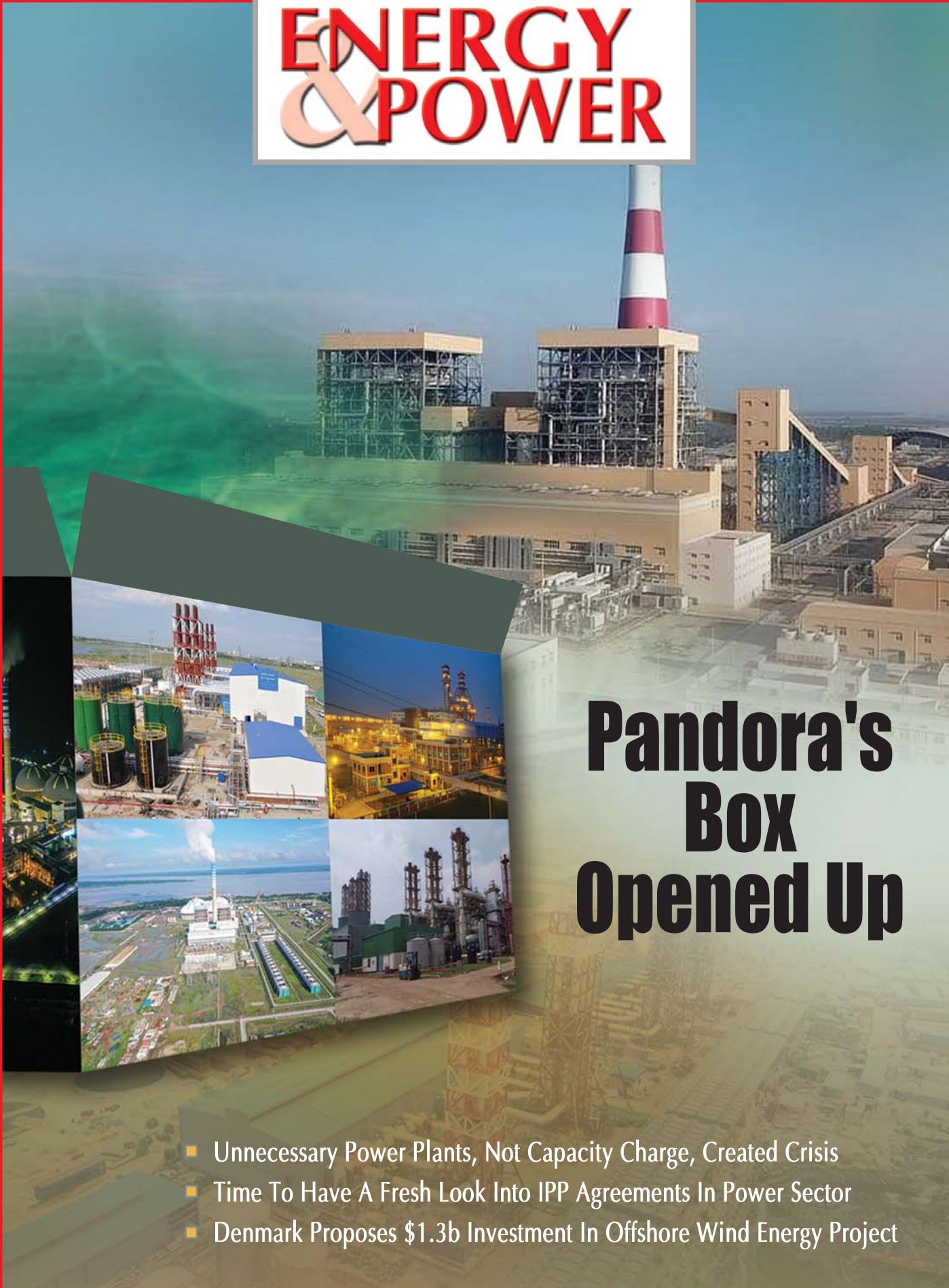


ENERGY & POWER



Pandora's Box Opened Up

- Unnecessary Power Plants, Not Capacity Charge, Created Crisis
- Time To Have A Fresh Look Into IPP Agreements In Power Sector
- Denmark Proposes \$1.3b Investment In Offshore Wind Energy Project



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(An Enterprise of Bangladesh Power Development Board)



Market Share

- ✓ 3063 MW generation capacity.
- ✓ Highest among all govt. companies.

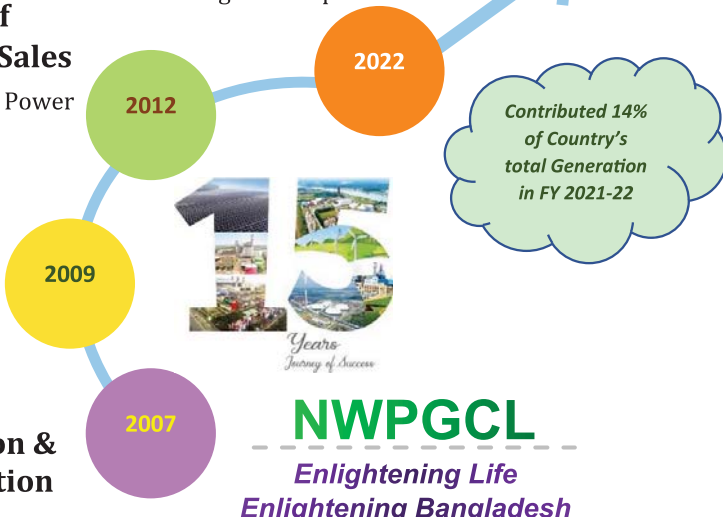
Start of Electricity Sales

- ✓ COD of 1st Power Plant

Commencement of Business

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Registration & Incorporation



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09 Power Plants, Total: 3063 MW



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The IMED evaluation report blamed the capacity charge due to a lack of knowledge of the persons involved in the review process. Excessive numbers of unnecessary power plants, not the capacity charge, have created the present crisis. The research should have rather concentrated on the pressure groups and the reasons which led to the setup of so many power plants ...
Engr. Mizanur Rahman tells EP

Individual's opinion does not necessarily reflect editorial policy of Energy & Power



EDITORIAL

The government has been facing continuous criticism from civil society, consumer rights groups, and political leaders for more than a decade over controversial issues in the power sector. The issues include capacity charges given to power producers, corruption in awarding contracts without competitive bidding under the Special Speedy Supply of Power and Energy (Special Provision) Act, and contracts awarded to incompetent international companies. Recently, the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning published a report that echoed the criticism. However, the report was later amended by the IMED, leading to suspicions among the general public that corruption and irregularities were the root causes of the problems and continuous price hikes. The original and amended versions of the report highlight inordinate delays in implementing power projects, low utilization of capacity, and the wastage of foreign currencies as capacity charges. It also criticized the flawed planning, contract models, and the payment of capacity charges in dollars for idle plants. The Minister of Planning claimed that the report was a mix of the government's version and the allegations of critics. Energy experts and civil society members have long been raising concerns about the issues and urging the government to address those.

People are seeking detailed clarifications to negate the allegations. The government's actions have come under scrutiny, and there is a need for transparent and accountable planning to address the challenges. Failure to do so may further escalate the crisis and intensify public criticism.

highlights

COVER



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The Gas Sector Master Plan & Power Sector Master Plan are considered to be essential and much referred to documents, but any Oil & Gas Industry Master Plan (OGIMP) is not prepared as yet, this would have been of much help for the hierarchical authorities, policymakers and potential investors for their strategic thought process towards achieving the nation's targets set for 2041. More in Article



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A recent report by the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning pointed out a huge wastage of foreign currencies equivalent to around Tk 90,000 crore as capacity charges over the past 14 years, and that the capacity charge model is a means of 'plundering'. It suggested taking out the power sector from vested quarters.

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Engr. Mizanur Rahman, General Secretary of the Bangladesh Energy Society



US LNG Exports Decline

US exports of liquefied natural gas (LNG) dropped 10% in June in monthly terms to 6.82 million tonnes due to plant maintenance and a decline in EU demand, according to preliminary data from Refinitiv.



According to the report, planned outages at two big suppliers affected US LNG production.

Combined with a warmer-than-normal winter, this led to a build-up of gas inventories and lower prices, it said.

Gas supplies to US plants in the last week of June were 10.7 billion cubic feet per day (bcfd), "lower than the May average of 12.3 bcfd due to planned maintenance," Rystad Energy analyst Lu Ming Pang was quoted as saying.

The report indicated that the EU's overall LNG imports were lower last month, between 13.2 bcfd and 14.5 bcfd, with countries hitting storage goals and likely near full capacity.

Data showed that the bloc's share of US exports was 47% in June, compared with 60% in the previous month and 71% in April. Asia accounted for 27% of the total in June, up from 14% in May, while Latin America received 17% of the total last month.

Reliance, bp Start Production from Third Deepwater Field in India



Reliance Industries Limited (RIL) and bp p.l.c. recently confirmed the commencement of production from the MJ field, following testing and commissioning activities.

The MJ field represents the last of three major new deepwater developments the RIL-bp consortium has brought into production in block KG D6 off the east coast of India.

The start of gas and condensate production from the MJ field follows the start-up of the R-Cluster field in December 2020 and Satellite Cluster in April 2021. All three developments utilize the existing hub infrastructure for the block.

Together, the three fields are expected to produce around 30 million standard cubic meters of gas a day (1 billion cubic feet a day) when MJ field reaches peak production.

This is expected to account for around one-third of India's current domestic gas production and meet approximately 15% of India's demand.

Total, Shell Accused over Russian Gas Trade

Energy giants TotalEnergies and Shell recently defended activities linked to Russia after a critical report into their trading in natural gas despite the war in Ukraine.



The campaign group Global Witness said TotalEnergies was the third-biggest player in Russian liquified natural gas (LNG) last year and Shell the fourth, behind two Russian companies, reports AFP.

The report focussed on Britain's Shell, after Global Witness said it had looked previously at TotalEnergies of France.

"Russia's LNG exports are helping to finance the country's war in Ukraine and in 2022 were worth an estimated \$21 billion," it said.

"Few companies have helped this trade more than Shell, and Global Witness estimates that Shell made hundreds of millions trading Russian LNG last year.

"Yet despite the war crimes this trade helps finance, it is legal. Shell, the UK, and the EU should immediately halt it."

Both companies said they were tied to ongoing contracts despite pulling out of Russian partnerships after Ukraine was invaded last year.

Russia to Cut Oil Supplies in August: Energy Ministry

Russia acknowledges the reduction of oil supplies to markets by 500,000 barrels daily in August through export lowering and intends to take all the required action for this purpose, the Ministry of Energy said recently.



Supplies will be lowered in addition to earlier assumed commitments on the voluntary production cut.

"Russia confirms it will reduce supplies to oil markets by 500,000 barrels per day in August through lowering of exports. It means taking all the requisite measures to achieve this goal within the framework of voluntary reduction. This reduction complements the voluntary decrease Russia announced earlier and which was extended until the end of December 2024," the ministry said.

Distributors, Tank Lorry Owners to Halt Fuel Oil Supply from Aug 1



The associations of tank lorry owners and petroleum distributors recently said the fuel oil supply would be suspended across the country for an indefinite period from August 1 if

their three-point demand is not met by July 31. Bangladesh Tank Lorry Owners' Association and the Bangladesh Petroleum Dealers, Distributors, Agents and Petrol Pump Owners Association, made a joint announcement in this regard.

The demands include 50-year economic life for fuel oil-carrying tank-lorries, fixing 7.5 percent commission on the sale of fuel oil, and publishing a gazette as promised to the fuel oil traders, who are the commission agents.

The demands were placed at a press conference at the office of Bangladesh Tank Lorry Owners Association in Khulna.

Sheikh Farhad Hossain, secretary general of the association's central committee, said there was no way to compare tank lorries with buses, trucks or covered vans. In that case, the economic life of the tank-lorries should be 50 years as specialized transport.

Vessel with Goods for RNPP Docks at Mongla Port

MV Liberty Harvest carrying goods weighing 1137.449 MT docked at the port's jetty no. 7 recently, said Biplab Khan, manager of HSR Ocean Traders, the ship's local agent.



The goods are being unloaded from the ship and securely stored in the port's shed area. Once completed, these machinery units will be transported by road to the Rooppur Nuclear Power Plant, he said.

Earlier, MV Anka Sky arrived at Mongla Port on May 29, transporting goods directly from Russia for the plant. On May 6, another foreign vessel named MV Anka Sun arrived at Mongla Port.

On April 25, the MV Yamal Orlan arrived at Mongla Port with goods for the project. Preceding the MV Yamal Orlan, the MV Dragonball and MV Kamilla had also made deliveries.

Recently, the United States of America has imposed a ban on 69 ships operated by seven shipping companies. Only ships not included in the ban are now directly arriving at Mongla Port from Russia.

JICA for More Investment in Bangladesh Infrastructure



Japan International Cooperation Agency (JICA) expressed its interest in investing more in Bangladesh's infrastructural sector, said Planning Minister MA Mannan recently.

The minister was talking to the journalists after JICA executive senior vice president Yamada Junichi called on him at his office.

"While the investment process from our end has been slow, they (JICA) are ready to invest," he said.

JICA executive senior vice president Yamada Junichi said: "The Japanese government is interested in increasing its investment in Bangladesh".

The agency recently reported that during the Japanese Fiscal Year 2022, both its commitment and disbursement of official development assistance (ODA) loans in Bangladesh reached the second-highest levels since March 1974.

Fire Rages on at Dump Yard Near Matarbari Power Plant

A fire broke out near the Matarbari Coal Power Plant area in Moheshkhali upazila of Cox's Bazar recently.



Locals and firefighters have been trying to douse the blaze at the dump yard, where packing materials such as wooden boxes were discarded, said Abul Kalam Azad, its project director.

In addition to broken wood, tonnes of unused items, including iron scraps, and tin roofs, are stacked there.

In the last Japanese fiscal year (spanning April 2022 to March 2023), JICA committed a total of 331 billion Japanese Yen for five crucial projects in Bangladesh.

JICA's disbursement in the Japanese Fiscal Year 2022 amounted to 261 billion Japanese Yen, slightly below the 264 billion Japanese Yen disbursement during Japanese FY2021.

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ADB Appoints Fatima Yasmin as Vice-President for Sectors, Themes



The Asian Development Bank (ADB) has appointed Fatima Yasmin as Vice-President for Sectors and Themes for a period of three years. Yasmin is expected to join ADB in late August, ADB announced recently.

She will be responsible for the management of the newly-created Sectors Group and the Climate

Change and Sustainable Development Department under ADB's new operating model.

Yasmin is currently the Senior Secretary at the Finance Division of Bangladesh's Ministry of Finance.

She has more than 32 years of broad development experience, including in macroeconomic management, public sector and fiscal policy reform, and trade and poverty reduction in government and international organizations.

Power Supply from Adani Plant's Second Unit Begins

Bangladesh now can import more electricity from the Adani power plant in India as the second unit of it started commercial operation.



The development has been confirmed by the Bangladesh Power Development Board (PDB) officials and Adani sources. Adani Power recently issued a statement to the Mumbai stock exchange, saying that they have started commercial operations at the second unit at 24:00 hrs BST following the successful completion of Reliability Run Tests.

The power plant is located in an Indian village in Jharkhand about 100km from the Bangladesh border. The electricity from there is coming through a dedicated transmission line.

Bangladesh will be able to import electricity as per need from the power plant's 1,496 megawatts capacity. On April 7, the first unit of 748MW capacity started commercial operation.

4 Burnt, 4 Missing in Oil Tanker Fire Incident in Jhalakathi

Five workers were burnt and four others went missing as a vessel 'Sagar Nandini 2' carrying 11 lakh liters of oil caught fire after an explosion in its engine room on Sugandha River in Jhalakathi recently. The incident took place on Sugandha river near Jhalakathi municipality, said Jhalakathi police.



The four workers jumped into the river after receiving burn injuries and then workers of local trawlers rescued them and sent to hospital. Of the injured, two workers were admitted to Barishal Sher-e-Bangla Medical College Hospital and two others to Jhalakathi Sadar Hospital.

First Methanol Shipment to BD Flagged Off from Assam

The first methanol consignment to Bangladesh has been flagged off from Assam Petrochemical Plant in India, Himanta Biswa Sarma, chief minister of Assam, confirmed in a recent tweet.

"We are one step closer to establishing Assam as a major exporter of petrochemicals," he said.

"Today, we flagged off the first methanol consignment to Bangladesh from Assam Petrochemical Plant, which was inaugurated by the PM on April '23," his tweet also reads.

12kg LPG Price Reduced to Tk 999

Bangladesh Energy Regulatory Commission (BERC) has slashed the price of liquefied petroleum gas (LPG) again.



A retail consumer will now have to pay Tk 75.24 less to buy a 12kg LPG cylinder at Tk 999 instead of Tk 1,074 (including VAT).

Prices of other LPG cylinders – from 5.5kg to 45kg – will go down accordingly, Md Nurul Amin, newly appointed chairman of BERC, said at a press briefing at the BERC office in Dhaka recently. The new prices become effective from July 3, 2023.

BERC officials said the LPG price declined in the local market thanks to the dip in prices in Saudi CP (contract price).

Bangladeshi LPG operators normally import their products from the Middle-east market on the basis of Saudi CP.

As per the BERC decision, the price of autogas (LPG used for motor vehicles) also dropped to Tk 46.59 (including VAT) per liter from the previous Tk 50.09. The price of LPG, marketed by state-owned LP Gas Company, will remain the same as it is locally produced with a market share of less than 5 percent.

The govt of Assam is heavily investing in the petrochemical sector by increasing its stake in Numaligarh Refinery Limited, investing in new projects of Assam Petrochemicals Limited among others," the chief minister said.

Pandora's Box Opened Up

Mollah Amzad Hossain



Civil society, leaders of consumer rights groups, and political leaders have been constantly criticizing the government for over a decade due to various controversial issues like the capacity charge given to power producers, unbridled corruption in awarding contracts without competitive bidding under the cover of the Special Speedy Supply of Power and Energy (Special Provision) Act and awarding contracts to incompetent international companies.

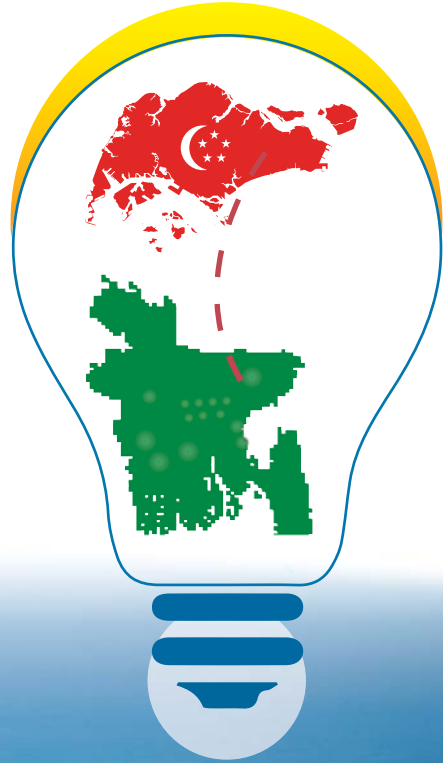
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Now, a recent evaluation report by the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning has also echoed the criticism. The media covered the report with much importance, prompting the IMED to amend the report. However, the general masses started believing that corruption and irregularities are the root causes of the present diabolic state of the power sector and continuous price hikes. However, the Minister of Planning in apparent self-defense stated: "I have seen the report and it appears to me that it was a misconstrued report. Part of it was prepared in the ministry and the other part is from other documents published in the media as critics' views and opinions. At some stage through mistakes, these were included in the report. These are not the official version of the IMED."

The IMED Report

The IMED report on the progress of different projects in the power sector was 58 pages, but the amended version has been reduced to 54 pages. There is no justification in the online version of the report for the omission of some sections of the original report. While comparing the original and amended versions, it appears that, in the amended report in para 5.2, the criticism referring to the civil society about the capacity charge and other contentious issues has been rescinded. In both versions, however, bitter criticism has been made about inordinate delays in the implementation of some projects. In some cases, merely 30% of the projects were completed in a long period of over 10 years.

In both the report, while evaluating the actual generation capacity and day and night peak demand, it has been mentioned that the derated capacity now is 23,370MW. The day-peak demand is 12,099MW and the evening peak is 13,859MW.



Gas-based power plant of Summit Power International - Photo Summit

In the comments, it has been mentioned that only 56% of capacity is being utilized. For this reason, a subsidy needs to be given for buying power at higher prices from diesel and coal-based power plants and selling it at lower prices. This is causing stress to the economy. The report mentioned that if projects were undertaken after duly done feasibility studies, ensuring a sustainable supply of fuel in such a situation would not have arrived. This means the report criticized the decision for taking up several projects without a guarantee of fuel supply. Such an opinion is considered justified.

The original report mentioned a huge wastage of foreign currencies equivalent to around Tk 90,000 crore as a capacity charge in 14 years. It underlined the importance of appropriate planning for taking out power from the vicious circle of the menace. It suggested getting out of the myth that without capacity charge, the power sector will not get investment. BPDB has to account for capacity charges for the plants even when these do not generate power. The payment in US dollar terms has been mentioned as a model of 'plundering'.

The report mentioned that the capacity charge model is a means of 'plundering'. It also mentioned that the perfect model is the overhauling charge. Paying capacity charges in dollars for plants not in operation for months was termed as budget-draining flawed contracts.

The report mentioned that the contacts and incentives given in the contracts in the power and energy sector have dried up the budget.

The payment provision in dollars for the IPPs is a major area of crisis. The collateral of the bank loans as per the contracts between IPPs and the government provides for payments in dollars. The private sector power plants are built and operated in Bangladesh. The payment in dollars was considered illogical.

The report also mentioned that there is no way to solve the fund crisis of the power and energy sector without reviewing the guarantees by revisiting the high unit cost of power, capacity and overhauling charge, fuel supply, and land allocations at a nominal price, easier term bank loans, tax-free import incentives. In the amended report all the above recommendations have been rescinded.

It has been stated that the government has planned and successfully executed many major development projects in the power sector. These have made significant contributions to GDP growth, industrialization, and urbanization. The major outcome is bringing the entire nation under power-supply coverage.

According to BPDB, it accounted for a loss of Tk 105,419 crore over the past 12 years. But during the current and the following two years, the loss may be Tk 113,542 crore. This means the loss in these three years would be higher than the accumulated loss of the past 12 years.

The government formulated the "Speedy Supply of Power and Energy (Special Provision) Act" in 2010 which is considered as an indemnity law. The consequence is the increased loss in the sector progressively, according to the report.

For the indemnity act, the unit price of power and expenses are beyond any accountability. The average annual unit cost of power of some IPPs which remained idle has been seen above Tk 100 taking into consideration the capacity charge. For making the payments in dollars, the loss of BPDB cannot be avoided. The report mentioned: "Such criminalization must be stopped." The amended report has also rescinded this section.

The IMED report also stated that the fuel efficiency of dozens of plants is less than 30%. These generate power using a much higher amount of fuel. A few thousand captive power plants are also a pain in the neck. These highly fuel-inefficient power plants are using outdated technology and are brought here with flawed certificates of origin are also a pain in the neck for the power sector.



HFO-based power plant of Orion Group at Meghna Ghat

The report suggested abolishment of the corruption-friendly procurement process and mentioned: "The non-technical, inexperienced, corrupt managers (Ministry, Secretariate, Cabinet committee on government purchase, CPTU) have made the power sector a haven for the rehabilitation of the incompetent (mainly Indian and Chinese) suppliers under the cover of the flawed and short-sighted PPA/PPR."

The report highlighted various anomalies and irregularities in the power sector. As a solution, the report recommended merit-based, farsighted, transparent, and accountable implementation of planning.

There exist different organizations for the generation, transmission, distribution, and supply of power in Bangladesh. The report identified a lack of coordination among three segments of the power supply chain. In many cases, it has been found that generation plants had to wait for power evacuation facilities for getting ready. Many projects were launched without even a firm and assured arrangement of fuel supply.

M. A. Mannan MP, Minister for

Planning, while talking to BBC Bangla said: "This report published comments of others by mistakes." The report was prepared by the IMED. One Deputy Secretary was in charge of it and an additional secretary worked as a consultant. It mentioned that thousands of crore taka paid in dollars have been wasted due to flawed planning, lop-sided contracts, and corruption. The capacity charge paid to idle plants was termed a 'model of plundering'.

The report also mentioned that a bunch of corrupt officials in the ministry and enterprises devoid of technical knowledge, expertise, and experience have made the power sector a haven for the rehabilitation of incompetent (Chinese and Indian) suppliers.

But the planning minister did not agree with the content of the report mentioning that the comments of the critics have been inadvertently included in the report. They are correcting it and arranging the publication of the amended report.

The minister in his BBC Bangla interview said that the comments of various critics have been included in the report mistakenly.

What Minister of Planning Say?

The minister of planning in his BBC interview said: "The original IMED report is an amalgamation of government version and allegations of critics. Some of these are our works but others are comments and allegations of critics published in various print media which were kept as references. Some of these at some stages were inadvertently included in the report. These are not the version of the IMED."

"The report possibly went in our name. It happened at some segments of the long chain. We are looking into it and denying the content. These are not part of our report. Our report is a routine one. There is no room for emotion or commotion. Blaming or making anyone accountable is not our objective."

"Criminalization, flawed planning, and contract, model of plundering not our version. It came from the allegations of some critics. Some quarters may have deliberately included this in the IMED report. We are trying to investigate how it happened."

The IMED report appeared on the website of the ministry. The minister said the report has been withdrawn as soon as it came to their notice.

The minister was asked whether the facts surfaced but the government now wants to suppress these.

He replied: "No, I am categorically denying and disowning the content of the report. In a mix of facts and fiction, the fiction prevailed. There is no scope for emotion and allegations in a government document. The language of the original report is not and cannot be the version of the IMED. The report we prepared does not have such words. Some quarter must have inserted these. We will try to track them down."



Adani's 1600MW coal-based Godda Power Plant

Though the minister talked about the inadvertent inclusion of some portion of the IMED report, the reference of the report included reports from the World Bank, BIPPA, Power Division, Government Sector Project Planning, Processing, Approval, and Amendment Guidelines, the IMED's inspection and monitoring reports.

There is also a mention that the IMED report was prepared considering the daily progress reports of various projects of power division, review of implantation, monitoring and evaluation reports, interviews of project directors, and review of the physical and financial progress of different related project organizations.

Observation by Civil Society and Experts

Energy sector experts for a while were pleading for getting out of the nontransparent indemnity act and returning to the competitive bidding process. But the government did not pay any heed. Senior Vice President of CAB Dr Shamsul Alam since long been vocal against the power and energy sector's falling into the grab of plunderers. He always alleged that the government was making the consumers victims of their own

mistakes. According to him, there was no reason for setting up so many power plants with the ulterior motifs of corruption and money-making. Some 44% of the capacity now remains idle. It is a huge loss for the nation. BPDB is on the verge of bankruptcy. The IMED report reflects that.

The majority of experts observed all along that setting up large power plants without arranging sources of sustainable fuel supply was a crime. This has led to the payment of charges for the idle capacity. The subsidy is also increasing progressively every year. The IMED report also mentioned that. However, the Power Division has so far given no reaction.

Officials at the Power Division did not return requests for comments. However, they were examining the original and amended IMED reports, said one of them requesting anonymity. They will formally send their observation to the IMED and the Ministry of Planning. The Prime Minister's Office (PMO) is also investigating the reasons behind revealing such a report. One officer, on condition of anonymity, said the present achievement of the power sector is

for the successful implementation of IPP policy. The capacity charge is included replicating examples in other countries. The language of the IMED report has challenged the government's power sector policy. It is essential to find out why such a report was published at this time.

Conclusion

The 100% electrification is being claimed as a major success of the present government over the past 15 years. There is no denying that it is a commendable success. But the question is that for lack of proportionate progress of the energy sector over the same period the power sector has grown import dependent. The Ukraine-Russia war during the post-COVID period has made import-dependent energy security extremely vulnerable. The government is in a serious crisis in

meeting the payment obligations of imported fuel and power. Import of coal was suspended due to the dollar crisis. There is no way to deny the concerns raised in the IMED report when the government is struggling to pay US\$ 3.0 billion in outstanding bills. The civil society and opposition political leaders are alleging that corruption and mismanagement of the government have created the situation. The IMED evaluation report evidences the justifications of the allegations. Hence there is no reason to believe that the withdrawal of the original report and replacing it with an amended one will solve the crisis. The development of the power sector is the outcrop of the political decision-making of the government. Not only the Power Division, the government is to be held responsible for the anomalies

pointed out in the IMED report.

It cannot be denied that setting up so many large and medium power plants without an assured source of supply of primary fuel is a major mistake. Financial stress has been intensified making the power sector increasingly dependent on imported fuel by ignoring the exploitation of domestic fuel resources. The government seems not ready even now in giving priority to domestic fuel resources.

Consequently, there is no scope of making government actions credible by publishing the amended report of the IMED. People need detailed clarifications for negating the allegations of capacity charge as a "Model of Plundering". Otherwise, the allegations of civil society and opposition political leaders will gather momentum. All believe that the government also will not like that to happen. **EP**

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| দ্বিতীয় প্রচ্ছদ (রঙিন) | ৪০,০০০.০০ |
| তৃতীয় প্রচ্ছদ (রঙিন) | ৪০,০০০.০০ |
| ভেতরে পুরো পাতা (রঙিন) | ৩০,০০০.০০ |
| ভেতরে অর্ধেক পাতা (রঙিন) | ২০,০০০.০০ |
| ভেতরে ১ কলাম (রঙিন) | ১০,০০০.০০ |
| ওয়েব সাইট প্যানেল প্রতিমাসে | ২০,০০০.০০ |
| ওয়েব সাইট স্পট প্রতিমাসে | ১০,০০০.০০ |

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 E-mail: rangberang2020@gmail.com

রুম ৫০৯, ৫১০, ৫১১ ও ৫১২, ইস্টার্ন ট্রেড সেন্টার, ৫৬ ইনার সার্কুলার রোড, পুরানা পল্টন লাইন, ভিআইপি রোড, ঢাকা-১০০০
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IMED Report Identifies Energy Sector Policy Flaws

Saleque Sufi

Against the backdrop of the chronic power and Energy supply setbacks, the Implementation, Monitoring and Evaluation Division (IMED) of the Ministry of Planning in a recent report identified the capacity charge as one of the major flaws in the planning process of the energy and power sector of Bangladesh.

Despite more than 25,000MW installed generation capacity, the power system is in deep crisis in managing the highest peak demand of around 15,000MW. A sustainable supply of primary fuel (local and imported) is a major impediment. Payment of capacity charge is another pain in the back. Bangladesh Power Development Board (BPDB) is almost bankrupt for poor sectoral planning. The IMED is a part of the planning

process of the government. The planning ministry had a role while the government was in a desperate situation in 2010 in formulating the Speedy Supply of Power and Energy (Special Provision) (Amendment) Act to confront the then diabolic power supply crisis. That act was planned to exist for a few years and was aimed to give confidence to the government officials for taking prompt decisions on formal and unsolicited offers of entrepreneurs for setting up power plants. None then deny that it assisted in a way in overcoming the crisis within 3-4 years through setting up contingency power plants. The industries could be operated, businesses could run, and the economy could grow. But it cannot also be denied that the provision of the act was exploited and alongside genuine entrepre-

neurs, several incompetent organizations were awarded lopsided contracts with the provision of capacity charge. Generation capacity exceeded demand with a huge surplus capacity. Hence BPDB had to pay a capacity charge leaving many of the capacity idle. The indemnity act bypassed the procurement policy of the government and in most cases, the competitiveness of the project costs could not be judged. Bureaucrat-dominated power and energy sector lacked transparency and accountability. We cannot understand why the tenure of the act was extended several times and why it still exists. Why the Planning Commission through IMED did not carry out such an assessment much earlier? If the contracts were properly negotiated following the procurement rule of the government many of the lopsided contracts with provision of capacity charge could be avoided. The government would not have been in serious discomfort at this time. There could be incentives other than capacity charges. However, we are aware that the government has introduced a 'no power, no payment' provision while extending the tenure of some contracts. Now with the fuel supply being a major crisis, the government is not in a position to cancel contracts with the contingency power plants. However, the indemnity act must be canceled without further delay as it created a scope of corruption as well.



Liquid fuel-based power plant of Confidence Group in Rangpur

IMED Report Highlights

- Flawed planning is the main reason for poor returns from massive investments in the power sector.
- The Speedy Supply of Power and Energy (Special Provision) (Amendment) Act (Indemnity Act) kept the power sector beyond accountability and is responsible for huge operating losses.
- Tk 90,000 crores has been paid as the capacity charge to the entrepreneurs over 14 years of the present government.
- Payment of the capacity charge to plants unable to generate power caused drainage of the budget.
- Incompetent Indian and Chinese companies have been rehabilitated in the Bangladesh power sector.
- Through the false declaration, some old and outdated captive power plants caused inefficient use of fuel.
- A few dozen of plants having an efficiency of less than 30% burnt higher amounts of fuel.

We are not sure whether the government signed agreements with plants not capable of generation. If the IMED report has identified those plants, the contracts must be immediately canceled by establishing the

defaults. We are not sure that the allegations brought forward in the report that incompetent Indian and Chinese companies have been rehabilitated. NTPC and CMC are two leading power companies in the region and the world. Some minor companies may have got some contracts for smaller plants. But the general statement of the IMED report cannot be agreed upon.

Captive Power Plants

Industries were allowed to set up plants at a time when the BPDB's power supply chain was unable to ensure a sustainable supply of quality power on an uninterrupted basis. But that situation has changed now. Power distribution utilities are in a much better position for supplying quality power from the grid. Grid power to industries can avoid the use of gas and fuel for the captive power plants some of which are fuel inefficient. But for that price incentives must be given to industries.

Retiring Fuel-Inefficient Power Plants

We agree that many of the old-generation plants using outdated technology are fuel inefficient. We understand BPDB operates power plants on a merit basis and the process of retiring or rehabilitating old

plants is in the process. These must be done quicker as the government has to utilize the fuel very efficiently. Three new fuel-efficient power plants in the Meghnaghat area can help retire some fuel-inefficient plants in the next 9-12 months.

Accumulated Losses of BPDB

Given the present situation, the single buyer concept of BPDB must be removed. The private sector producers should be allowed to sell power directly to Special Economic Zones, EPZs, and other major users under a policy. That will relieve BPDB from buying power at a higher price and selling at a loss. However, the BERC must grow as a very competent regulator in policing the power market. In Bangladesh, seasonal demand for power swings over a wide range. In the current summer, the peak demand grew to over 16,000MW. But in winter, it will drop down to 9,000MW. In anticipation of this situation, the government should have negotiated the export of power to regional countries during winter. Otherwise, contracts with private sector investors could be adjusted accordingly.

Anyway, there is not much to dispute with the findings of the IMED report. The Speedy Power Act must be withdrawn letting the application of procurement reestablishing transparency and accountability. In a democratic country, it is not fair continuing with special acts giving immunity to persons involved in important business operations. It creates scopes of high-handedness and corruption. All the contingency power plants must be taken out of operation as major baseload power plants are coming into operation and imports from across the border are also increasing. IMED and the planning ministry must be more proactive in monitoring and evaluating projects.

EP

Saleque Sufi,
Contributing Editor, EP



A combined-cycle Unique Meghna Ghat power plant is ready for electricity generation but necessary gas supply is yet to be assured

Energy Security and Comprehensive Action Plan for Oil & Gas Industry of Bangladesh

Delawar Bakht

Primarily requisites in preparing the action plan for energy security in Bangladesh call for further development through the preparation of an Oil & Gas Industry Masterplan (OGIMP), but also adequate maintenance and safe operation of the existing network system. Development involves drilling new wells, workovers, production augmentation, and enhanced recovery from existing gas fields, onshore and offshore deep-water exploration through 2D and 3D seismic data acquisition, and all-around capacity enhancement with rigs, equipment, and skilled manpower. Further, the plan would not only take into account harnessing the possibilities for reinvigorating aging brownfields, but also further developing onshore and offshore gas fields; overhauling roads, waterways, and infrastructure to facilitate fuel stor-

age, transport; and building terminals and on-land subsea pipelines and process plants to meet the challenges to transport imported Crude Oil, LPG, and LNG and drilled natural gas to distribution hubs including but not limited to HRD as has been intended to outline in this paper in meeting the nation's target set for 2041.

Transformation of BPI to a Center of Excellence for Energy Studies & Practices

Since appropriately trained and professionally skilled manpower is the key to a successful implementation of development and maintenance projects and safe operation of the oil and gas infrastructure and since overseas training is becoming exceedingly expensive, BPI can play as one of the major contributors to the development of the in house

experts for the oil and gas industry of the country. This would thus enable limiting the need for overseas training and or giving away work to foreign experts and entities. Services of adequately qualified and extensively experienced resource persons available within the country including those retired and willing to share their expertise can be utilized too. Further, since BPI has existing facilities to provide relevant professional training coupled with those available in BUET, specific specialized training like blowout prevention, underwater installation repair and maintenance, etc. can also be planned at an affordable cost. However, in selective circumstances, foreign experts may be hired too as and when required.

Equip Third Party Services Teams with Adequately Trained and Skilled Manpower and Equipment

It's evident from the 2022-2030 and further long-term plans of the exploration & production companies of Petrobangla that a good number of 2D & 3D seismic acquisition and exploratory & development well-drilling projects including other associated ones are on their card now to implement. All of these projects would essentially require third-party services like cementation, wireline, and slick line operations, nondestructive examination, production testing, drill stem testing, etc. It would result in completing the implementation at much-expedited schedules and less-cost involvement if such services are done departmentally as and when planned for. Therefore, the proposed action plan required for the exploration and devel



Abandoned offshore gas field at Sangu



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opment of well-drilling and workover of wells would essentially require equipping the proposed third-party services teams with adequately trained and skilled manpower and sufficient tools, equipment, and service materials. It stands pertinent that such skilled personnel needed to be remunerated reasonably enough to prevent frequent exodus at the attraction of higher compensation packages often offered by international companies.

Rehabilitation of the Age Old & Vulnerable Gas Network Systems & Plants

It's on record that Bangladesh entered into the gas age in the early sixties by supplying gas to cement and fertilizer factories of Sylhet. Since then, it never looked back but continued to extend its network to provide gas to millions of industrial, commercial, and domestic consumers even across the Jamuna River from its operating gas fields and of late, even imported LNG through its onshore and subsea networks. Padma Bridge is also equipped ready for transporting gas through a 30" pipeline, once gas is made available too. Eventually, some of the few decade-old pipelines and plants have exhausted their designed operating lifetimes, and thus leakages and line breaks are often evident with substantial GHG emissions including frequent loss of lives and properties at different locations of the country. But even though the pipelines and plants are aging, there is hardly any significant screening or rehabilitation projects seen in a shortly visionary frame. Hence to ensure a steady and uninterrupted supply of gas and petroleum products from whatever source onshore or offshore gas fields or LNG terminals be it from, immediate attention is required to identify the extent of rehabilitation through leakage surveys and intelligent pigging, etc. of these age-old and vulnerable network systems and plants. It has to be taken note that there are a good number of directionally drilled river crossings serving as vital transmission links in the country and calls for specialized repair and maintenance techniques in the event of accidental events.

Monitor the Onshore & Offshore Networks of the Oil, Gas, LNG &



A view of BAPEX's exploration drilling rig working at a field in Bangladesh

LPG Storage & Transportation

There is a huge storage and transportation network of oil, gas, and condensates right from the bottom holes of the gas fields, refineries, and FSRU of LNG terminals, etc. to the burner tips, distribution hubs, vehicles, etc. through process plants, tank farms, pipelines, cylinders, and tank lorries not only for natural gas but also for the CNG, LPG & LNG now in operation and expansions. Given the tremendous risk in handling these highly flammable petroleum and natural gas products, strict monitoring and surveillance have to be exercised under existing respective rules in force at every step of handling, storage, transportation, and use to avert any accidental injuries and harm to lives and properties of the general public.

Create a Consolidated & Digitalized Central Data Bank for Operational & System Monitoring Purposes

It is high time now that actions are taken for the creation of a consolidated digitalization of the integrated above-ground, underground and subsea scenario of the network system and retaining in the CDB. Concerned operational authorities are to coordinate the task and have access to that CDB for a comprehensive overview of system surveillance and for system upgradation and future priority fixation in time of need.

Specialized in Country Medical

Treatment Facilities for Oil & Gas Industry Accidental Injuries including Radiation Impacts

Given progressive development in the pipeline and even nuclear energy-related projects, it's now a standing requirement to establish or enhance the capacities of the existing medical treatment centers for specialized treatment of oil and gas explosions, blow-out, and other physical, chemical & biological injuries including snake bites and radiation impacts.

Establish Central Emergency Response Center for Blow Out, Explosion, Spill, Leak & Line Break Incidents & Accidents

Surprisingly though, and is yet to be established in the country with due equipment, mobility, and trained manpower to take care of the accidental blowouts, implosions and explosions, spills and leakages, etc. Such catastrophic events are to be attended by the CERC and or its sub-centers promptly and professionally. Though of late, there have been several such oil and gas-related incidents and accidents happening with loss of lives and properties, on land and in waterways, yet even no feasibility study is seen on the card to progress for establishing a CERC and its sub-centers. Any urgent attention to establishing such centers and equipped with adequate stationary and mobile equipment tools, vehicles, communication links, and

trained manpower would not only be of much help in attending events of such nature and beyond but also cut down the loss and damages in such incidents and accidents.

Comparative Enumeration of Contribution and Challenges in the Use of CNG & LPG for Formulation of Strategic Expansion Policy

In fixing priorities of patronization in meeting the energy need of the members of the consumers and the general public, the enumeration of contributions of CNG and LPG use in motorized vehicles and industrial and commercial sectors is to be taken up on priority. This is thought to be important for the removal of restrictive problems being faced to flourish the CNG option these days when air pollution and its potential negative impacts are creating a hazardous situation for the citizens of the country in general and metropolitan cities of Dhaka, Chattogram and Sylhet in particular. Apart from its tremendously positive contribution to the socio-economic sectors of the country in terms of employment and technology transfer, the benefits accrued in the health and environment sectors are no less important too. Further, appreciation of CNG turns up prominently because of its being lighter than air and thus less accident-prone.

Health, Safety and Environmental Management Regulatory Roadmap & Obligation Table

Yet another area of priority is health, safety and environmental (HSE) regulations that are yet to cover all sub-sectors like exploration and production activities of oil and gas onshore and offshore, etc., and thus need attention as well. Similarly, rules for subsea pipeline and plant installation and operation and renewable energy regulatory framework and standards are also to be viewed. In all cases, stringent surveillance to monitor compliance with HSE issues are to be encouraged. To that end in view, it stands imperative that the Inspectorate of Explosive of the GOB has to be further strengthened so far as their capacity build-up is essential. This along with, strict enforcement of environmental rules and obligations of DOE is to be ex-



A view of Elisha gasfield at Bhola

ercised too. At the same time, comprehensive IEE and EIA regulations and standards are to be reviewed and updated to cater to the oil & gas Industry activities onshore and offshore projected for days ahead.

Establishing Onshore & Offshore Natural Resources Information Data Room for Prospective Overseas Investors in the Exploration & Production of Oil & Gas

Since Investment is one of the fundamental concerns for attaining energy security, the prospective investors' primary focus is always on the basic preliminary information from the Data Room in formulating strategic next steps for undertaking any Onshore & Offshore oil & gas industry project. Hence, in attracting the attention of those prospective participants in the upcoming bidding round for such PSC/RSC projects, the Data Room of Petrobangla must be highly enriched with seismic and well-based geological, geophysical, and petro-physical information enough to investigate and understand the reservoir characterization of the blocks made open for bidding and thus facilitating the prospective bidders.

Promoting Activities of BAPEX singularly and in JV for implementing more Exploration and Production of Oil & Gas and to Continue Supporting Similar Efforts of BGFCL & SGFL
It transpired from the opinions and

analysis of the informed and experienced experts in the country and abroad that strengthening BAPEX is of supreme importance. This can be done through providing new rigs, recruitment, and training of skilled personnel, deployment of adequate professionals, paying them appropriate compensation packages, and injecting substantial funds to invest in securing these essential elements and defraying the project costs. Such provisions would enable them to enhance their seismic data acquisition and interpretation activities and multiply production through drilling new wells and workover of aging wells. It's no denying the fact BAPEX has a proven track record of assisting its co-production companies e.g. BGFCL & SGFL in drilling their exploration and development wells and workover activities at much lower cost in comparison to expatriate companies. Hence reinforcement to BAPEX, BGFCL, and SGFL would in turn help the country in limiting the import of LNG and petroleum products to save foreign exchange and facing the gas and energy crunch in the industrial and other sectors.

Conclusive Remarks: Preparation and Implementation of an Oil & Gas Industry Master Plan

In fine, it's high time now that the action plans so proposed be further assessed by respective independent specialists for their recommendation. The Gas Sector Master Plan and the Power Sector Master

Plan are considered to be essential and much referred to documents, but any Oil & Gas Industry Master Plan (OGIMP) is not prepared as yet, this would have been of much help for the hierarchical authorities, policymakers and potential investors for their strategic thought process towards achieving the nation's targets set for 2041 so far as this sector is concerned. In other words, the state of current disarray in this sector would have been turned into an environment of working out a time-bound priority 'action plan to-do list' to implement. So, once prepared, this should be of immense benefit to the nation in general and the energy and power sector of the country in particular. This might have been attained through well-thought-about path findings and thus of tremendous help not only in the formulation and implementation of oil and gas industry policies but also working out oil & gas-based power and other industrial sector policies as well. Simultaneously, an enormous positive impact on achieving the country's blue economics ambition would have been fulfilled too. Additionally, the con-



A process plant of Bangladesh Gas Field

tent of the proposed OGIMP would likely feature enough guidelines for taking time-bound remedial measures by the learned decision-makers of the country. The sooner such realization of going for the foregoing action plans and preparation of the OGIMP and implementation of same is there, the more benefit would

be accrued by the nation.

EP

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Former Managing Director, TGTDC & BGFL

আসছে ভিন্ন ধারার ম্যাগাজিন

একটি বিশেষায়িত মাসিক প্রকাশনা



প্রকাশনা

কৃষি ও পরিবেশ
স্বাস্থ্যসেবা
খাদ্য এবং
ঔষধ শিল্পের উপর
বিশেষ অনুসন্ধানমূলক
রিপোর্ট ও নিবন্ধ নিয়ে
বাজারে আসছে

যোগাযোগ

আরিফুল ইসলাম ০১৭২৫ ৫৮৩০৮৫
মোহাম্মদ হোসেন জয় ০১৭১২ ৬৭৭৬০৯

কম ৫০৯, ৫১০, ৫১১ ও ৫১২, ইস্টার্ন ট্রেড সেন্টার, ৫৬ ইনার সার্কুলার রোড, পুরানা পল্টন লাইন, ভিআইপি রোড, ঢাকা-১০০০, জিপিও বক্স ৬৭৭, ফোন +৮৮০২৫৮৩১৪৫৩২

An aerial photograph showing a modern power plant facility with several large cylindrical storage tanks and a solar panel array. In the background, a dense forest of green trees is visible, with a city skyline of various skyscrapers rising behind it under a clear blue sky. The text 'Building paths towards a 100% renewable energy future' is overlaid on the left side of the image.

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JICA's Executive Senior VP Calls on PM



Executive Senior Vice-President of the Japan International Cooperation Agency (JICA) Yamada Junichi recently paid a courtesy call on Prime Minister Sheikh Hasina at her Jatiya Sangsad (JS) Bhaban office.

During the meeting, the Prime Minister requested the JICA official to explore the opportunity of producing drinking water from the waste water that comes from seawater following salt production by the local people at the project area in Cox's Bazar.

Prime Minister's Speechwriter M Nazrul Islam briefed newsmen after the meeting.

The Prime Minister said there will be huge salt in the wastage water and the local people will be benefited by it as they can produce much salt using less water.

The JICA has appreciated the proposal, saying, "It is possible."

The Premier also asked authorities concerned to form an authority to deal with the Moheshkhali-Matarbari Integrated Infrastructure Development Initiative (MIDI) in line with joint communique, signed between Bangladesh and Japan on April 26 during her last official visit to Japan. **EP**

Another Economic Zone Seeks Captive Power



A company at Jamalpur Economic Zone sought to have captive power generation amid the Power Division's continued discouragement about such a facility.

Bangladesh Economic Zones Authority (BEZA) sought Power Division's opinion about the application of the Fervent Multiboard Industries Ltd at the Jamalpur Economic Zone.

BEZA signed an investment

deal with the company for setting up a particle board and MDF board manufacturing industry at the Jamalpur Economic Zone with an investment of \$93.46 million.

The company is expected to employ 550 workers at the factory, said BEZA.

It said the Fervent Multiboard Industries Ltd could need to set up a captive power plant having capacity to generate 24 megawatt of electricity.

Initially, the company will need to produce 13MW of electricity with a demand of 1.22 lakh cubic meters of natural gas. **EP**

Three Large Coal Power Units Start Generation

When the country's overall electricity demand dropped to 8,200 MW during a national holiday when all the offices, industries and establishments are closed on the occasion of Eid-ul-Azha, three large power plants announced the start of operations of their three generation units.

These are—second unit (660 MW) of Rampal power plant, second unit of (800 MW) of Adani Power Plant in India and first unit (612 MW) of S Alam's SS Power plant in Banskhali in Chattogram.

Normally, the demand for electricity in Bangladesh is 12,000 MW at day peak time and goes up to 16,000 MW during peak hours in the evening.

"The demand may go up to 9,000 MW", said a top official of the Bangladesh Power



Development Board (BPDB). He said both relatively rain-driven calm weather and closure of offices, industries and commercial establishments led to this drastic fall in electricity demands in the country.

In such a relatively much lower demand situation, the three new units have added electricity to the national grid.

Of these, Adani Group has already announced the commercial operation date (COD) of second unit of its 1600 MW Godda power plant on June 26, exclusively set up in Jharkhand in India to supply electricity to Bangladesh. **EP**

Gas Network in Dhaka to be Remade

The leaky gas network crisscrossing Dhaka and Narayanganj cities is up for a remake under a project worth US\$1.16 billion, as experts worry about risks in the event of fires or quakes.

The ministry of power, energy and mineral resources has sent a preliminary development project proposal (PDPP) to the Economic Relations Division, in a prerequisite for mobilizing foreign funding for the major project, officials said.

Titas Gas Transmission and Distribution Company Ltd (TGTDCI) will implement the project, which is expected to save a significant volume of the priced natural gas by way

of stopping leakage in the distribution pipeline, the officials of the ministry said.

The ministry seeks 442.34 million US dollars out of the total cost of 1160.41 million dollars. The rest will come from government coffers.

The Asian Development Bank, the World Bank and Japan International Cooperation Agency are mentioned as the prospective sources for funding the project. A feasibility study for the project was conducted by the IFIC.

"The primary objective of the project is to create a positive economic impact through improving low gas-pressure situation and increasing public safety," says one official. **EP**

JICA Executive Senior VP Meets Nasrul Hamid



Executive Senior Vice President of Japan International Cooperation Agency (JICA) Yamada Junichi paid a courtesy call on Minister of State for Power, Energy and Mineral Resources Nasrul Hamid at his ministry office in Bangladesh Secretariat recently.

During the meeting they discussed various issues related to mutual interest, said a press release of the Ministry

of Power, Energy and Mineral Resources.

The JICA Executive Senior Vice President said that the progress of ongoing projects including the implementation of the Matarbari power plant is satisfactory.

“There are opportunities to work together on advanced technology, gas meters, and the capacity building of Bangladesh Power Management Institute.

The state minister thanked the JICA Senior Vice President for the financing and cooperation of his organization in various projects in the power and energy sector. **EP**

Acwa Power Secures \$100m Revolving Credit Facility



ACWA Power, a leading Saudi developer, investor, and operator of power generation, water desalination, and green hydrogen plants worldwide, has recently signed a three-year revolving credit facility (RCF) agreement with China Construction Bank (DIFC Branch) (the “Bank”), a Chinese state-owned lender.

The agreement provides ACWA Power with access to a USD\$100 million credit facility that will support the company’s strategic plans to scale its power and water generation portfolio in the Middle East and the Belt & Road countries and contribute to the social and economic development of the communities it invests in and serves.

Abdulhameed Al Muhaidib,

Chief Financial Officer of ACWA Power, said the credit facility is an outcome of the ongoing collaboration between ACWA Power and Chinese entities, boosting our near-term liquidity and funding flexibility as we pursue strategic growth opportunities.

“Most importantly, it goes to show the confidence that financiers have in our business performance and in our ability to deliver large-scale projects of transformative social and economic value,” he added. **EP**

Paris Finance Summit Fails to Push Transformational Solutions: CSE



“The summit did not precipitate any transformational solutions, but it started a conversation on the climate and development financing crisis, and this momentum cannot be lost,” Narain added.

The first of its kind Paris Summit was spearheaded by President Emmanuel Macron of France, and was attended by many leaders from the developing world and Europe.

It aimed at addressing the lack of money flowing to poor and vulnerable countries as they battle “a cocktail of interconnected crises” -- as Prime Minister Abiy Ahmed of Ethiopia put it: poverty, debt and inflation triggered due to the Russia-Ukraine conflict, and increasing climate impacts. **EP**

Today, the most vulnerable countries, which also need funding for climate mitigation, have a crushingly high debt burden. “We can no longer talk about small changes, or about short-changing the poor. We need answers and we need them fast,” said Sunita Narain, director general, Centre for Science and Environment (CSE) in New Delhi recently. She was commenting on the recently concluded Summit for a New Global Financing Pact, held in Paris, France.

Titas Gas Employees Face Assaults from Local Lawmakers' Supporters: Titas MD



Managing director of Titas Gas Transmission and Distribution Company Limited Md. Haronur Rashid Mullah has alleged that sometimes the employees of his organization have to face assaults from supporters of local lawmakers when they move to take action against illegal gas connections in different areas in Dhaka, Narayanganj and Manikganj.

“But after an attack when we seek cooperation from local lawmakers to do our job, we get it,” he said while addressing a press

conference at Titas Gas Bhaban in the city recently.

Titas Gas has been responsible to distribute natural gas through pipelines across the capital city Dhaka and adjoining districts including Narayanganj, Mymensingh, Manikganj, Tangail, Cumilla with a huge coverage area having 2.8 million consumers. **EP**

Rampal Power Plant Unit-2 Test Synchronize Successfully



The second 660 MW Unit of the 1320 MW Maitree Super Thermal Power Project of Bangladesh-India Friendship Power Company (Pvt.) Limited (BIFPCL) at Rampal of Bagerhat was successfully test synchronized with the National Grid last week, a press release said here recently.

"All associated systems including FGD, were taken into service. This was a significant milestone towards project completion and would add the balance of 660 MW capacity to the grid

in the coming months," the release issued by Anwarul Azim, deputy general manager of the BIFPCL said.

Unit-2 synchronization milestone was achieved within a record 28 days from Boiler Light-up which is amongst the best in the industry for similar ultra-super-critical units.

This challenging task was completed with coordinated efforts by BIFPCL, Bharat Heavy Electricals Limited (BHEL) and Fichtner and supported by National Thermal Power Company (NTPC)'s Project Management Group from India.

The first 660 MW Unit of Maitree STPP is already under commercial operation from 23rd December 2022. **EP**

Country's First Undersea Oil Pipeline in Service



A 110km pipeline to transport crude oil and diesel from a deep-sea mooring, 16km off the Maheshkhali coast, to Eastern Refinery Ltd in Chattogram's Patenga has been commissioned recently.

After trial runs, the pipeline was commissioned, said an ERL official.

"We were able to connect the Single Point Mooring (SPM), the floating station of the pipeline, with the MT Horai ship, which has carried 82,000 tonnes of crude oil from Saudi Arabia," said the official.

With the commissioning of the country's first undersea pipeline, lighter vessels will no longer be required to unload petroleum products from large tankers and carry those to the refinery.

BPC Taking \$1.40b Foreign Loan to Foot Oil Bill

Bangladesh has started borrowing from the Jeddah-based International Islamic Trade Finance Corporation (ITFC) this month to cover mounting oil-import bills, according to sources.



The development comes amid the state-run Bangladesh Petroleum Corporation (BPC) has been struggling to settle payment dues thanks to the ongoing dollar crisis.

The corporation will borrow \$1.40 billion from the ITFC - a member of the Islamic Development Bank (IsDB) Group - in FY24 to ensure smooth fuel imports from the international market, according to a senior BPC official.

He said that the interest rate would be the secured overnight financing rate (SOFR) plus 2.0 percent, currently totaling around 7.06 percent as the SOFR

rate hovers around 5.06 percent.

From July 1, the SOFR has replaced the London Interbank Offered Rate (LIBOR) as the new benchmark interest rate for international lending.

The BPC recently signed a loan agreement with the ITFC to ensure smooth access to US dollars, as the state-run oil corporation had been delaying payments to global oil suppliers due to a dollar shortage over the past several months.

According to the BPC official, Bangladesh will borrow nearly \$100 million each month to cover oil import bills, which must be repaid within six months with interest at SOFR plus 2.0 percent. **EP**

This will save time and about Tk 800 crore a year, according to Bangladesh Petroleum Corporation.

Under the Single Point Mooring (SPM) project, two parallel pipelines have been installed -- one for crude oil and the other for diesel.

Md Lokman says the pipeline will cut transportation time by 8 days. It will also not affect

unloading oil in bad weather.

According to the BPC, the pipes from the storage facility to the Eastern Refinery are 18 inches in diameter. About 65km of these are under the sea.

BPC, with the funding of the Exim Bank of China, has implemented the project at a cost of Tk 7,124 crore. **EP**



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মানসম্পন্ন বিদ্যুৎ নিরবচ্ছিন্নভাবে দেশের সকল মানুষের নিকট পৌঁছে দেয়াই আমাদের অঙ্গীকার

- * গ্রিড উপকেন্দ্র, গ্রিড লাইন ও টাওয়ার জাতীয় সম্পদ, তা রক্ষা করা সকলের দায়িত্ব।
- * গ্রিড উপকেন্দ্র, সঞ্চালন লাইন ও বৈদ্যুতিক টাওয়ারের গুরুত্বপূর্ণ যন্ত্রাংশ চুরি প্রতিরোধে সহায়তা করুন, বিদ্যুৎ বিপর্যয় থেকে দেশকে বাঁচান।
- * উচ্চ ভোল্টেজের বৈদ্যুতিক টাওয়ার ও লাইন হতে নিরাপদ দূরত্ব বজায় রাখুন।
- * বিদ্যুতের গ্রিড লাইন ও টাওয়ার হতে নিরাপদ দূরত্বে স্থাপনা নির্মাণ করুন।
- * বৃক্ষ রোপনে গ্রিড লাইন ও টাওয়ার হতে নিরাপদ দূরত্বে স্থান নির্বাচন করুন।
- * বিদ্যুৎ ব্যবহারে সাশ্রয়ী হোন। আপনি বিদ্যুৎ সাশ্রয় করলে তা অন্য একজন ব্যবহার করতে পারে। এমনকি সাশ্রয়কৃত বিদ্যুৎ গুরুতর অসুস্থ কারও জীবন বাঁচানোর কাজে লাগতে পারে।
- * বিদ্যুৎ অপচয় রোধে সচেতনভাবে ফ্যান, বাতি ও অন্যান্য বৈদ্যুতিক যন্ত্রপাতি ব্যবহার করুন।
- * বিদ্যুৎ সাশ্রয়ী (LED/CFL/T5) বাল্ব ব্যবহার করুন।
- * যথাসম্ভব দিনের আলো ব্যবহার করুন।
- * বিকাল ৫:০০ টা হতে রাত ১১:০০ টা পর্যন্ত সময়ে বিদ্যুতের চাহিদা বেশী থাকে। এ সময় দোকান, শপিংমল, বাসা-বাড়ীতে আলোকসজ্জা হতে বিরত থাকুন।



BD to Import 1.58m Tonnes of Refined Petroleum in July-Dec



The state-run Bangladesh Petroleum Corporation (BPC) will import up to 1.585 million tonnes of refined petroleum products through tender during July-December period of 2023, which is around 4.0 per cent lower than that of the second half of 2022.

The oil import during July-December 2022 was, however, 34 percent higher than that of H2 of 2021, a senior BPC official said.

Despite the demand hike, the corporation will import less refined oil during the next six months - mainly due to an austerity drive of the government, he added.

Market insiders said the BPC

has been struggling to clear arrears of foreign suppliers due to the dollar crunch, irking some exporters to threaten shipment suspension.

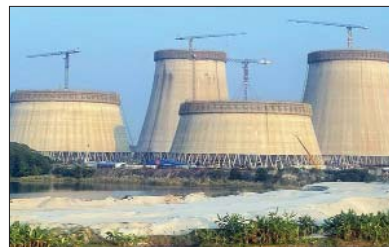
It owes around \$300 million to different refined oil suppliers until May 2023, they noted.

The BPC has planned to import up to 1,200,000 tonnes of sulfur gasoil or diesel, 150,000 tonnes of A-1 jet fuel, 125,000 tonnes of 180 CST high-sulfur fuel oil or furnace oil, 80,000 tonnes of 95 RON gasoline or octane, and 30,000 tonnes of sulfur marine fuel.

Separately, the entity has also planned to continue import of diesel from India through the newly-commissioned first inter-country pipeline - India-Bangladesh Friendship Pipeline - through bilateral negotiation. **EP**

RNPP Uranium to Arrive in Sep

Bangladesh is set to bring in the first shipment of nuclear fuel to test run the Rooppur plant this September, according to Science and Technology Minister Yeafesh Osman.



But, the government is not considering insurance coverage for the nuclear fuel's transportation from Dhaka airport to the project site by road initially owing to various reasons, including its potential impact on the project cost and electricity price, officials said.

Instead, the authorities are now solely relying on the finance ministry's "financial assurance letter" to guarantee compensation for any damage that may occur during the transportation process.

As such, the government is likely to bear the entire risk of potential financial losses resulting from any damage to fuel imported for the Rooppur plant during its transportation from Dhaka airport to the project area by road.

The two units of the Rooppur Nuclear Power Plant will require 70-80 tonnes of uranium annually, with uranium being loaded into the reactors every 18 months. Each kilogram of uranium will cost the government \$550.

The plant authorities are expected to begin test operation next year. **EP**

OPEC Members Earn \$888b in Net Oil Export Revenue Last Year



That's what the U.S. Energy Information Administration (EIA) estimates in its latest OPEC Revenues Fact Sheet, which was last updated this month.

In the fact sheet, the EIA noted that OPEC's 2022 net revenue rose nearly 43 percent compared with the previous year, "when OPEC net oil export revenue totaled an estimated \$622 billion (real \$)".

"The increase in net export revenue in 2022 is mostly attributable to higher crude

oil prices, and to a lesser degree to higher petroleum liquids production," the EIA said in the fact sheet.

OPEC total oil output rose to nearly 34.2 million barrels per day in 2022 and increased by 2.5 million barrels per day year on year, the EIA outlined in the fact sheet.

According to the sheet, Saudi Arabia had the highest net oil export revenue among OPEC members last year at \$311 billion. The fact sheet placed Iraq in second, with \$131 billion, the United Arab Emirates in third, with \$119

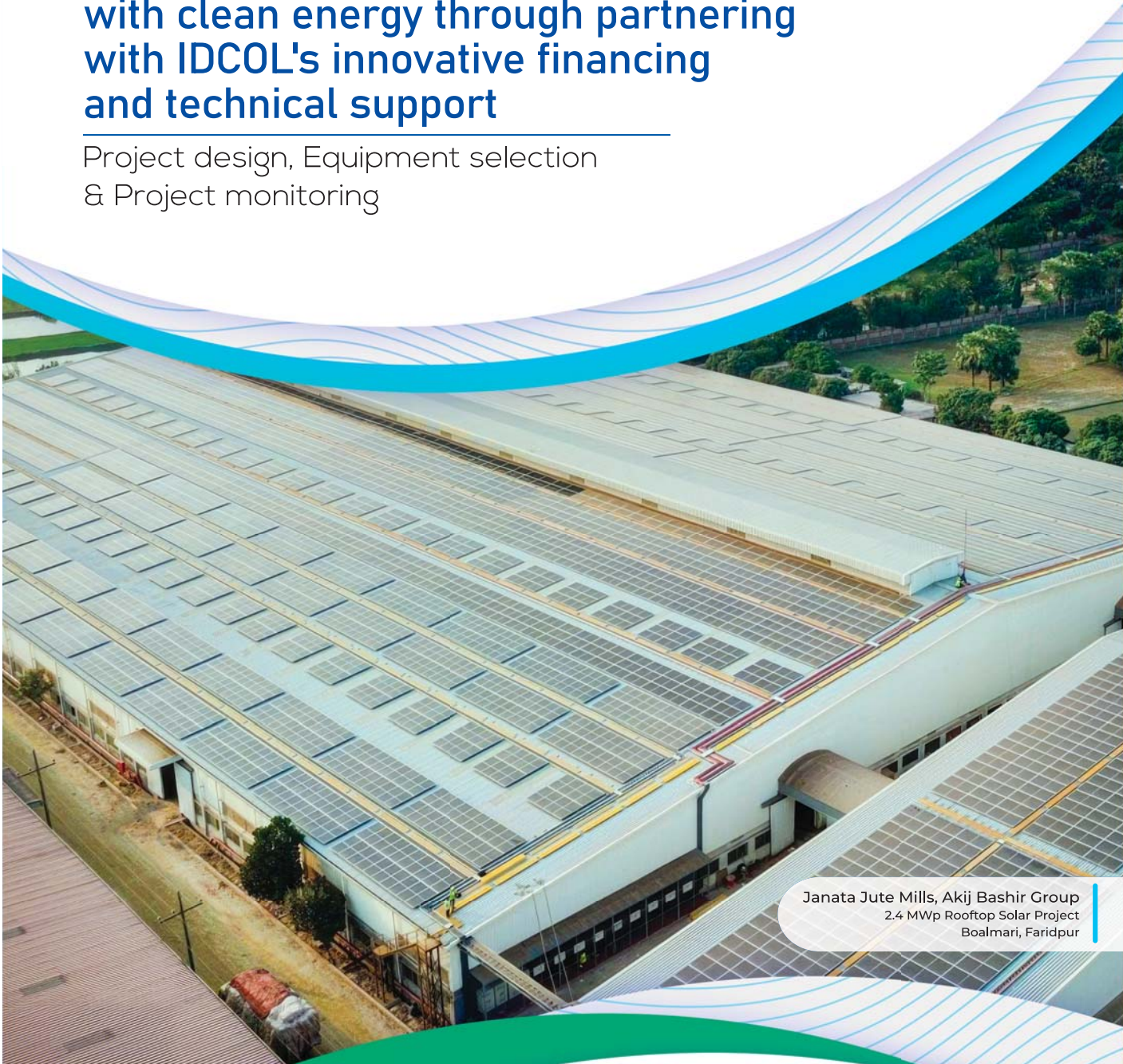
billion, Kuwait in fourth, with \$98 billion, and Iran in fifth, with \$54 billion.

The EIA fact sheet highlighted that Saudi Arabia also had the highest net oil export revenue in 2021 at \$206 billion. Iraq was second, with \$92 billion, the UAE was third, with \$82 billion, Kuwait was fourth, with \$68 billion, and Iran was fifth, with \$40 billion, in 2021, the fact sheet outlined.

Looking at 2023, the fact sheet projected that OPEC net oil export revenue will fall to \$656 billion. **EP**

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Amara Raja Bags Solar Project Worth \$130m in Bangladesh



Amara Raja Infra Pvt Ltd (ARIPL), a part of the \$1.75 billion Amara Raja Group, has secured a contract for installing a solar power plant worth \$130 million in Bangladesh's Jamalpur.

A press release from Amara Raja said the venture serves as ARIPL's debut into the international solar market.

The scope of the project, which consists of engineering, design, supply, installation and commissioning of a 100 MW (AC) Solar Photo Voltaic power

plant will be funded by the Exim Bank of India, it said.

ARIPL, in collaboration with Premier Solar of Hyderabad, secured the project from Rural Power Company Ltd (RPCL) in Bangladesh. The project spans 326 acres at Madarganj in Jamalpur and will be completed in the next 18 months.

After the project is commissioned, ARIPL will also provide comprehensive operation and maintenance services for two years, along with warranty spares and consumables. **EP**

Country's 1st EV Charging Station to be Set Up in Ctg

Bangladesh Power Development Board (PDB) has embarked on a groundbreaking initiative to establish the country's first Electric Vehicle Charging Station (EVCS) in Chattogram's Pahartali area.

The move is aimed at catalyzing the adoption of electric vehicles, emulating global trends. The EVCS will be situated within the premises of the PDB Store

Room Yard as part of a pilot project. Sources reveal that the initial groundwork for the station is slated to commence in July.

The Power Division has mandated every power distribution company across Bangladesh to establish a single 'Model Electric Vehicle Charging Station'.

Subsequently, six charging stations are to be developed throughout the nation, with PDB pioneering this initiative in Chattogram. **EP**

Bapa Urges Budgetary Incentives for Rooftop Solar in Urban Areas

Bangladesh Poribesh Andolon (Bapa) has presented 17 policy recommendations in the budget for the environment, forest, and climate sectors, including proposals for adequate budgetary incentives to green energy producers for installing rooftop solar panels in urban areas.

Dr Atiur Rahman, former Governor of Bangladesh Bank and the Vice-President of Bapa,



presented this proposal at a discussion meeting organized by Bapa at Dhaka Reporters Unity recently.

He stated that implementing the "Mujib Climate Prosperity Plan" requires additional funding from the global climate action fund and other international sources.

He added that Bangladesh's adaptation plan requires a \$230 billion investment over 27 years. He also acknowledged the necessity for further funding if the temperature increase surpasses two degrees Celsius. **EP**

Denmark Proposes \$1.3b Investment in Offshore Wind Energy Project



progression into a green nation, said a statement.

This offshore wind project in particular presents a unique opportunity for the country to maximize the utilization of its coastal resources, supporting the development of the 'Blue Economy'.

In accordance with the Mujib Climate Prosperity Plan, the world's leading dedicated greenfield renewable energy investor and developer, Copenhagen Infrastructure Partners ("CIP") and Copenhagen Offshore Partners ("COP") have submitted an investment proposal to the government of Bangladesh to develop a commercial, utility-scale offshore wind project with an initial capacity of 500 MW, valued at USD 1.3 billion off the coast of the Bay of Bengal.

As Denmark is the pioneer and global leader in developing the wind energy industry, this initial investment proposal and continued collaboration could be a key driver of Bangladesh's

The proposal comes at a crucial point in time for Bangladesh that despite ambitious clean energy targets remains heavily reliant on fossil fuel imports, a costly decision due to inflation-related price shocks.

In early June, Bangladesh and Denmark approved a "Joint Action Plan" for the next five years under the '2022 Sustainable and Green Framework Engagement'.

During a recent Dhaka visit by Mr Dan Jørgensen, the Danish Minister for Development Cooperation and Global Climate Policy, had agreed to a partnership in green and clean technologies and investment for sustainable development. **EP**

India Lists 30 Critical Minerals in Clean Energy Push



India recently came out with a list of 30 "critical minerals" which will be key to the country's quest for low-carbon economy with cleaner technologies in defence, energy, agriculture, electronics, telecommunications, and transport.

The list named "Critical Minerals for India", a first for India, was made public by federal Minister of Coal, Mines, and Parliamentary Affairs Pralhad Joshi. It

has been prepared by an expert team constituted by the Ministry of Mines.

Joshi said it is for the first time India has identified a comprehensive list of critical minerals taking into account the requirements of sectors like defence, agriculture, energy, pharmaceutical, and telecom. The effort is part of India's roadmap for achieving self-reliance, the minister added.

During Prime Minister Narendra Modi's recent state visit to the United States, India joined the Mineral Security Partnership, a US-led initiative, to bolster critical mineral supply chains. India will join 12 other countries as well as the European Union.

Joshi said the Geological Survey of India (GSI) is now more focussed on exploration of critical and deep-seated minerals to provide further boost to the growth of the country's mining sector. **EP**

Vietnam Set to Become Southeast Asia RE Leader: Conference

With its abundant resources and soaring demand for clean energy, Việt Nam is poised to become a regional leader in renewable energy, a conference organized by Forbes Vietnam heard recently.

Hà Đăng Sơn, deputy director of the Việt Nam Low Emission Energy Program II (V-LEEP II), highlighted the country's attractive prospects for local and foreign investors in renewables.

"Việt Nam's vast renewable resources, growing energy demand and



supportive governmental policies are major contributing factors."

Its ample solar resources offer favorable conditions for investors as do its extensive coastline and favorable wind conditions, he said.

Its well-established agricultural sector generates substantial biomass waste, which can be utilized for energy generation, he said.

The Government approved in May a power development master plan that prioritizes renewable energy, he said.

The plan includes an ambitious target to generate 20 per cent of the country's electricity from renewable sources by 2030.

Experts pointed out the country required US\$135 billion for power plant and transmission grid development by 2030, and over \$500 billion by 2050. **EP**

DIU, Pacific Solar Renewable Energy Sign MoU



Daffodil International University (DIU) signed a memorandum of understanding (MoU) with Pacific Solar Renewable Energy Ltd in Dhaka recently for the installation and

operation of 3MW solar plant on the rooftops of the buildings of DIU under the implementation of the 'DIU Rooftop Solar Project'.

Nadir Bin Ali, registrar of Daffodil International University, and Ibrahim Lodi, managing director of Pacific Solar Renewable Energy Ltd, signed the MoU on behalf of their respective organizations, according to a press release. **EP**



IEA-IFC Joint Report Calls for Ramping Up Clean Energy Investments

Annual clean energy investments in emerging and developing economies will need to more than triple from USD 770 billion in 2022 to as much as USD 2.8 trillion by the early 2030s to meet rising energy needs and align with the climate goals set out in the Paris Agreement, according to a new report released recently by the International Energy Agency (IEA) and International Finance Corporation (IFC).

The report, *Scaling Up Private Finance for Clean Energy in Emerging and Developing Economies*, shows that public investments alone would be insufficient to deliver universal access to energy and tackle



climate change. Increased public funding can be used most effectively in partnership with private sector capital to reduce project risks – a concept known broadly as blended finance. According to the report, two-thirds of the finance for clean energy projects in emerging and developing economies (outside China) will need to come from the private sector.

Today's USD 135 billion in annual private financing for clean energy in these economies will need to rise to as much as USD 1.1 trillion a year within the next decade.

"Today's energy world is moving fast, but there is a major risk of many countries around the world being left behind. Investment is the key to ensuring they can benefit from the new global energy economy that is emerging rapidly," said IEA Executive Director Fatih Birol. **EP**

Water Stuff & Sun GmbH Wins World CleanTech StartUPS Award 2023



Desert Energy, CEA-INES (The French Solar Energy Institute), and the CleanTech Business Club, the WCSA2023 Awards judging panel included industry experts and leading CleanTech entrepreneurs.

The WCSA2023 jury selected the finalists

among a pool of 32 entries. The final hearing of the top 5 finalists took place during the first day of The Smarter E event in Munich, spotlighting the most innovative cleantech startups from around the world.

Thomas Korn, CEO of water stuff & sun GmbH, said, "This award is a significant milestone for us, and it will undoubtedly propel our efforts to reshape the storage, distribution, and utilization of renewables with green hydrogen. The support and recognition from the World CleanTech StartUPS Awards come at the right time, since we recently accomplished proof of concept of our core technology and opened our current investment round." **EP**

The start-up water stuff & sun received the first award for its hydrogen storage technology: The World CleanTech StartUPS Award 2023 (WCSA2023) - Visionary Technology Disruptor (Paddy Padmanathan Award) honors the spirit of innovation and entrepreneurship driving the clean technology revolution.

With a participation of 32 startups representing 21 countries across 5 continents, the competition showcased a diverse range of clean and disruptive technologies, including solar, storage, hydrogen, clean water, smart energy, e-mobility, IoT, AI, and more.

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Momen Seeks UN Support for Earthquake Preparedness



Foreign Minister Dr. A. K. Abdul Momen requested the UN to help raise public awareness about earthquake preparedness to make more open spaces in cities around Bangladesh.

He made the request while meeting the UN Secretary General's Special Representative (SRSG) on Disaster Risk Reduction Mami Mizutori at his office recently, a foreign ministry press release said here.

Foreign Minister reaffirmed the country's commitment to the Sendai Framework for Disaster Risk Reduction, while the SRSG commended

the government's contributions to the Framework's mid-term stocktaking exercise.

SRSG Mizutori also confirmed the UN's readiness to work together with the Ministry of Disaster Management and Relief on developing an earthquake modeling for the whole of Bangladesh.

Foreign Minister underscored the importance of early warning particularly for flash floods in the north-eastern part of Bangladesh.

The UN Special Representative offered support for conducting a gap analysis for the country with a view to mobilizing international financing for further strengthening the multi-hazard early warning system.

The UN head for disaster risk reduction urged Bangladesh to share some of the country's best practices with other disaster-prone countries. **EP**

Energy Sector CO2 Emissions Hit Record in 2022



Global energy sector carbon dioxide emissions hit a record peak last year counter to Paris commitments, a key study warned recently, and highlighted the "worst ever" impacts of climate change.

UK-based Energy Institute laid out the main findings of its Statistical Review of World Energy, conducted with consultancies Kearney and KPMG.

"Carbon dioxide emissions from energy use, industrial processes, flaring and methane... continued to rise to a new high growing 0.8 percent in 2022," read the study. **EP**

US to Provide \$35m for Climate-Smart Cultivation Techniques in Bangladesh

The United States (US) will provide US\$ 35 million to help Bangladeshi farmers mitigate climate impacts and increase their production.

The support will be provided under a five-year "Feed the Future Climate-Smart Agriculture Project" to be implemented by the International Fertilizer Development Center (IFDC) in collaboration with the Bangladesh Agriculture Ministry.

With US government funding via the U.S. Agency for International Development (USAID), the project will teach smallholder farmers in Bangladesh's southern districts to adopt climate-smart cultivation techniques using improved seeds and maximizing fertilizer usage.

The project will also bring



together private sector firms, agri-input service providers, and the public sector to build resilience throughout the sector using climate-smart technologies and practices.

Agriculture secretary Wahida Akter, USAID Bangladesh's Director of Economic Growth Programs Dr. Muhammad Khan, President and CEO of IFDC Henk van Duijn and Executive Chairman of the Bangladesh Agricultural Research Council (BARC) Dr. Shaikh Mohammad Bokhtiar unveiled the new project at the BARC Auditorium recently. **EP**

Polluting Shipping to Face Climate Reckoning

The hefty carbon footprint of global shipping networks that crisscross our oceans and keep the world's economy afloat will come under scrutiny, as countries wrestle over measures to slash planet-heating pollution.

Nations are under pressure to agree on ambitious emission reduction targets and consider a tax on pollution by the sector at a key meeting of the International Maritime Organization.

Currently shipping belches out roughly the same level of



greenhouse gases as aviation.

The IMO Marine Environment Protection Commission (MEPC) meeting, held in London from Monday to Friday, is likely to pit climate-vulnerable nations -- particularly Pacific islands -- and some richer countries against big exporters such as China. **EP**

UN to Further Support Bangladesh in Addressing Climate Issues



Secretariat with Environment, Forest and Climate Change Minister Md Shahab Uddin.

United Nations Assistant Secretary-General and Special Representative of the Secretary-General for Disaster Risk Reduction in United Nations Office for Disaster Risk Reduction (UNDRR) Mami Mizutori recently assured Bangladesh of providing more support to deal with the adverse impacts of climate change.

"Bangladesh is one of the 30 prioritized countries announced by the United Nations Secretary-General. The UN will continue supporting Bangladesh on a priority basis to address the adverse impacts of climate change and natural disasters," she said during a meeting at the

During the meeting, the visiting UN Assistant Secretary-General said the UN will provide support to Bangladesh for preparing, monitoring, communicating and introducing early warning systems for various disasters after identifying the need and promoting green technology.

Mentioning that Bangladesh has made remarkable progress in various social indicators, she said the world has a lot to learn from Bangladesh.

Shahab Uddin said the Bangladesh government is committed to protecting the lives and livelihood of its people from climate change impacts. **EP**

Climate Change Spells 'Terrifying' Future: UN Rights Chief



Climate change threatens to deliver a "truly terrifying" dystopian future of hunger and suffering, the United Nations' human rights chief warned recently.

Volker Turk slammed world leaders for only thinking of the short term

while dealing with the climate crisis.

Turk told a UN Human Rights Council debate on the right to food that extreme weather events were wiping out crops, herds and ecosystems, making it impossible for communities to rebuild and support themselves.

"More than 828 million people faced hunger in 2021. And climate change is projected to place up to 80 million more people at

El Nino Set to be 'At Least' Moderate Strength: UN



The El Nino weather phenomenon, which triggers higher global temperatures, is set to continue throughout 2023 and will be "at least of moderate strength", the United Nations said recently.

El Nino is a naturally occurring climate pattern typically associated with increased heat worldwide, as well as drought in some parts of the world and heavy rains elsewhere.

The US National Oceanic and Atmospheric Administration announced on June 8 that El Nino had arrived, warning that it "could lead to new records for temperatures".

The NOAA feeds into the UN's World Meteorological Organization, which for its part declared the onset of El Nino conditions on Tuesday, saying there was a 90-percent probability of the phenomenon continuing during the second half of 2023.

"It is expected to be at least of moderate strength," the WMO said, noting that El

risk of hunger by the middle of this century," said Turk.

"Our environment is burning. It's melting. It's flooding. It's depleting. It's drying. It's dying," he said, evoking a "dystopian future".

"Addressing climate change is a human rights issue... there is still time to act. But that time is

Nino's effect on global temperatures is usually felt most strongly within a year of its onset -- in this case in 2024.

"The onset of El Nino will greatly increase the likelihood of breaking temperature records and triggering more extreme heat in many parts of the world and in the ocean," said WMO secretary-general Petteri Taalas.

Since 2020, the world has been affected by an exceptionally long La Nina - El Nino's cooling opposite -- which ended earlier this year.

And yet, the UN has said the last eight years were the warmest ever recorded, despite La Nina's cooling effect stretching over nearly half that period.

Without that weather phenomenon, the warming could have been even worse. **EP**

now," he said.

The 2015 Paris Agreement saw countries agree to cap global warming at "well below" two degrees Celsius above average levels measured between 1850 and 1900 -- and 1.5C if possible. The global mean temperature in 2022 was 1.15C above the 1850-1900 average. **EP**

Companies to Get First Carbon Accounting Rules



Companies around the world will soon have a uniform set of standards on sustainability issues after the body governing international accounting rules published recently its first guidelines on reporting greenhouse gas emissions.

Currently, most large companies report how many tonnes of carbon they emit into the atmosphere each year, but

the data is often not reliable.

The poor quality of data and lack of common standards allows companies to burnish their climate credentials, or to greenwash their rep-

utations.

The International Financial Reporting Standards (IFRS) Foundation launched an effort in 2021 to fill that gap, creating a special board to work on sustainability disclosure standards.

The International Sustainability Standards Board (ISSB) issued its first standards -- IFRS S1 and IFRS S2 -- that will be available for use from next year. **EP**

Canada Sees Record CO2 Emissions from Fires So Far This Year



Monitoring Service (CAMS) reported.

More than half of that carbon pollution went up in smoke in June alone.

"The emissions from these wildfires are now the largest annual emissions for Canada in the 21 years of our dataset," CAMS said in a statement.

The previous record for CO2 cast off by wildfires was just over 500 million tonnes, in 2014.

As of Tuesday, firefighters were battling 494 blazes throughout the country, more than half of them classified as out-of-control, according to the Canadian Interagency Forest Fire Centre. **EP**

Underwater Mining of High Seas Inches Closer

Governments will soon likely be able to apply for deep sea mining contracts in international waters, a plunge into the unknown that is worrying conservationists as calls for a moratorium on such digging grow.

States have for ten years been negotiating a mining code to set rules for the possible exploitation of nickel, cobalt and copper in deep seabed areas that fall outside of national jurisdictions.

But agreement has so far been elusive, and on Sunday a clause is set to expire that allows governments to apply for contracts while negotiations continue.

"I think it's a very real possibility that we see an application submitted this



year," Emma Wilson of the Deep Sea Conservation Coalition said.

"So it's crucial for states to be bold and implement the necessary measures to protect our ocean," she said, adding that the International Seabed Authority (ISA) is entering "the most critical decision-making period in the history of its existence."

The ISA was established under the 1982 UN Convention on the Law of the Sea. It is responsible for protecting the seabed on the high seas as well as regulating activities related to coveted minerals. **EP**

UN Deputy Secretary-General Visits Climate Adaptation Project



change adaptation.

During her visit, she witnessed the 'Local Government Initiative on Climate Change' (LoGIC) project developed in 2016 by the government of

United Nations Deputy Secretary-General and United Nations Sustainable Development Group Chair Amina J Mohammed made an official visit to Mongla in Bagerhat district recently to see how the UN is working with the Government of Bangladesh to build resilience and take local action on climate

Bangladesh, the European Union, the government of Sweden, UNDP, and UNCDF, with an aim to deliver climate finance to the most vulnerable households and local government institutions and enable them to build resilience and take local action on climate change adaptation. **EP**

TIME TO HAVE A FRESH LOOK INTO IPP AGREEMENTS IN POWER SECTOR

Reverse Swing



Farid Hossain

In quick succession the planning ministry's the Implementation Monitoring and Evaluation Department (IMED) recently published two versions of its evaluation report on the country's power sector. Shortly after the media published the original report that contained criticisms of some of the steps taken in this sector it was replaced by a revised version. In the revised version some parts of the original report were erased to cut its size to 52 pages from 58. Some words were rephrased mostly to take out the critical portions.

In the original version published on IMED's website and reported widely by the media outlets the provision of capacity charge and the indemnity law came under fire. The government had to pay up to Tk 90,000 crore over the past 14 years to the independent power producers as mandatory payment even though they sat idle for lack of demand from the government or shortage of fuel.

While reviewing various issues of the power sector, the report, published on the IMED website, criticized the model of capacity charge and the indemnity law. The original report denounced the provision of capacity charge as a "model of looting" and recommended a

change to prevent what it termed as "budget draining."

The original report observed that the indemnity law on the power sector does not allow any question to be asked about the price of electricity bought from the Independent Power Producers and the expenditure model. The report also focused on the payment to the IPPs in US dollars under the agreements the government signed with them.

The original report used some hard terms in describing the deals made with the IPPs. The deals with the IPPs, according to it, were responsible in draining out foreign exchange reserves and the annual national budget. While the original report was very critical about some aspects of the model, highlighted corruption and mismanagement in the revised version tried to mellow it down.

In the revised report the IMED simply said the expansion of power generation capacity in Bangladesh without securing primary energy has been the number one weakness in power sector.

The original report further, published on May 25, said the financial crisis faced by the power sector would not end

unless incentives to private power investors such as capacity charges, overhauling charges, tax-free import, high power prices, easy bank loans and cheap fuel supply are canceled.

The original report also mentioned that a team of corrupt managers, lacking in experience and technical knowledge, turned Bangladesh's power sector into a rehabilitation center for ineligible suppliers, mainly from China and India, through wrong and imprudent power purchase agreements or contracts.

The replacement of the original version from a new one may have saved the day for the government for now. But the publication of the first report on the website of a very responsible organization of the government will leave its mark on the public memory for long. That is because what the IMED said in its original report had been quite the same as being mentioned by many experts in the power sector. Prime Minister Sheikh Hasina's government deserves kudos for increasing the country's power generation capacity from mere about 5,000 MW to over 24,000 MW in past 14 years and bringing the entire country under electricity coverage, a pledge she has made to the people. Of late these outstanding gains are being overshadowed by the return of loadshedding and the wide gap between the capacity and the actual generation of electricity. Few would hesitate to commend the prime minister for her personal initiative to boost the country's power generation capacity. The government's rush to go for quick rental power plants to end the nagging power shortage and frequent outages was understandable in the context of the situation prevailing at that time. Since the emergency is now over, it is time to have a fresh look into the agreements signed with the IPPs and privileges given to them.

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Unnecessary Power Plants, Not Capacity Charge, Created Crisis

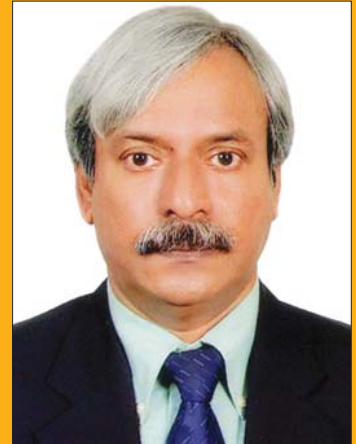
The research report of the Implementation, Monitoring and Evaluation Division (IMED) is a good initiative. But its evaluation of the capacity charge that appeared in the report is due to a lack of knowledge of the persons involved in the process. Excessive numbers of unnecessary power plants, not the capacity charge, have created the present crisis in the power sector. The research should have rather concentrated on the pressure groups and the reasons which led to set up so many unnecessary power generation plants. Consequently, the huge capacity charge required to be paid for overcapacity can be rightly termed colossal wastage. Research must be done with certain aims and objectives.

Engr. Mizanur Rahman, General Secretary of the Bangladesh Energy Society, said this in an exclusive interview with Energy & Power Editor **Mollah Amzad Hossain**. Engr. Mizanur Rahman worked in Bangladesh Power Development Board for over three decades in different capacities. He also worked as a member of the Bangladesh Energy Regulatory Commission.

You are aware that there is extensive discussion about the recent evaluation report of the IMED about the power sector and subsequent amendments. A host of

allegations about the power sector appeared in the report. What do you say?

The research works done by another government ministry about the works of power division is a commendable initiative. Some good findings have appeared in the report. But there are several mistakes as well because the persons involved in the report preparation process appeared not to have the required knowledge and experience in the power sector. The sweeping remarks about capacity charges are not correct. At the same time, the recommendation for cancellation of the Speedy Power and Energy Act is logical. The act for a limited period was the right option for combatting the diabolic power and energy supply situation in 2010. That situation prevailed till 2015. For the weakness of the then-existing regulation and policy, the public sector could set up 820MW capacity liquid fuel-based plants but the private sector could only develop 200MW capacity against a plan for 530MW. At that time the act assisted significantly. The tendering process is universally accepted. But it was not working well in Bangladesh at that time. The loopholes in public procurement policy should have been investigated. It should have also investigated why complaints could not be addressed and resolved expeditiously. The IMED report has



Engr. Mizanur Rahman

There is no quick fix. All possible austerity measures must be taken now. There is a scope to restrict shopping time. Major shopping malls can open businesses in the afternoon and close at night. Consumers must be kept informed about the loadshedding and power disruptions. There is no way to avoid fuel and power imports.

rightly mentioned that Speedy Power and Energy Supply Act is no longer required now.

But what the report mentioned about IPP and PPP is a testimony of their ignorance. The power sector is demand-driven. There is no option but to develop the required generation, transmission, distribution, and supply segments for meeting the demand on a sustainable basis. Hence the comments and observation appearing in the IMED report about plant load factor is not correct.

The provision of capacity charge applicable for private sector

power plants appeared as a “Model of Plundering” in the IMED report. The report also claimed that Tk 90,000 crores have been lost every year by the government in the name of a capacity charge. The report also claimed that it was possible to develop power plants without the provision of capacity charge. What are your views?

Possibly those preparing the report do not exactly know about capacity charge and its requirement. It is equally applicable to public and private sector power plants. Take the case of rental cars for example. You pay a daily rent for the body of the car, then you add the fuel required daily for running the car, toll, etc. It is a very transparent process. But if the rent is settled going beyond all these both parties renting and using the facility incur loss. The capacity charge is a worldwide accepted transparent policy in the case of IPP. Why should the government go for entering into contracts accepting the conditional land lease, supplying cheaper fuel, and on condition of bank borrowing?

One must understand the two parts of tariffs. One is fixed cost and the other is operational cost. The capacity charge is a part of the fixed cost. If a plant is ready to supply an agreed quantity of power but BPDB cannot evacuate it, then only a capacity charge becomes applicable. On the other hand, the power plant owner will also have to pay a penalty if it fails to deliver the agreed quantity of power on time. But we must also bear in mind that a developing country like Bangladesh should have a 20-25% reserve margin of generation. But the unpalatable situation has been created as the reserve margin is now 50%. There must be research on why and for serving which vested interested groups so many unnecessary power plants

have been set up. This is why capacity charge has grown to be an issue now.

It is alleged that for the inefficiency of the ministry and agencies, the power sector has become a safe rehabilitation zone for the incompetent Indian and Chinese suppliers taking

Bangladesh should have a 20-25% reserve margin of generation. But the unpalatable situation has been created as the reserve margin is now 50%. There must be research on why and for serving which vested interested groups so many unnecessary power plants have been set up. This is why capacity charge has grown to be an issue now.

advantage of the special act. What is your opinion?

I do not look at it like that. It is quite natural that in the free connected world companies of China, India, and other countries will exploit the opportunities to invest. But we must decide which one to take and which not. It is known to all that several

unnecessary projects have been taken up under the evil influence of vested pressure groups. In 2017-18 about 3,000MW liquid fuel-based power plants were set up. These were not necessary at all. Till now 10% capacity of such plants could not be used. Here lies the wastage. The crisis emanated from sponsoring the evil syndicate and the capacity charge is not responsible.

Although not directly but the report raised questions about IPP Policy. Do you think the success of the power sector was possible without private sector investment?

The introduction of IPP in 1996 was an epoch-making appropriate decision. The achievements of the power sector could not be possible without it. It is being followed globally now. Under this policy Implementation Agreement (IA), Power Purchase Agreement (PPA), Gas and Fuel Supply Agreement (GSA or FSA), and Land Lease Agreement (LLA) are of international standard. The contracts for rental power plants used these agreements. There was a provision for prequalification in the original policy. But later it was not followed. For creating opportunities for local entrepreneurs 20% share of local experience partners provision was created. But later creating access for incompetent local investors through relaxing the provision created chaos and crisis. The illogical relaxation led to the mushroom growth of rental plants and led to the present situation. These were major mistakes.

The power sector worked under master plans prepared at different stages. But IMED reports mentioned that setting up too many power plants without an assured guarantee of required fuel supply is also a major reason for the high cost of generation. What is your opinion?

IMED observation is partially true. The

master plan is a long-term policy. But policymakers may never have cared to open it. Every master plan had mentioned fuel mix. But proposals for setting up power plants came from influential quarters. Consequently, the plants were set up in different parts of the country without caring for the master plan. BPC and Petrobangla have to supply fuel for power generation at a subsidized rate. They are reluctant if they do not get a subsidy. The Covid pandemic and the Ukraine-Russia war compounded the dollar crisis. Consequently, the plant owners had to be permitted to fuel import.

Let us give some examples. Everyone knows about the chronic gas crisis. Even then the Unique Group and Reliance have been permitted setting up gas-based power plants at Meghnaghat. Own gas supply cannot meet the country's demand. LNG import is meeting part of the demand. Even that is not enough now. How Petrobangla will continue importing LNG if the required dollar is not available? The subsidy must be given till fuel is not supplied at market price. The finance ministry considers this an issue of BPC and Petrobangla. They are not considering this as a national issue.

IMED report claimed that the project development of the power sector is very slow. Some projects achieved only 30% progress in 10 years. Why?

This is a chronic problem. The process is flawed. Some projects are adopted for implementation with only 5% investment from their source. Sometimes it takes 2/3 years to even get finance. Then again there are many issues for meeting covenants of the loans. These contribute to the delays. But the implementation period of IPPs starts from the date of financial closure. That makes IPPs implement faster and mostly on time. But projects

implemented from their source are being implemented on time.

The IMED report also alleged that only 56% of the generation capacity is now being utilized. The huge surplus reserve margin is being discussed for some time now. Why Bangladesh had to go for such a high reserve margin? Is it the outcrop of flawed policy?

There was no mistake in demand forecast and planning. The changes in demand in PSMP 2010 was made for government directive. That was higher than the original estimate. It was 24,000MW for 2023. But in PSMP 2016 it was amended to 18,000MW. But the government followed the original demand projection. According to that the demand in 2030 has been estimated as 28,000MW. In the IEPMP now under preparation, it has been advised that there should be no new power plant construction till 2030. Then why one should blame the planning? But the crisis is a series of unnecessary power plants constructed under the evil influence of influential vested quarters. For this, the power sector has been stuck in the mud.

However, in the 5-year plan, the demand projection is higher than the PSMP.

A government ministry in its document blamed the power sector in the same language as civil society and the critics. How do you look at it?

Please note that the initiative for carrying out research was all right. The report alleged corruption and irregularities. These can not be denied. More in-depth research is required to identify the corruption and inefficiency. Research must also be done on the misuse of the special act. There has been a drainage of dollars in unnecessary projects. But the IMED before making its report public should have pinpointed its allegations after

getting the opinions of sector-related experts on the draft report. They failed to do that.

A completely chaotic situation now prevails in the power and energy sector for excessive reliance on imported fuel, higher cost of generation, and a crisis of dollar and taka, for meeting obligations. All know that there is no quick fix. But for bringing some comfort what short, medium, and long-term action plans you will suggest?

There is no quick fix. All possible austerity measures must be taken now. There is a scope to restrict shopping time. Major shopping malls can open businesses in the afternoon and close at night. Consumers must be kept informed about the loadshedding and power disruptions. There is no way to avoid fuel and power imports. But there is a dollar crisis. We must use that fuel which generates power at a lower cost. Using LNG now is cheaper than liquid fuel.

India has benefitted from using its fuel at a time of turbulent global fuel market. We should have done that. Alongside taking different initiatives for diversifying the fuel mix, we should also think about importing renewable energy. We will also have to increase imports of LNG in consideration of the energy transition. At the same time, we must also increase the gas supply by implementing a special plan for exploration. We should also extract our coal and use it for power generation. Using NH3 at a later stage in coal-based power plants, we can ultimately reduce the use of coal.

We have to ensure appropriate time-bound implementation taking multidimensional planning for getting out of the crisis. Otherwise, the present crisis will widen and dampen economic development.

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