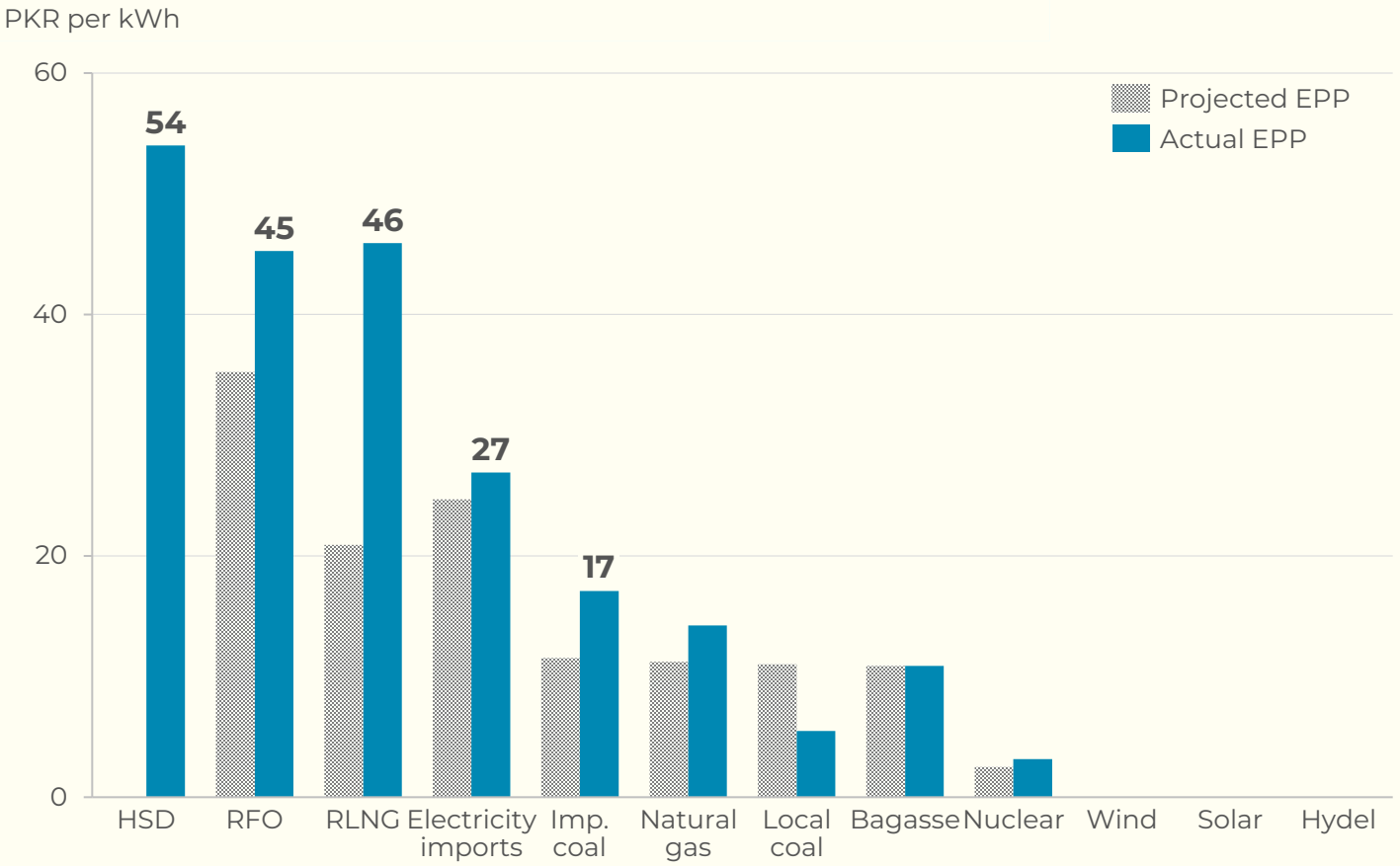


In Aug-26, imported coal generation more than doubled to 2.3 TWh, while local coal rose to 1.6 TWh, 5% above projections. Lower RLNG availability drove greater reliance on coal, increasing its share of electricity supply and making the generation mix more emissions-intensive. Scaling renewables and storage can reduce reliance on fossil fuel generation.

Data Source: NEPRA & Renewables First's calculations

Low generation from high-cost fuels raises EPP in Aug-26, increasing electricity costs and affordability pressures

Energy source wise fuel cost – actual vs projected EPP, Aug 26

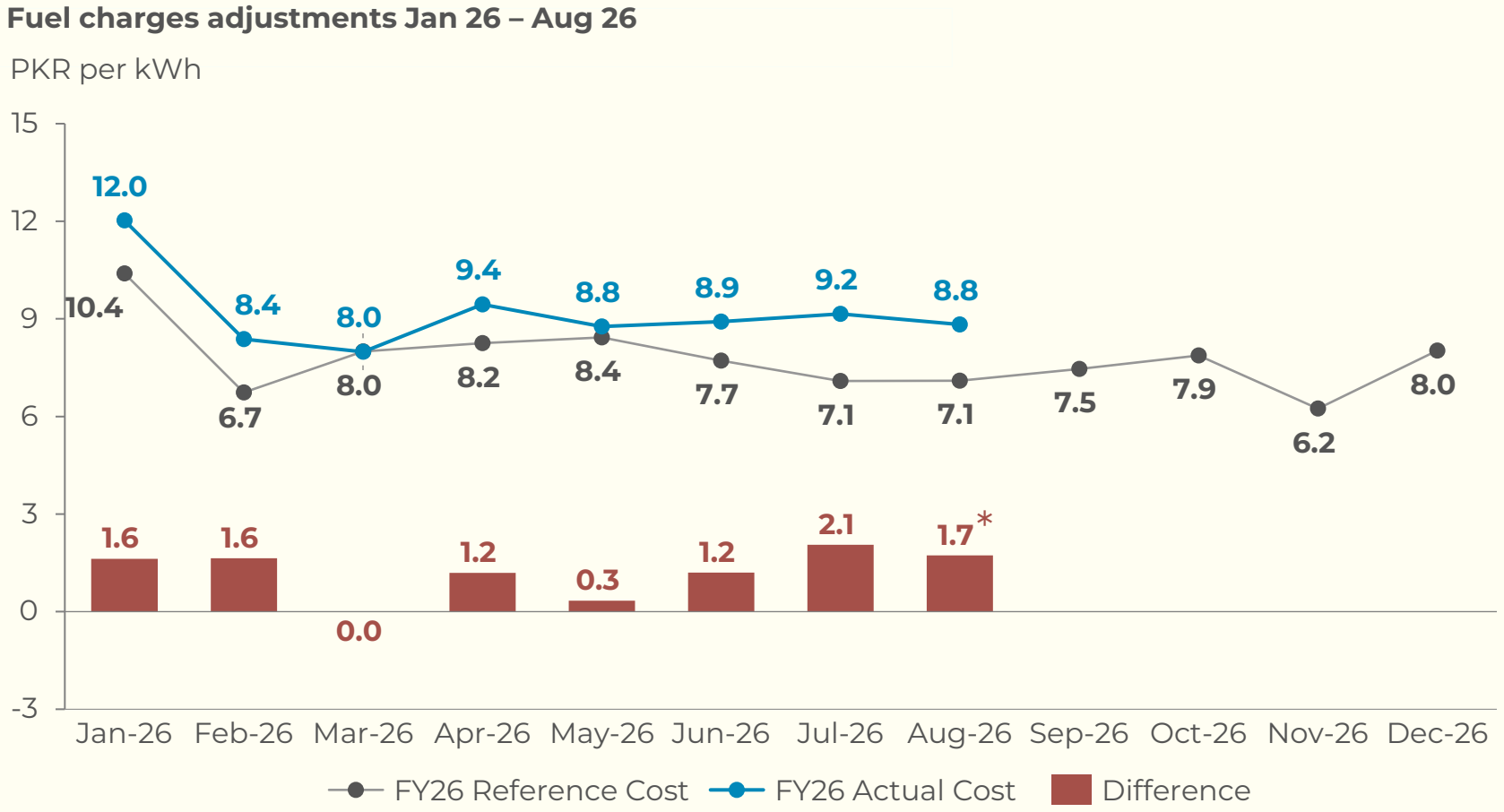


- In Aug-26, RLNG fuel cost rose 111% YoY to PKR 46 per kWh, reflecting higher spot LNG costs following disruptions to contracted supplies and elevated international oil prices.
- RFO fuel cost stood at PKR 45 per kWh, 37% higher YoY and 28% above projection, as greater reliance on furnace oil amid reduced RLNG availability coincided with elevated international oil prices.
- HSD fuel cost reached PKR 54 per kWh, adding further pressure from high-cost thermal generation.
- Imported coal fuel cost rose 21% YoY indicating increased reliance on imported coal as RLNG-based generation declined.

EPP: Energy purchase price

Data Source: NEPRA & Renewables First's calculations

Greater reliance on expensive thermal generation pushed proposed FCA to PKR 1.7 per kWh



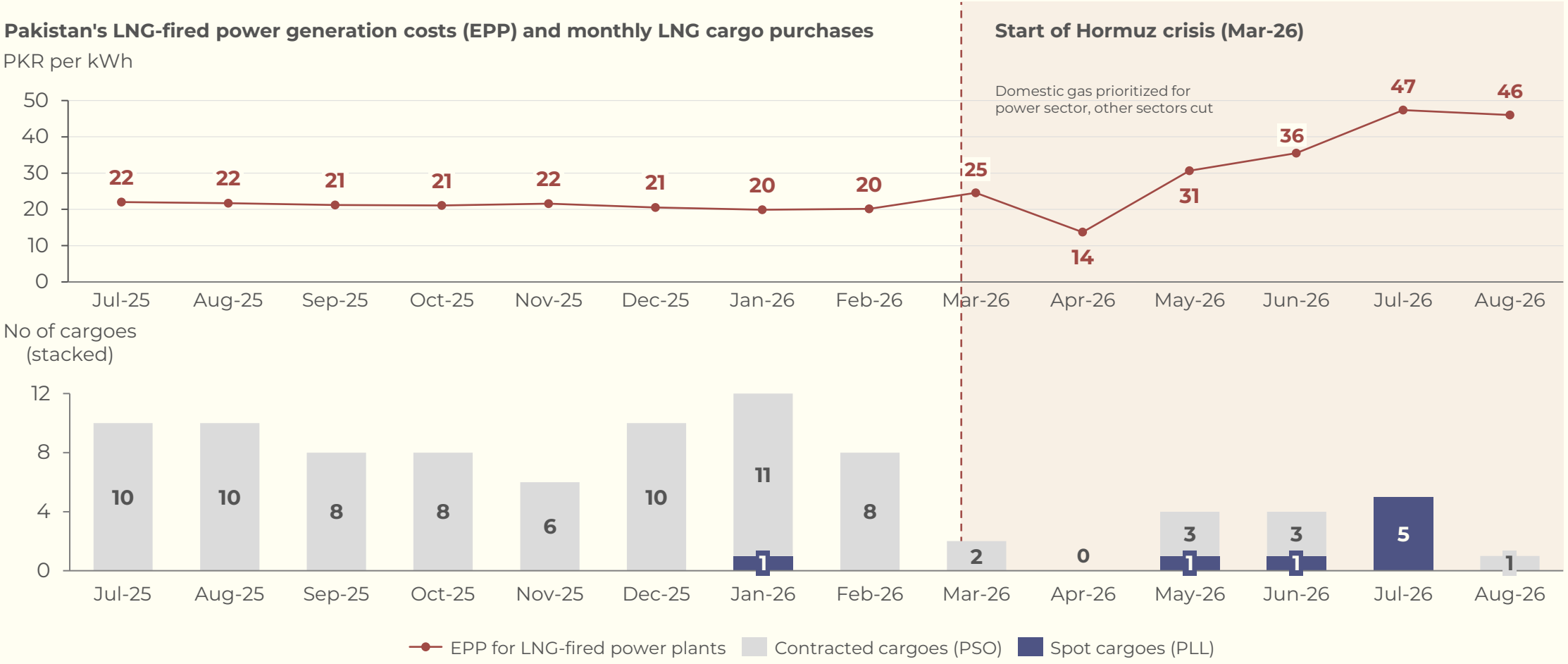
* Note: Provisional number

In Aug 26, actual generation cost stood at PKR 8.8 per kWh, 24% above the reference cost of PKR 7.1 per kWh. Consequently, DISCOs sought to recover approximately PKR 25 billion through a positive FCA for Aug 26.

Data Source: NEPRA & Renewables First's calculations

Pakistan's growing reliance on LNG leaves its power sector exposed to global fossil fuel price shocks

Fuel prices for RLNG-fired generation nearly tripled in three months, rising from PKR 31 per kWh in May to PKR 47 per kWh by July 2026. This trajectory illustrates precisely the mechanism at the heart of Pakistan's RLNG dependency risk: it is not RLNG use itself that is unaffordable, but the structural exposure created when contracted supply is displaced by spot-market purchasing during a global supply shock. This exposure flows directly into consumer electricity tariffs with little buffer in between.

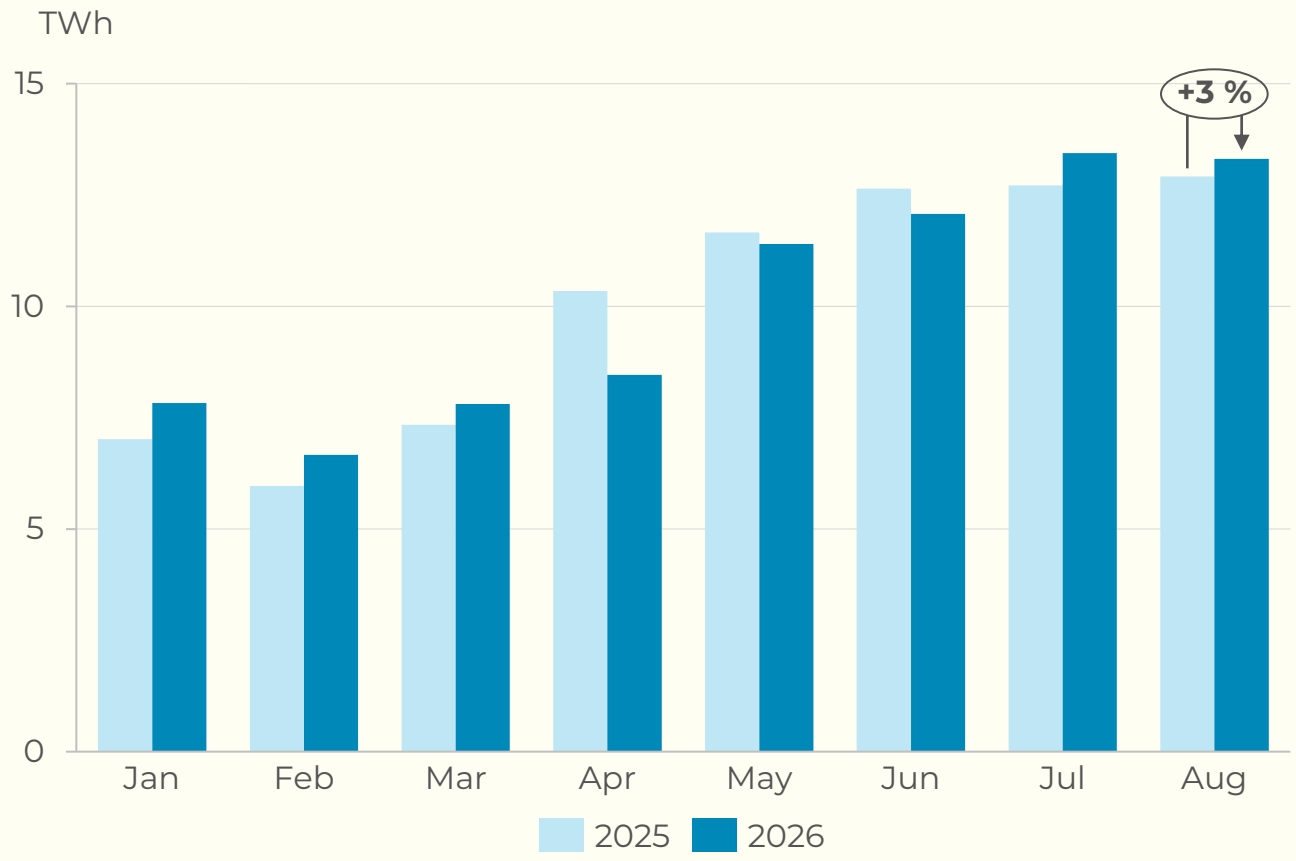


Data Source: NEPRA, OGRA & Renewables First calculations

*EPP : Energy Purchase Price (comprising fuel charges and variable O&M charges) PSO : Pakistan State Oil PLL : Pakistan LNG Limited

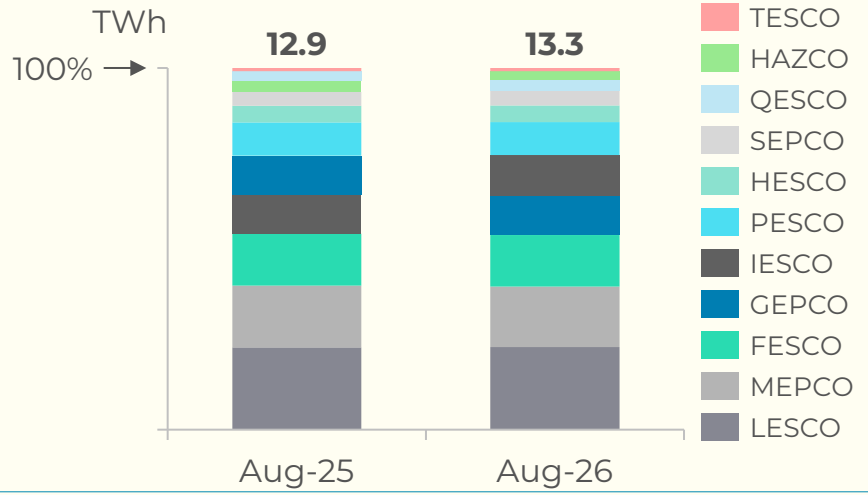
Higher electricity sales drove a 3% YoY increase in DISCO procurement in Aug 26

Units procured by DISCOs, 2025 vs 2026



- QESCO's electricity procurement increased by 59 GWh (17% YoY), partly reflecting higher Iranian electricity imports to meet demand in Balochistan.
- GEPCO and LESCO recorded increases of 91 GWh (7% YoY) and 98 GWh (3% YoY), respectively, amid higher industrial grid purchases under lower tariffs and incremental consumption incentives.
- IESCO's electricity procurement rose by 5% YoY, amid seasonal shifts in electricity demand during the monsoon.

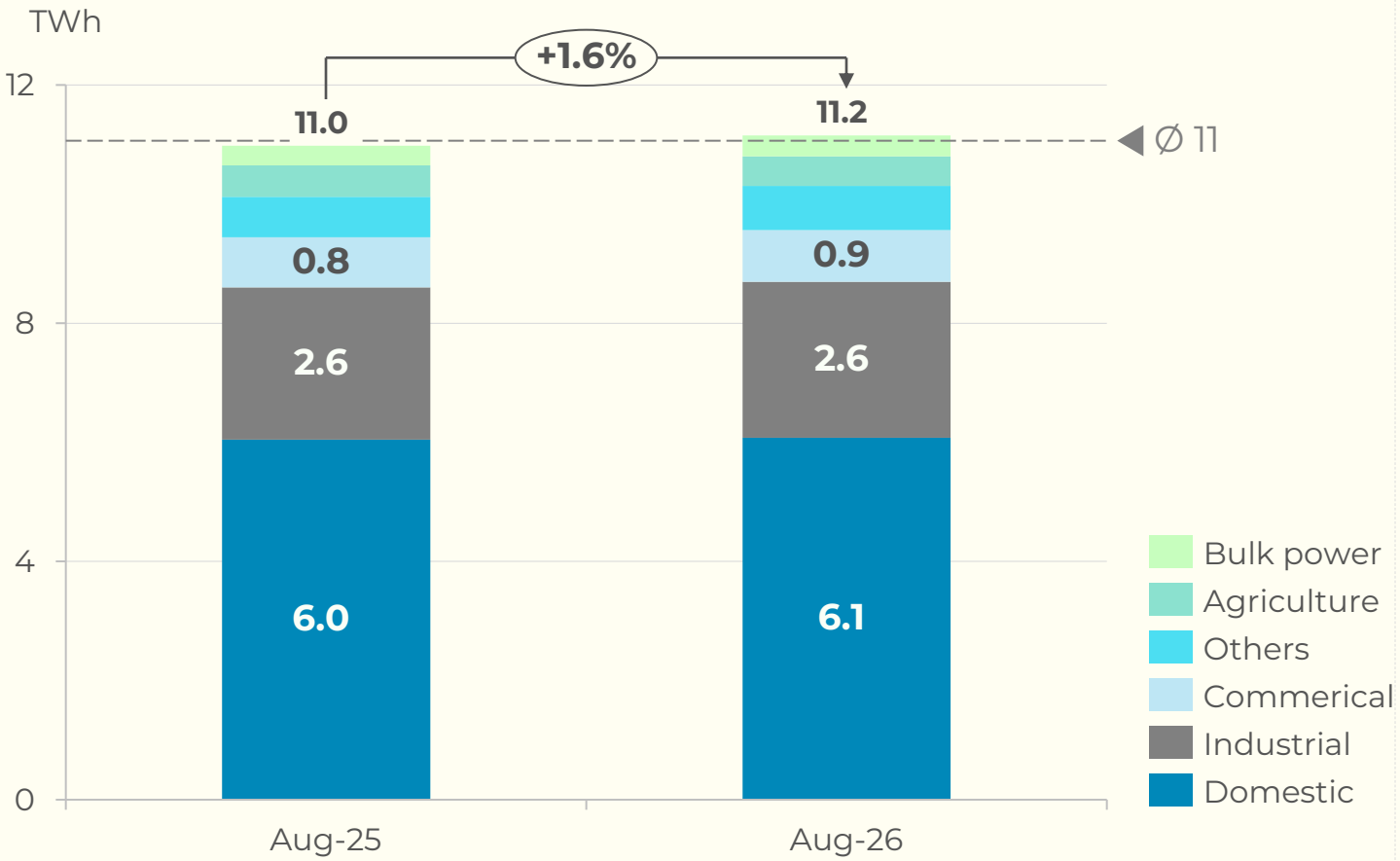
DISCO-wise units procured Aug 25 vs Aug 26



Data Source: NEPRA & Renewables First's calculations

Agricultural electricity sales declined by 6% YoY in Aug 26, amid rising tube-well solarisation

Electricity units sold, Aug 25 vs Aug 26



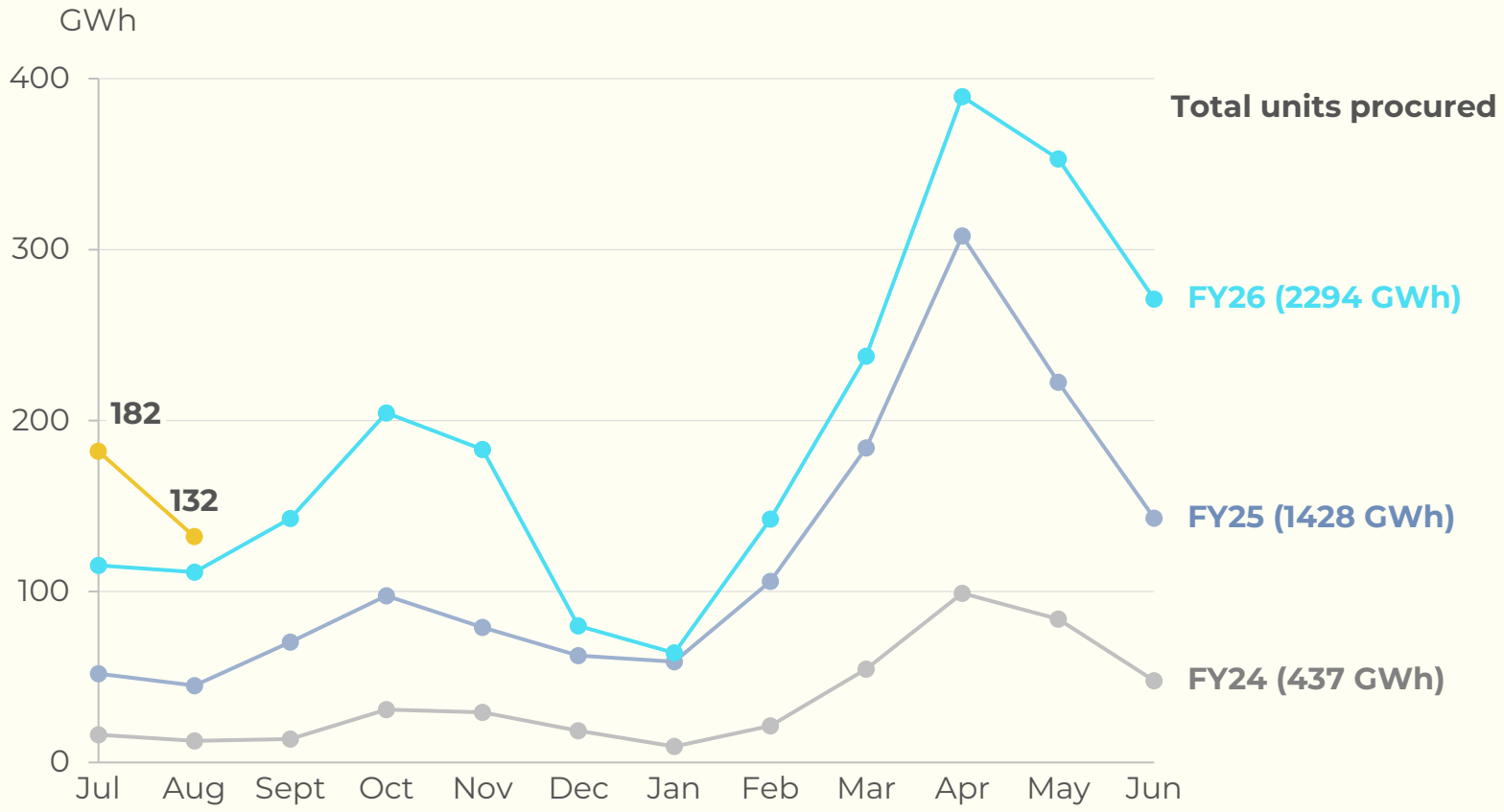
- Domestic electricity sales increased by 0.5% YoY in August 2026, amid continued rooftop solar adoption.
- Industrial electricity sales increased by 2.4% YoY in August 2026, alongside 0.67% growth in large-scale manufacturing (LSM) output.
- Commercial electricity sales increased by 3.9% YoY in August 2026, amid higher electricity demand from businesses.
- Overall electricity sales increased by 3.4% YoY in the first month of FY27, amid industrial consumers shifting to grid electricity and incremental consumption incentives.

Data Source: NEPRA & Renewables First's calculations

Net-metered electricity purchases fell 27% MoM in Aug 26, potentially amid increased self-consumption

Net-metered electricity purchases increased by 19% YoY, from 111 GWh in Aug 25 to 132 GWh in Aug 26, but remained below Jul 26 levels of 182 GWh, potentially reflecting increased self-consumption through battery storage.

Net-metering units Procured by DISCO's, FY24 – 2 MFY27



Disco-wise units procured, Aug 25 vs Aug 26 (GWh)

	Aug-25	Aug-26
FESCO	7.8	13
GEPCO	11.2	15
HESCO	0.9	2
SEPCO	0.5	1
IESCO	29.1	29
LESCO	24.3	24
MEPCO	33.1	38
PESCO	5.1	8
TESCO	0	0
QESCO	0.3	1
HAZCO		1

Data Source: NEPRA & Renewables First's calculations

Renewables First (RF) is a think-and-do tank for energy and environment. Our work addresses critical energy and natural resource issues with the aim to make energy and climate transitions fair and inclusive.

Disclaimer:
All the information and analysis provided in this document are accurate and to the best of our knowledge and understanding. In case you identify any errors, please email:
DataTeam@renewablesfirst.org

RENEWABLES FIRST

10 - 11, 3rd Floor, Executive Complex,
G-8 Markaz, Islamabad
+92 51 - 8773676
info@renewablesfirst.org