

# ENERGY & POWER

## Unsolicited RE Projects Face A Big Blow

- Interim Govt Starts Energy Sector Reform
- Power Sector Has More Than Enough To Reform
- Streamline Energy Sector Taking Advantage of Lean Winter Demand

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Design & Graphics  
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Photography  
Bulbul Ahmed

Production  
Mufazzal Hossain Joy

Computer Graphics  
Md. Uzzal Hossain

Circulation Assistant  
Khokan Chandra Das

**Editorial, News & Commercial**

Room 509, Eastern Trade Center  
56 Inner Circular Road (VIP Road)  
Naya Paltan. GPO Box : 677  
Dhaka-1000, Bangladesh  
Tel & Fax : 88-02-58314532  
Email: ep@dhaka.net  
energypower@gmail.com  
Website: www.ep-bd.com

**Price**

Bangladesh: Tk 100, SAARC: US\$ 9,  
Asia: US\$ 12, Europe: US\$ 15, North  
America, Africa & Australia: US\$ 21



EDITORIAL

Bangladesh's interim government immediately after assuming office paused projects launched under the Quick Energy & Power Special Act 2010 following widespread public protests. A five-member committee, led by a retired Justice, is now reviewing these projects to assess whether they serve the nation's best interests. At the same time, another group is examining the power sector's current operations, aiming to introduce reforms that improve efficiency and transparency. While projects already in progress will continue, talks for new deals—including 31 renewable energy initiatives—have been suspended for review. These 31 renewable energy projects are vital for Bangladesh's ambitious green energy goals: generating 10% of the country's electricity from renewables by 2030. The Bangladesh Solar and Renewable Energy Association (BSREA) has urged the government to proceed with these projects, fearing that canceling them will set the country back on its renewable energy targets. Experts agree that Bangladesh has great potential for renewable energy, especially solar, but some caution that rushing into projects without transparency could lead to inefficiencies and corruption, as seen under the previous administration. However, others argue that quickly implementing these renewable projects could help Bangladesh move away from its reliance on expensive and polluting fossil fuels.

The government should prioritize reviewing and approving renewable energy projects as swiftly as possible, ensuring that transparency and public interest are upheld while avoiding unnecessary delays in meeting Bangladesh's green energy goals. A balanced approach will help the country progress while maintaining trust in the process.

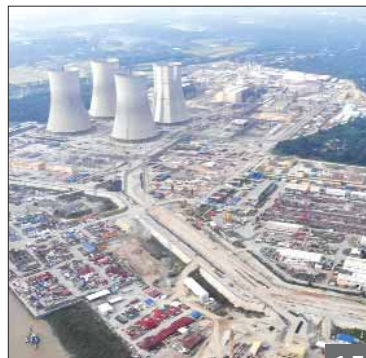
h i g h l i g h t s

COVER



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The power demand in Bangladesh will drastically fall from November 2024 to February 2025 when the interim government should not have much problem ensuring uninterrupted supply and should have leeway to mitigate the financial burden emanating from the energy sector. The government should have a plan by this lean winter demand period and execute it for the summer of 2025..... Shafiqul Alam tells EP



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It was only in May 2016 that negotiations finally concluded over what had become a US\$12.65 billion nuclear project at Rooppur. Russia making available US\$11.385 billion as credit. Russia would provide 90 percent of the funds on credit at an interest rate of LIBOR plus 1.75 percent. Bangladesh will have to repay the loan in 28 years with a 10-year grace period. .... More in Opinion



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Immediately after assuming office, the interim government came down heavily on the projects taken up arbitrarily by the immediate past government that had fallen amid mass uprising. The previous government had taken the projects under the Special Power Act 2010. A five-member committee headed by a retired Justice has been formed to review all the projects awarded under the law.



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Power Sector Has More Than Enough To Reform



## QatarEnergy Orders Construction of Six New LNG Vessels



QatarEnergy signed an agreement with China State Shipbuilding Corp. (CSSC) for the construction of six additional QC-Max vessels, bringing the total number of LNG vessels on order under its fleet expansion program to 128.

The QC-Max vessels, which will be built at China's Hudong-Zhonghua

Shipyard, a wholly owned CSSC subsidiary, are the largest LNG vessels ever built with a capacity of 271,000 cu m each, the operator said in a release on Sept 9. The

carriers are scheduled to be delivered between 2028 and 2031.

The six new advanced vessels are in addition to 18 QC-Max vessels recently ordered from Hudong-Zhonghua Shipyard. This brings the total number of QC-Max vessels ordered by QatarEnergy to 24, with a total value of about \$8 billion, the company said.

## IAEA Delegation Visits Kursk Nuclear Power Plant in Russia



An International Atomic Energy Agency (IAEA) delegation headed by its Director General Rafael Grossi on August 27 visited the site of the Kursk Nuclear Power Plant (NPP) in Russia to assess the plant's operation amid ongoing Russia-Ukraine conflict.

The delegation visited the plants at the invitation of Alexey Likhachev, Director General of Rosatom, Russia's state atomic energy corporation.

Rafael Grossi found the Kursk NPP Unit 3 operating at its installed capacity, and Unit 4 on scheduled preventive maintenance. The design features of RBMK-type reactors were demonstrated to the IAEA Director General. The IAEA delegation also observed the progress of the Kursk II NPP construction, which is progressing as planned.

The IAEA Director General also witnessed the impact of the strikes launched by Ukraine on the industrial site of the Kursk NPP and had an opportunity to assess the nuclear safety risks posed by attacks on the facility.

## CNOOC Delivers First Oil from Wushi 17-2 Fields Offshore China

CNOOC has begun production from its Wushi 17-2 oilfields development in the Beibu Gulf in the South China Sea.

Average water depth is about 28 m.

Production facilities comprise a new wellhead platform and an oil and gas processing terminal. CNOOC plans to drill 28



production wells, 14 water injectors and one appraisal/water source well.

Output should reach a peak of about 9,900 boe/d.

## Reliance Awards Transocean Long-Term Drilling Contract Offshore India

Transocean will provide a deepwater drillship to drill six wells for Reliance Industries offshore eastern India.

The Dhirubhai Deepwater KG1 should start the estimated 300-day program in 2Q 2026. The contract value is around \$123 million, excluding additional services and a



mobilization fee.

If all options are exercised, the vessel would remain in India through the end of 2029.

## 48 Killed in Nigerian Fuel Truck Explosion

At least 48 people were killed recently in a fuel tanker truck explosion following a collision with another vehicle in north-central Nigeria, the state's disaster management agency said.

The fuel truck collided with a truck carrying travelers and cattle. Several other vehicles were also caught up in the accident, it said.



The agency's spokesperson Hussaini Ibrahim put the death toll at 48 and officials were still trying to clear the scene of the incident.

## Bangladesh Keen to Jointly Work with Nepal in Power Sector: Adviser



Welcoming the Nepalese Ambassador, the adviser said that Nepal is a long-time neighbor of Bangladesh.

Ambassador Ghanshyam Bhandari congratulated Power and Energy Adviser on his new responsibility and said that Nepal recognized the student movement from the beginning and expressed solidarity with the people of Bangladesh.

They also discussed the purchase of 40 MW of hydroelectric power from Nepal, the setting up of a 683 MW Sunkoshi-3 hydropower plant in a joint venture with Nepal and a Power Sale Agreement (PSA) for the import of 500 MW of power from Nepal's GMR Upper Karnali Hydropower Limited (GUKHL).

Adviser of the interim government for Power and Energy Muhammad Fouzul Kabir Khan has expressed Bangladesh's keen interest in working jointly with Nepal in the power sector.

He said that Bangladesh is also interested in increasing trade relations with the Himalayan nation.

He made remarks when a 2-member delegation, led by Ambassador of Nepal to Bangladesh Ghanshyam Bhandari, met him in the conference room of the Ministry of Power, Energy and Mineral Resources recently.

## Former Energy Adviser Tawfiq Elahi Arrested



Rezaul Karim Mallik, Additional Commissioner of the Dhaka Metropolitan Detective Branch (DB).

According to Mallik, Tawfiq-e-Elahi was detained around 9:45 PM in Gulshan. He stated that there are multiple cases against Tawfiq-e-Elahi, but it will be disclosed later under which specific case he has been arrested.

Former Energy Advisor to Prime Minister Sheikh Hasina, Tawfiq-e-Elahi Chowdhury, was arrested on Sept 10 from the Gulshan area of the capital.

The arrest was confirmed by

## RNPP Scam: Petition Seeks ACC Probe into Allegation Against Hasina



A writ petition was filed with the High Court recently seeking its order on the Anti-Corruption Commission (ACC) to conduct an inquiry into the allegation against former prime minister Sheikh Hasina, her son Sajeeb Wazed Joy and niece Tulip Siddiq of embezzling Tk 500 crore from Rooppur Nuclear Power Plant through Malaysian banks.

Nationalist Democratic Movement (NDM) Chairman Bobby Hajjaj filed the petition as a public interest litigation through lawyer

Sahedul Azam to the HC.

Barrister Sahedul Azam said he will move the petition before the HC after its reopening following upcoming annual vacation.

Both the Appellate and HC Divisions of the Supreme Court will go on an annual vacation on September 6 and will reopen on October 20.

## Dhaka Chamber Welcomes Cut in Fuel Oil Prices

Dhaka Chamber of Commerce and Industry (DCCI) appreciated the interim government's decision reducing fuel-oil prices.



"DCCI praised the interim government for taking the decision to reduce the prices of fuel oil at all stages adjusting with the international market," said a statement of the trade body issued on the day.

In the statement, the president of DCCI, Ashraf Ahmed, said that due to the timely decision, the cost of production in agricultural and industrial sectors would come down and thus a positive effect would be there on the transport sector.

"Due to the high cost of energy in the industrial sector and lack of uninterrupted electricity and gas supply, the cost of production and marketing of industrial products has increased, resulting in a rise in the overall cost of doing business in the country," said the statement.

High prices of energy locally fuelled the inflation that subsequently increased the cost of living and sufferings of the people.





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Tel. +88-02-2222 97355 & +88-09-6062 52252  
24x7 service support. +88-01730-068134  
Email. [bangladesh@clarke-energy.com](mailto:bangladesh@clarke-energy.com)  
[www.clarke-energy.com](http://www.clarke-energy.com)

## Energy Adviser for Implementation of Cost Reduction Policy



**A**dviser of the Interim government Muhammad Fouzul Kabir Khan recently asked officials of his ministries to maintain austerity in their all activities.

In this regard an office order has been issued from the adviser's office recently.

The order will be applicable for the officials of all level of Power, Energy and Mineral Resources, Road Transport and Bridges and Highways

Department and Railways ministries and their subordinate organizations.

The office order said that snacks and foods to be served in the meetings of the ministries and its departments should be inexpensive and limited number of transport will be moved with him during his visits from the capital.

"If necessary car pooling should be done, all exaggerations should be avoided during the Adviser's visits," the order said asking all to execute the previous order to submit their austerity plan immediately.

## India's Adani Writes to Yunus for Payment of \$800m Power Bill



**I**ndian industrialist Gautam Adani has sought Chief Advisor Muhammad Yunus's intervention to settle an overdue payment of nearly \$800 million from Bangladesh Power Development Board.

The payment is crucial for maintaining an uninterrupted electricity supply from Adani Group's coal-based power plant in Godda, Jharkhand.

Adani said in a recent letter: "Despite intense pressure

from our creditors, we are continuing to fulfil our commitment to Bangladesh. Given this situation, we request your intervention to expedite the payment of the \$800 million owed to us by PDB."

Adani's letter highlights the need for regular payment of bills to continue the electricity supply agreement.

It also notes that substantial arrears have accumulated monthly, causing operational difficulties.

Adani took this step to recover unpaid electricity supply bills from Bangladesh that had accumulated over eight to nine months.

## Titas MD's Contract Cancelled, Shahnewaz New MD with Current Charge

**S**hahnewaz Parvez, a former general manager of Petrobangla, has been made the managing director of Titas Gas Transmission and Distribution Company Ltd with current charge.

He replaces Engineer Harunur Rashid Mollah, whose contractual employment was cancelled by the government.

According to an office order of Petrobangla, the state's hydrocarbons agency, issued recently, Shahnewaz Parvez has been transferred to Titas Gas Transmission and



Distribution Company Ltd with the new charge.

It also mentioned that if anybody is appointed as new managing director, Shahnewaz will return to the MD post of the GTCL.

## S Alam's Proposal for Implementation of ERL Unit-2 Cancelled

**T**he Ministry of Power, Energy and Mineral Resources recently decided to cancel the S Alam Group's proposal for implementation of installation of Eastern Refinery Limited (ERL) Unit-2.

According to a press release of the ministry, the proposed project for installation of ERL Unit-2' by Eastern Refinery Limited (ERL) under Bangladesh Petroleum Corporation (BPC) has been decided to cancel.

It said the implementation proposal was made under



a Public Private Joint Venture agreement between BPC/ERL and S Alam Group.

The ministry also took decision to send a letter to the BPC to estimate the implementation cost of the proposed project in the DPP (Detail Project Proposal) as per the updated rate of foreign exchange.



# Unsolicited RE Projects Face A Big Blow

Mollah Amzad Hossain



After assuming office, the interim government halted projects initiated by the previous administration under the Special Power Act 2010, following a mass uprising. A five-member committee, led by a retired Justice, was formed to assess these projects and determine if they served the country's interests. Another committee is reviewing the power sector's operations to propose reforms for efficiency and transparency. While ongoing projects will continue, negotiations for new deals, including 31 renewable energy projects, have been suspended pending review, despite appeals from industry groups.

# ENERGY



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Immediately after assuming office, the interim government came down heavily on the projects taken up without any competition by the immediate past government that had fallen amid mass uprising. The previous government of Sheikh Hasina had taken the projects under the “Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act 2010”. A five-member committee headed by a retired Justice, Moinul Islam Chowdhury, has been formed to review all the projects awarded under the special act. The committee is expected to submit its report to the government with recommendations whether a due process was followed in awarding these contracts. Another committee has been tasked to review the existing operations of the power sector and suggest required reforms for increasing the capability, dynamism, and efficiency, and ensuring transparency. Energy specialist and former member of the Sustainable and Renewable Energy Development Authority (SREDA) Siddique Zobair, procurement specialist Faruk Hossain, financial modeling specialist Toaha Mohammad, and a legal expert are on the committee. Both the committees have started their work. Before forming the committees, Power, Energy and Mineral Resources Adviser Fouzul Kabir Khan announced the suspension of all activities under the Special Act 2010. He, however, instructed that the projects have already been implemented under contracts awarded within the framework of the Special Act would continue. Deals already signed under the Act will be examined by the specialists. However, the ongoing negotiations on projects under the cover of the controversial law will remain suspended. Among these, 31 are renewable energy projects proposed by the private sector with a total capacity of 2,678MW. The immediate past government had been working on 108 RE projects of 12,000MW capacity – the thirteen were at their final stages of negotiation. Even Letters of Intent (LOIs) were issued to the project proponents to conclude deals after completing the negotiation. The Bangladesh Solar and Renewable Energy Association (BSREA) representatives recently met with the



Sirajganj 68 MW Solar Power Plant of Bangladesh China Renewable Energy Company (pvt.) Limited

advisor, requesting him to allow the projects. But they received no positive signal.

According to the Power Division, the future of foreign direct investment (FDI) in renewable energy projects involving nearly \$5.0 billion is facing uncertainty with recent talks of interim governments’ probable decision to cancel several letters of intent.

“The interim government has decided to cancel letters of intent (LOIs) of several renewable power projects,” said Power Division Senior Secretary Habibur Rahman. Investors said the interim government is considering the cancellation of 31 LOIs issued for renewable energy projects, which will adversely affect foreign investments in the country.

Many investors have already made partial investments based on the LOIs. If implemented, these projects will generate 2,678 MW of electricity, which will help reduce the electricity shortage in the coming years. BSREA data shows that the country’s renewable power generation capacity is 1,379 MW, including 708 MW from utility-scale on-grid RE projects. Solar power plants of 300 MW are at the advanced stages of implementation. These will start operation in 12-18 months.

BSREA Senior Vice-President Mostafa Al Mahmud said more than 50 foreign investors from China, France, Malaysia,

Singapore, South Korea, Germany, Japan, the United States, and the United Arab Emirates are engaged in renewable energy projects. “Bangladesh is going to get at least \$5.0 billion foreign direct investments in the private sector as soon as possible for the development and implementation of renewable energy projects by the investors who have received the 31 LOIs,” he said.

The trade body leaders mentioned that entrepreneurs have invested \$200 million in these projects for different purposes, including land purchase and other steps. Mostafa expressed his concern that as the Power Division canceled these projects, the entrepreneurs would face uncertainty over foreign and domestic investments.

As per the terms and conditions of the LOIs received from the Power Division, he suggested the project promoters continue the project implementation process, including land acquisition, logistics expansion, and paid-up capital arrangements.

The project tariffs were approved through negotiations based on competitive market prices and a “no electricity, no payment” term. The procedure to issue LOIs for the same projects can take at least a year or more if it is started all over again. As a result, investors will feel discouraged and frustrated, said the

BSREA senior vice president.

Mostafa also said adding 2,678 MW of electricity from renewable sources to the national grid can accelerate the process of phasing out fossil fuels, which is important for combating climate change effects and reducing the country's dependence on non-renewable sources.

These renewable power plants will also enable the government to save \$820 million (Tk9,700 crore) per year, according to BSREA.

BSREA Vice-President Zahidul Alam sought the chief adviser's attention to continue the activities of these projects considering the country's economic development.

"These projects do not require any capacity charge. Implementation of the 'no electricity, no payment' method will save a huge amount of government money spent on the power sector," he said.

BSREA also urged the government to continue the development and implementation of utility-scale renewable power projects with private sector investment on a "build-own-operate (BOO)" basis.

Zakir Hossain Khan, managing director of the research organization Change Initiative, said the government could evaluate the projects, rather than canceling them and persuade foreign investors to understand the current situation. Mr. Khan believes that Bangladesh has already fallen way behind in RE development. Canceling the projects and taking fresh initiatives will cause further delays. However, contracts awarded under the Special Act 2010 cannot be recommended.

That could be a good signal to foreign investors, relieving them of their fear that they came here to invest, but their contracts could be canceled with the change of government. It is not right to create such an uncertainty, he said.

Shafiqul Alam, lead energy analyst for Bangladesh at the Institute for Energy Economics and Financial Analysis

(IEEFA) said the power sector should increase focus on expanding renewable energy.

"We need a vision to increase the use of renewable energy, monitor the sector's progress, and take appropriate measures to remove barriers. If public lands can be leased out to some renewable projects and the cost of transmission is borne by the government, the cost can be reduced through competitive arrangements. This will attract investors and derisk investment in renewable energy projects," he said. By providing land and shouldering the cost of transmission, Bangladesh can lower the tariffs of solar energy projects to a single digit in taka terms. With increasing competition, the tariffs can be further reduced in the foreseeable future, added Alam. However, he pointed out that while reassessing projects, the government should not give the signal that the renewable energy investment environment is risky in the country. Instead, it should address or rectify anomalies, if found any, to spearhead renewable energy in the country.

Alam further added, "with import-dependence of fossil fuels continue to weaken the financial performance of power and energy sectors and Bangladesh struggling to ensure uninterrupted energy supplies, the country must take the advantage of renewable energy. Inability to find ways to do so will only increase the vulnerability of Bangladesh's energy and power sectors."

Experts say Bangladesh has a huge potential for producing renewable energy as it receives good amount of solar irradiance throughout the year. The government earlier set a target of producing 10% of the country's electricity from renewable sources by 2021, according to the Renewable Energy Policy and the Power System Master Plan (PSMP). While the country significantly fell short of the target, it now aims to raise the share of electricity produced from renewable sources to 30% by 2030. If the said 31 projects are canceled, the country may again miss the target, said experts.

They observe that while Bangladesh shows its high renewable energy ambition on international forums, the progress on the ground remains slow. During COP28, like most countries, Bangladesh pledged to triple renewable energy capacity by 2030. Further, the IEPMP 2023 states that the country will generate 40% of its power from clean energy in 2041. Solar, wind, cross-border hydro, and nuclear electricity are included in it. However, given the track record in the renewable energy sector, the country may not be able to attain these goals if the mentioned 31 projects are cancelled.

Sources close to the government stated that the government under no circumstances would accept unsolicited proposal for new projects and sign contracts. The government's strategy is now to encourage competition and avoid irregularities that have been widespread under the Special Act 2010 during the past regime. Consequently, the current government is scrutinizing LOIs issued during the past regime and they may well be cancelled.

On the other side, the experience with utility-scale renewable energy projects has never been satisfactory in the country. Delays of several years even after signing contracts are very usual in the country. Now, the question is that if the government cancels these 31 LOIs, what would be the actual delay in project implementation. Another question is will the government lease out lands to some projects and then go for tender? In fact, lands are provided, the investors will certainly have less risks.

It is also mentionable that the present contribution of oil-fired power plants is 25%. It is used during peak hours and often during off-peak hours. The power system could reduce the expensive and polluting fuel use if the renewable energy projects could be implemented fast. However, he agreed that removing irregularities should be given priority while awarding contracts which reportedly was missing under the Special Act.

EP



# Interim Govt Starts Energy Sector Reform

Engr. Khondkar Abdus Saleque

The interim government, formed following the fall of the Awami League government amid a mass upsurge, has inherited a chronic energy crisis among others. Flawed policy, mismanagement, and corruption pushed all state-owned enterprises BPDB, BPC, and Petrobangla to bankruptcy. Massive supply shortage of electricity and gas has severely impacted the operation of industries and almost all fertilizer plants are shut down. SOEs have over US\$ 5.0 billion in debt liabilities. Putting the derailed energy and power sector back on track is one of the top priorities of the interim government. Sustainable energy security and a smooth supply of energy and power at affordable cost are essential for the seamless and unhindered growth of the economy. The interim government has no other alternatives but to carry out reforms.

Immediately after assuming office, the government took two actions – suspended the operation of the controversial Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010 and annulled the BERC Act amendment – receiving appreciation from energy experts, analysts, and other stakeholders. This write-up will discuss how the two unprofessional actions by the government created crisis and chaos in the power and energy sector.

## *The Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010*

Enacted in October 2010, it gave the Bangladesh government sweeping powers to bypass existing legislation in the energy and power sectors and implement

projects quickly, on the rationale that red tape and bureaucracy were acting as impediments. That act gave indemnity to all officials involved in awarding projects to contractors based on unsolicited offers without competition. Such a black act created a lack of transparency and accountability and encouraged widespread corruption. Initially approved for two years as a contingency action, the tenure of the act was extended several times till 2025. There are allegations that under cover of the act, huge public money has been plundered by government-favored syndicates in the name of rental, quick rental of unnecessary power plants. There were no fair competitions and such projects were awarded at much higher costs. Since most of these plants were constructed without caring for fuel supply or actual demand these remained idle most of the time, yet the government paid huge capacity charges per the lop-sided contract provisions. The tenure of several such plants was extended a few times favoring the owners. The onus of excessive unjustified generation cost was transferred non-holistically to the consumers or government paid huge subsidy. Even after all these SOEs are now under huge debt liabilities. It is good that the government has suspended the operation of the act. All contracts under negotiation stand suspended or scrapped. Even the deals already signed are planned to be reviewed. Not only rental or quick rental power plants, but many other power and energy sector projects were awarded to government-favored contractors at much higher than market price without properly assessing whether these were essential. The Minister of Energy was given

authority to negotiate and award contractors with any contractor based on their unsolicited offers. The act also had a provision that no government officials working in the process could be questioned in the court for their actions. This unfair provision led to the syndicate siphoning off a huge chunk of ill-gotten money outside Bangladesh at the cost of the sufferings of the common people. Recently the provisions of the act have also been legally challenged in court. We hope that in addition to processing the annulment of the act, the interim government must inquire into the misuse of provisions of the act and mischief mongers must be brought under the provision of the law.

## *Repeal of the Amendment of BERC Act*

Bangladesh Energy Regulatory Act empowered the quasi-judiciary Commission an exclusive authority to determine power tariffs and energy prices after conducting public hearings with stakeholders fairly and logically. The previous government on 29 November 2022 approved the BERC Amendment Act curtailing the exclusive authority of BERC to fix power tariffs and energy prices. A Presidential ordinance was issued entrusting the energy ministry with the power to increase or decrease the electricity, gas, and fuel prices “for special needs.

Energy experts, civil society activists, and the Consumers Association of Bangladesh immediately protested terming this unfair as the ministry in the business could not assume the role of regulator. The interim government has done it right in annulling the amendment of the BERC Act. The exclusive au-

thority of price determination has been vested in the BERC again.

While appreciating the two quick actions, we will request the government to carry out other institutional reforms. The government has already announced a plan for withdrawing secretaries of the ministries from company boards and canceling contracts of officials engaged on a contract basis in key positions of energy and power companies. Following the resignation of the BERC chairman, a former chairman of Petrobangla has been appointed as the BERC chairman. All members of the BERC and retired government officials have also resigned. The government may engage competent and accomplished energy and power sector experts as members. BERC must be strengthened and allowed to work independently. BERC is authorized per act to enforce compliance with acts, policies, and regulations of the energy and power sectors by the licensees. The major function of BERC should be carrying out efficiency audits of all licensees. It must ensure the creation of a level playground for private and public sector companies.



The interim government has started the process. It needs reforms of BPDB, its companies, Petrobangla companies, HCU, BPI, BPMI, DOE, GSB, BMD, and SREDA. Exclusive bureaucratic control has made most of these entities dysfunctional. The Energy and Power Sector is highly technically intensive. Technical organizations must be run by experts in this age of advanced technology and artificial

intelligence. The government needs to review the structure and carry out essential reforms. The government may also consider engaging non-resident Bangladeshi experts, local academics, and researchers as consultants. The power of youths must be integrated as well.

EP

*Engr. Khondkar Abdus Saleque  
Energy Analyst and Consultant*

www.rangberang.com.bd



যোগাযোগ

আরিফুল ইসলাম ০১৭২৬ ৫৮৩০৮৫  
মোফাজ্জল হোসেন জয় ০১৭১২ ৬৭৭৬০১  
E-mail: rangberang2020@gmail.com

## রঙ ঝরঙ

বিজ্ঞাপন হার	টাকা
শেষ প্রচ্ছদ (রঙিন)	৫০,০০০.০০
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
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# Rooppur Nuclear Power Plant Cost Overruns By \$5 b

Zainul Abedin

**B**angladesh is on the way to having its first nuclear power plant, designed and built by Russia at a cost of over 12.65 billion dollars. Rooppur NPP, the Generation III+ Russian two units of VVER-1200 reactors of total 2,400MW capacity fully comply with all the international safety requirements.

The nuclear energy future is the marker of development, progress, and energy security. At the present stage nuclear programs and policies are designed to lead it by a consciously directed and accelerated movement from old technology into the modern era of advanced safe Gen III+ nuclear power technology now on the threshold of the atomic age. The idea of a nuclear plant is a modern technological solution to energy shortages in the country, with officials thinking of possessing a nuclear plant as a marker of national achievement and success and a proof of state power.

Now, we are on the verge of entering the elite club of countries having nuclear power plants. Bangladesh ground, supporting and encouraging the elite dreams of nuclear nationhood in Bangladesh, is the International Atomic Energy Agency (IAEA). The agency seeks to accelerate and

enlarge the contribution of atomic energy to peace, health, and prosperity in the world. The IAEA carried out a planning study in 1974-75 and projected between 1,200 and 3,000MW of nuclear capacity in Bangladesh, with nuclear power constituting a projected 47 percent of the country's electricity capacity.

In 2005, Bangladesh signed a nuclear cooperation agreement with China. In 2008, China offered funding for the project at a much lower cost. Instead, the Bangladesh government started discussion with the Russian government a year later. In the end, it was Russia that edged out other countries that could have sold Bangladesh a reactor at a much cheaper cost.

It was only in May 2016 that negotiations finally concluded over what had become a US\$12.65 billion nuclear project at Rooppur. Russia making available US\$11.385 billion as credit. Russia would provide 90 percent of the funds on credit at an interest rate of LIBOR plus 1.75 percent. Bangladesh will have to repay the loan in 28 years with a 10-year grace period.

Current schedules suggest that commercial operation for Unit 1 is expected in 2023 and Unit 2 in 2024 and two addi-

tional reactors are expected by 2030. The expected operational lifetime of the nuclear plant in Rooppur is sixty years. The sixty years is the least, and possibly another 20 years longer. How much will the Rooppur reactors cost? There is a long history of underestimating the time and cost it would take to complete a nuclear power plant. Thus, the final cost of Rooppur may be much higher than the stated figure of \$12.65 billion. Nuclear plants have not come cheaply. The economic cost of the Rooppur Nuclear Power Plant (RNPP) is twice as much as similar projects elsewhere in the world.

A study published in the Environmental Science and Pollution Research journal found that Bangladesh has had to bear a hefty setup cost for various nuclear facilities.

The economic cost of setting up a nuclear power plant at Rooppur in Bangladesh compared to the cost of Rooppur Units 1 and 2 to India's Kudankulam Units 3 and 4, as both projects are being built by ROSATOM, in Russia is more than double. According to the study, the economic cost amounted to 9.36 cents/kWh for the capacity of 2,400MW as opposed to Kudankulam where the corresponding cost is 5.36 cents/kWh for 2,000MW. The

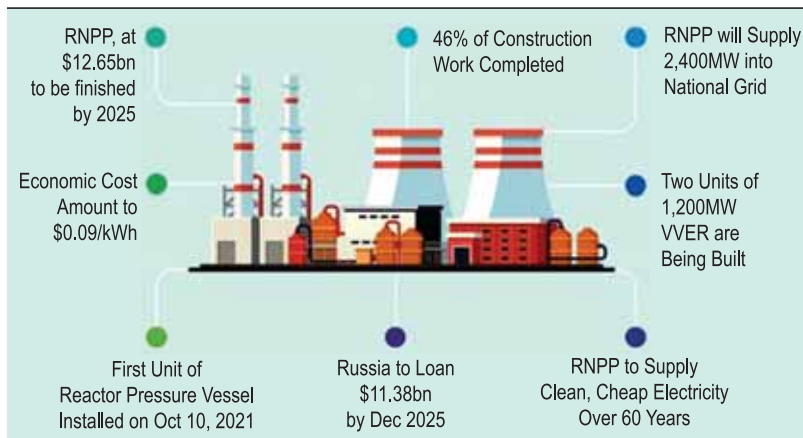
Rooppur nuclear plant is intended to operate for sixty years, electricity will contribute to higher electricity bills for decades due to double the construction cost.

(1) Friday, December 25, 2015, 08:52 PM, Engr Md Monirul Islam, chairman of Bangladesh Atomic Energy Commission, and Savushkin of Russian state nuclear power company Rosatom, witnessed by Science and Technology Minister Yefesh Osman, signed the biggest ever contract worth \$12.65 billion with a Russia's state-run company to build the Rooppur nuclear power plant that would generate 2,400 megawatts of electricity.

(2) Reported by "FRONT LINE" India news on 9 August 2013: The original cost of the two units (units 1 & 2) latest revised cost (US\$2.6 billion). 17 February 2016: Due to technology changes, inflation, and insistence of the supplier and operator for additional liability insurance the construction cost of units 3 & 4 amounted to twice the cost of units 1 & 2 and was revised to US\$5.38 billion.

Economics of setting up a nuclear power plant at Rooppur compared to a similar model nuclear plant in India My study Estimating the Economic Cost of Setting Up a Nuclear Power

### Rooppur Nuclear Power Plant at A Glance



Source: Ministry of Science and Technology and Rosatom

Plant at Rooppur in Bangladesh compared the costs of Rooppur Units 1 and 2 to India's Kudankulam Units 3 and 4, both of which are being built by Rosatom, Russia's largest electric-ity producer.

The original cost of the two units for the Kudankulam Nuclear Power Plant in INDIA was US\$2.6 billion. The Kudankulam Nuclear Power Plant Units 3 and 4, which are being built by Rosatom, cost approxi-mately \$5.3 billion for 2 units. If we consider that each unit might cost around \$3.25 billion, this gives us a baseline of roughly \$3 billion per unit. If similar plants cost around \$3.25 billion per unit in India, this baseline is an important reference for cost expectations in Bangladesh.

Given that Bangladesh is building its first nuclear power plant, initial costs might be higher due to factors like the

lack of existing infra-structure and supply chains. For a fair com-parison, assuming a reasonable increase for the first-time cost (e.g., 50% to 100% higher due to the initial setup), a more realistic esti-mate for a new plant in Bangladesh might be around \$3.5 billion per unit, compared to India (original price US\$ 2.6 billion).

So, if a comparable nu-clear power plant in

India finally costs \$5.3 billion for two units, the expected cost for the Rooppur Nuclear Power Plant in Bangladesh should ideally be around US\$ 7.0 bil-lion, factoring in the additional costs as-sociated with setting up a first-time project.

Actual Final Cost: The higher re-ported costs of US\$12.65 for Roop-pur, the actual final costs should be in the range of \$6.5 billion for the en-tire 2,400MW project, considering it involves multiple units and additional factors such as regulatory and logisti-cal challenges.

The reported cost of \$12.65 billion suggests that the RNPP is significantly more expensive than similar projects, raising questions about potential mis-appropriation. Exactly who and where that money was utilized is yet to be in-vestigated by the appropriate authori-ties. The Bangladesh government agencies need external independent audits to ensure transparency and ac-countability.

The study found that the economic cost of the Rooppur project is over double that of Kudankulam Units 3 and 4, which are India's 25th and 26th nuclear power reactors.

According to the study, the economic cost was 9.36 cents per kWh for a ca-pacity of 2,400MW, compared to Ku-dankulam, where the corresponding cost is 5.36 cents per kWh for

### Technical, Model and Capacity Comparison Rooppur Nuclear Power Plant, Bangladesh

Location	Pabna District, Bangladesh
Commission date	Unit 1&2 2024
Construction cost	\$12.65 billion (1)
Owner(s)	Bangladesh Atomic Energy Commission
Operator(s)	Nuclear Power Plant Company Bangladesh Limited
Make and model	VVER-1200/523(Model/Capacity/Unit No}
Reactor supplier	Rosatom (Rosatom, manufactures equipment)
Units under const.	2 × 1,200 MW (gross)
Nameplate capacity	2,160 MW



2,000MW. The fifth and sixth units of Kudankulam in Tamil Nadu, which were not covered in the study, will also have a financial cost of about \$6.5 billion to build.

Furthermore, the cost in Bangladesh is triple that in Belarus, which is also setting up its first nuclear plants using Russian VVER technology, indicating that a cost overrun of over \$5 billion is by artificially inflating the cost of the Rooppur Nuclear Power Plant (RNPP) which people of Bangladesh must pay back by paying higher electricity bill.

This significant cost difference will result in higher electricity bills for decades, as the Rooppur nuclear plant is intended to operate for sixty years. The increased cost of construction will be passed on to consumers, making electricity more expensive for generations to come.

According to experts, the cost of construction, as per expert analysts, sug-

## Nuclear Power Plant Kudankulam, India

Country	Tirunelveli district, Indian state of Tamil Nadu.
Commission	Units 3 & 4: 29 June 2017
Construction cost:	Original cost US\$2.6 billion. Final cost US\$5.3 billion. (2)
Owner(s)	Nuclear Power Corporation of India
Make and model	VVER-1000/412 (Model/Capacity/Unit No)
Reactor supplier	Rosatom (Rosatom, manufactures equipment)
Units	2 × 1,000 MW (gross)
Nameplate capacity	1,864 MW

gests that the price tag is inflated far beyond any rational pricing, leading to charges of corruption and collusion on the part of the Bangladeshi officials responsible for the deal.

To ensure transparency and accountability, the Bangladesh government agency responsible for the project should consider:

- External independent audits to scrutinize the project's finance.
- Ensuring transparency in the allocation of fund.

■ Holding individuals accountable for any mismanagement or misappropriation of fund>

■ Recovering any misused or misallocated funds to ensure value for money.

By taking these steps, the government can guarantee that the RNPP project is completed efficiently and effectively, with minimal waste of resources. **EP**

**Zainul Abedin**

*P. Eng (Alberta), Canada*

*Engineering Consultant Energy & Power*

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বাজারে আসছে

**যোগাযোগ**

আরিফুল ইসলাম ০১৭২৫ ৫৮৩০৮৫

মোফাজ্জল হোসেন জয় ০১৭১২ ৬৭৭৬০১

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



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# Austerity In Power And Energy Sector

Saleque Sufi

The interim government has inherited a crisis-prone power and energy sector burdened with huge debt liabilities and chronic power and gas shortages in the supply chain. It needs to take some contingency actions and austerity measures. The situation is so critical that there is no quick fix. The industries are suffering, the economy is bleeding. State-owned enterprises (SOEs) suffer an outstanding debt burden of about US\$ 5.0 billion. The BPDB has been unable to pay Petrobangla for the gas supplied, Independent Power Producers (IPPs) for the electricity provided, Indian exporters for power delivered, and BPC for liquid fuel supplied. Additionally, power companies owe significant payments to coal suppliers.

Petrobangla, in turn, has been unable to pay International Oil Companies (IOCs) for gas supplied, LNG exporters for shipments received, and FSRU owners for re-gasified LNG. As a result, around 1,000 MMCFD gas supply deficit has left approximately 3,500 MW of gas-based power generation capacity idle. The full capacity of coal- and liquid-fuel-based power generation cannot be utilized. On the other hand, BPBD needed to account for huge capacity charges to IPPs and other generation companies, despite their capacities are not used. These are acting as a double-edged sword. The interim government has inherited a chaotic power and gas supply chain management situation. Nothing can be done overnight to turn the tide. Now austerity

and efficiency at all segments of supply chain management are immediate contingency measures.

The government has already suspended the operation of "The Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010". Projects at different stages of negotiation are not proceeding toward the finalization. No more projects will be dealt with based on unsolicited offers. All new projects, if any, will be processed transparently through fair competition per national procurement law. The government has also repealed the BERC ACT amendments, returning the exclusive authority of determining power tariffs and fuel pricing to the Bangladesh Energy Regulatory Commission (BERC). The government has to arrange funds in foreign and local currencies for BPDB, Petrobangla, and BPC to meet the payment obligations. Some critical projects under implementation must also proceed and some in the pipelines must be taken up. The power system now has 28,66MW grid-connected generation capacity. The highest generation was 16,770MW on 30 April 2024. Even on that day, there was a 1,000MW deficit. Chronic fuel supply shortage is the main reason for the deficit in supply. There are some issues in power transmission and distribution as well. Power distribution utilities cannot ensure power supply quality on an uninterrupted basis to industries. Many industries require



using captive power generation. Industries suffer from gas supply shortages and power supply uncertainties. Fertilizer plants remain out of operation due to lack of gas supply.

Over the past 15 years, the government failed to ensure a sustainable fuel supply from domestic or external sources despite spending billions to develop facilities. Ignoring exploration and development of local fuel resources coal and gas government policy makers for ulterior motives of benefitting business syndicates went for imported fuel without properly assessing the risks and challenges. The government neither decided to exploit coal resources nor carried out the required exploration of petroleum onshore and offshore. Even it failed to develop the required fuel import infrastructure on time. Several initiatives have been taken to import LNG since 2010, ending in two FSRUs only. Many projects taken up for Floating- and Land-Based Terminals were abandoned after spending time, energy, and resources. The Land Based Terminal of RPGCL at Matarbari has been delayed for years. The fate of the planned Coal Transfer Terminal (CTT) at Maheshkhali has become uncertain as the government has withdrawn from the plan for several coal-based power plants at Maheshkhali and Matarbari. Even the proposed LPG terminal at Matarbari has become uncertain. The interim government needs to take some contingency plans for addressing fuel supply shortage, outstanding payments, and efficient use of electricity and gas. Some under-operation projects of power and energy need to be completed urgently. Some new projects essential for meeting demands need to be approved.

### **Projects of the Power Sector**

The government has already scrapped many solar power projects awarded to party loyal during the last stage of the previous government. These were under the provision of "The Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010". We are neither sure about the capabilities of the entrepreneurs, nor the feasibility of the projects. We hope all the projects taken up under the act will be reviewed. Another 1,320MW imported coal-fired



power plant at Patuakhali will start operation by the end of 2024. We hope the existing 400 KV power transmission line has enough capacity to evacuate the power from all power plants in the Southern region of Bangladesh. The 2nd 400 MV power transmission line from Payera to Dhaka has become a priority. The other outstanding works of PGCB are the substation at Madunaghat and the remaining work of transmission lines for evacuating and harmonizing the nuclear power from the Rooppur power plant. The first is essential for evacuating the capacity generation from the 1,200MW Matarbari plant and 1,244MW Bashkhali power plant. The second project is critical for safely evacuating nuclear power by the end 2025. We have to be extremely careful about the safe and synchronized operation of the power grid before evacuating power from the nuclear power plant. The interim government needs to carefully review the system updating and modernization works of DPDC, DESCO, and PGCB. It is alleged that many projects were taken up at much higher cost in the interest of privileged persons. The automation of the system and smart grid remains a far cry. The BREB struggles to ensure a quality supply of power to PBSs. We do not think any new Power Generation project other than solar, and wind should be taken up till 2030. Rather almost all liquid fuel-based power plants must be phased out in a planned manner.

### **Renewable Energy**

Over the short-term, rooftop solar, solar

irrigation, floating solar, and solar hybrid can be the ideal solutions for generation, and addition of about 2,500-3,000MW power over the next two years. For these, required fiscal and financial incentives must be given to the entrepreneurs and all works must be awarded to genuine entrepreneurs based on competitive bidding. SREDA must be restructured and strengthened and be freed from bureaucratic control. A business model for Solar Irrigation must also be formulated and adopted. The prospect of floating solar should be explored in the southern region, especially in Barishal, Khulna, and greater Faridpur.

### **Decision on Coal Mining**

Whether a few like it or not, the interim government should make a firm decision on mining coal. Such a precious natural resource must not remain buried underground forever. Bangladesh has no obligation to limit emissions. There are state-of-the-art modern mining technologies for addressing concerns that theoreticians argue against mining coal. Not mining local coal is one of the main reasons for landing into the present chronic fuel supply crisis. The interim government should sincerely examine all the pros and cons of mining coal.

### **Projects in the Gas Sector**

The interim government should strengthen Petrobangla and its companies on a priority basis for managing aggressively the exploration and development of fuel resources. Special



attention must be given to BAPEX, GTCL, BCML, and RPGCL. We do not believe that Bangladesh now needs three separate companies in the upstream sector for the exploration and production of Petroleum resources. SGFL and BGFCL can be merged with BAPEX making it into a single exploration and production company. BAPEX can be developed like PETRONAS, PERTAMINA, ONGC, Petrobras, Sonatrach, and CNCC as a state-owned petroleum exploration company. The entire proceeds of the Gas Development Fund must be given to BAPEX as a grant for carrying forward its exploration and development work, and the board of directorate of BAPEX must be reorganized bringing in former BAPEX and gas sector executives of proven track records. All exploration projects of BAPEX's 48 wells drilling projects till 2025 and 100 wells drilling projects till 2028 must be provided with the necessary support. We are not sure whether the contracts with GAZPROM, CNCC, and Ariel which were negotiated under the "Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010 have been concluded or not. These can be given exemption as Bangladesh desperately needs about 500-600 MMCFD additional gas as soon as possible.

GTCL is implementing a 42-inch gas transmission pipeline project from Bakhrabad Gas Field to Shiddhirganj as the third parallel pipeline. When completed by December 2024, it will create flexibility in operation creating opportunities for supplying gas to fuel efficient power plants at Meghnaghat and industries in the Export Processing Zones in the region. GTCL must be provided with financial support to construct a gas transmission pipeline from Bhola to the national gas grid at Khulna on a priority basis. The other important pipeline is the third parallel line from Matarbari to Dhaka. This must be ready before the additional RLNG supply is ready either from the 3rd FSRU or the Land Based Terminal. Few gas pipelines and ancillary facilities, constructed unwisely over the past 15 years, are underutilized or unused. These must be examined for learning across the industry to be known to all. GTCL must not have an extended



pipeline to Rangpur as Petrobangla cannot supply gas to all areas connected. The money could be used for the pipeline from Bhola to the grid.

The interim government must review how the Land-based LNG terminal project of RPGCL can be expedited. It is silly that the land issue could not be resolved over the last few years. RPGCL has already shortlisted project proponents for executing the project on an EPCM basis. 1,000 MMCFD at the start and 2,000 MMCFD RLNG supply by 2030 will create long-term LNG supply security if the project execution is vigorously monitored.

The major challenge of the interim government will be negotiating the PSC of the offshore bidding and awarding the PSCs to the successful bidders. We hope the government can manage the geopolitical risks involved in the process.

The government must review Excelerate's proposal to supply RLNG by a 70km subsea pipeline from a deep-water LNG infrastructure. In my opinion, it will be expensive and not very reliable. We are not very optimistic about RLNG import through a pipeline from India.

#### ***Austerity in Gas Utilization***

The interim government may work to prioritize gas utilization. Industries must get the top priority, followed by fertilizer. There are several other options for power generation other than gas. Only

fuel-efficient modern technology using power plants must be preferred for gas supply. The government must review whether gas supply for domestic use can be gradually phased out and replaced with LPG. It is unfair that only a privileged group of citizens will continue using pipeline gas supply in an authorized and unauthorized manner while the vast majority will not have access to it. It has also been seen that managing the unauthorized use of gas in gas franchises has almost become impossible. Gas supply to captive generation may also be reviewed.

#### ***Austerity in Power Use***

In the present situation, the government must impose austerity in power use. The shopping culture of Bangladesh must change. Even in developed countries shops and malls pull down shutters after sun set on all days except a particular day of the week. Why not Bangladesh restrict shopping hours to 8 PM on all days except Fridays and Saturdays? All social events, marriages, get-togethers, and sporting events must be held during the day. We usually have issues during the dry season and hot summers. From November to February, the power demand drops to affordable limits.

We hope the interim government will take stock of the situation, engage with relevant stakeholders, and bring qualitative changes in the power and gas supply chain.

**EP**

***Saleque Sufi,***  
***Energy Expert***





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## Palli Bidyut Officers, Employees Call Off Mass Leave, Mass Resignation



Officers and employees of Palli Bidyut Samity (PBS) called off their planned mass leave and mass resignation program after discussion with the chairman of the Bangladesh Rural Electrification Board (REB) and Power Division recently.

In a joint statement, three coordinators of the PBS Anti-Discrimination Movement--Abdul Hakim, Asaduzzaman Bhuiyan and Ranjan Kumar Das--said that they have called off the program after getting assurance from the REB and Power Division that they will consider their demands.

"The mass resignation and mass leave program have been withdrawn against the backdrop of the requests from the mass people," said the statement. **EP**

## \$1.0b Worth of Gas Being Stolen Annually Under 'system loss' Cover: Ijaz Hossain



One billion dollars' worth of gas is being stolen annually in the name of system loss, prominent energy expert Ijaz Hossain claimed on 4 September.

Bangladesh can save up to \$500 million every year if the system loss, which is currently 9.82%, can be halved and imports will reduce, he said at a seminar in the Conference Center of the International Business Forum of Bangladesh (IBFB).

IBFB & Energy & Power magazine jointly organized the seminar.

The Implementation Monitoring and Evaluation Divi-

sion, in a report on system loss reduction of Titas Gas in 2014, defined system loss as the amount of gas that is unaccounted for.

"That is, it is the difference between total amounts of gas supplied – the total amount of gas accounted for," states the report.

System loss may be due to several factors, including inaccuracy of the metering system and equipment, meter tampering, connection without metering, illegal connections, and leakages in the pipeline of the distribution system.

While presenting the keynote paper at the event, jointly organised by IBFB, and Energy and Power, Ijaz said, "I Support LNG import, but it should be limited. There is no alternative to increasing domestic gas production and exploration activities." **EP**

## Load-Shedding Worsens Amid Gas Shortage

Load-shedding has been increasing countrywide as power generation from gas-based stations is still below the expected level.

According to official sources, the country had to experience a load shedding of 1,874 MW at 3:00pm to meet the demand of 14,750 MW on 9 September.

The Power Grid Bangladesh PLC's official statistics show that the country was generating 12,788 MW at that time. Bangladesh Power Development Board (BPDB) forecast reveals that load shedding will go up in the evening with the increased demand of 15,900 MW on the day.

Residents of many areas in Dhaka city had to experience power cuts for several spells amid the hot weather.



Officials of the BPDB said they have not been able to generate electricity from their gas-fired power plants due to a short supply of gas.

The available data of the BPDB shows that 4,169 MW of electricity is not being produced due to unavailable gas supply to power plants.

Petrobangla officials said despite repeated requests from the government, the Summit Group could not resume the operation of its LNG terminal for which the national grid was not getting 500 million cubic feet of gas per day (MMCFD). **EP**

## Extension of Cross-Border Diesel Pipeline Comes to a Halt

India's plan to extend a cross-border diesel pipeline from Dinajpur's Parbatipur upazila to Natore would see delayed implementation for the ongoing political crisis, according to the Bangladesh Petroleum Corporation (BPC) and an Indian media outlet.

Inaugurated in March last year by former Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi, the pipeline stretches from



Siliguri in West Bengal to an oil depot in Parbatipur.

The BPC and Indian media outlet said the Indian authorities expressed interest in July to extend the pipeline and increase the volume of fuel export, which got the nod from Bangladesh. **EP**

## Rosatom Plans to Make North Sea Route Truly International



The 9th Eastern Economic Forum (EEF – 2024) has just ended in Vladivostok Russia. Representatives from 40 nations participated at the forum including Russian President Vladimir Putin, Chinese Vice President Han Zheng, and Malaysian Prime Minister Anwar Ibrahim.

As part of the business program a session “The Northern Sea Route and its Logistics Potential” was

organized which was addressed by Alexey Likhachev, Director General of Rosatom. In his address, he focused on developing the Northern Sea Route.

In 2018, the Russian Government appointed Rosatom as the infrastructure operator of the Northern Sea Route. Rosatom oversees the federal project “Development of the Northern Sea Route”.

The Northern Sea Route (NSR) is a shipping route about 5,600 kilometers long. It is the shortest shipping route between the western part of Eurasia and the Asia-Pacific region. **EP**

## Fuel Supplies Look Challenging for LC Payment Backlog



Maintaining a smooth supply of petroleum products looks challenging for LC payment backlog against the fuel imports amid the forex crunch, sources said.

State-run Sonali Bank PLC is also reluctant to open letters of credit (LCs) besides clearing dues against imports made by Bangladesh Petroleum Corporation (BPC), they said.

Currently, there remain BPC dues with the bank the value of which is around \$139.71

million, as of September 08.

Chairman BPC Md. Amin Ul Ahsan recently wrote to the state-owned bank to take requisite action for making payment as early as possible.

In the letter, he says, “If any problem arises about fuel oils in the future, Sonali Bank will have to bear that responsibility.”

To import fuel oils, BPC opens 16-17 LCs for refined fuel oils every month. Each LC costs on average around US\$ 26-30 million. LCs are opened through Sonali Bank Plc, Janata Bank Plc, Agrani Bank Plc and Rupali Bank Plc, but Sonali Bank has expressed its inability to open LCs since last June, according to the BPC. **EP**

## Govt to procure LNG from spot market

The Advisers Council Committee on Economic Affairs recently approved a proposal in principle for procuring LNG from the spot market to meet the emergency demand for gas in the country.



The LNG will be procured from some 23 listed firms that signed a Master Sale Purchase Agreement (MSPA) with the Petrobangla to meet the emergency need under the Public Procurement Rules, 2008.

The approval came from the 1st meeting of the Advisers Council Committee on Economic Affairs in this year held today at the Cabinet Division conference room at Bangladesh Secretariat with Adviser to the interim gov-

ernment on the Ministry of Finance and Commerce Dr Salehuddin Ahmed in the chair.

When asked about the details of the firms from where the LNG would be procured, Dr Salehuddin said that the issues were discussed in the meeting and it would also be ensured that there is no hassle while importing LNG under such arrangement.

He told another questioner that LNG would be procured from the spot market at a reasonable price. **EP**

## Power Generation Halts at Barapukuria Coal Power Plant Amid Severe Load Shedding in Dinajpur

The Barapukuria Thermal Power Plant in Dinajpur has ceased operations after all three power-generating units became non-operational. This unexpected shutdown has led to severe load shedding in the region, leaving residents grappling with intense heat and disruptions in daily life.

Chief Engineer Abu Bakr Siddiq hoped the first unit, currently undergoing maintenance, might be back online within a few days, allowing for limited power generation. However, uncertainty remains over the complete restoration of the plant's operations.



The plant's third unit, which has a capacity of 275 megawatts, malfunctioned recently due to mechanical issues, bringing the entire facility to a standstill. The shutdown comes after the second unit, with a capacity of 125 megawatts, went offline earlier this year, and the first unit, also 125 megawatts, was taken out of service for overhauling. **EP**



## Govt's Executive Authority to Raise Power, Gas Prices Cancelled



The government issued a gazette notification canceling its executive authority to raise power and gas prices without a public hearing by the Bangladesh Energy Regulatory Commission (BERC).

The Gazette, issued by the Ministry of Law, Justice and Parliamentary Affairs, dated August 27, said that through this amendment, section 34Ka of the BERC Act 2003

will be abolished.

Officials of the power and energy ministry said that Section 34Ka was introduced by the previous Awami League government giving the government an authority to set the prices of power and gas through executive power without a public hearing.

The new amendment came in line with the Advisor of the Ministry of Power, Energy and Mineral Resources of the interim government Muhammad Fouzul Kabir Khan's recent statement that the government will not raise gas and power prices without a public hearing. **EP**

## June-August 2024 Were Hottest Ever Recorded: EU Monitor



The 2024 northern summer saw the highest global temperatures ever recorded, beating last year's record and making this year likely Earth's hottest ever, the EU's climate monitor said recently.

The data from the Copernicus Climate Change Service followed a season of heatwaves around the world that scientists said were intensified by human-driven climate change.

"During the past three months of 2024, the globe has experienced the hottest June and

August, the hottest day on record, and the hottest boreal summer on record," Samantha Burgess, deputy director of Copernicus, said in a report.

"This string of record temperatures is increasing the likelihood of 2024 being the hottest year on record."

The average global temperature at the Earth's surface was 16.82C in August, according to Copernicus, which draws on billions of measurements from satellites, ships, aircraft and weather stations.

The June and August global temperature broke through the level of 1.5C above the pre-industrial average -- a key threshold for limiting the worst effects of climate change. **EP**

## Customs Intelligence Investigating Power Imports from India's Adani Group

The Customs Intelligence and Investigation Directorate, or CIID, has launched investigations into the contract for power imports by



Bangladesh's Power Development Board, or PDB, from India's Adani Group, focusing on issues related to customs duty exemptions or waivers during the import process.

A committee of eight officials has been tasked to thoroughly investigate how customs-related matters are being handled during the imports from Adani.

CIID Director General Mohammad Fakhrul Alam approved the formation of the committee recently, **EP**

headed by Joint Director Adip Billah, and includes a member-secretary and six other members.

Adani established a power plant in Godda, Jharkhand, near the border of West Bengal, to supply electricity to Bangladesh.

Allegations have surfaced that he has been charging Bangladesh higher prices for coal purchased for this power plant, leading to a meeting between the two sides in February last year. **EP**

## IEA to Convene Major International Energy Security Summit in London

The IEA will convene an International Summit on the Future of Energy Security in the second quarter of 2025, hosted by the UK government in London, to assess the existing and future risks facing the global energy system and to priorities the solutions and opportunities available for addressing them.

The IEA has been at the heart of international energy security for 50 years – helping avoid, mitigate and manage energy supply disruptions and crises.

In recent years, the IEA has supported energy security with key actions during the global energy crisis such as twice

releasing emergency oil stocks and issuing a 10 point plan for Europe to reduce reliance on Russian natural gas following Russia's invasion of Ukraine.

As the world changes, so do the challenges around energy security. While risks around the availability of oil and natural gas show no signs of abating, new ones are emerging that could significantly hinder energy transitions and undermine the resilience of energy systems, if not addressed promptly and effectively.

This calls for new and enhanced approaches to energy security – fit for today and the decades ahead – to ensure uninterrupted access to affordable energy. **EP**



# পাওয়ার গ্রিড বাংলাদেশ পিএলসি POWER GRID BANGLADESH PLC (An Enterprise of Bangladesh Power Development Board)

Grid Bhaban, Avenue-3, Jahurul Islam City, Aftabnagar, Badda, Dhaka-1212 Web : [www.pgcb.gov.bd](http://www.pgcb.gov.bd)

## 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।





## Bangladesh Relaunches LNG Imports on Spot Market



**B**angladesh resumes LNG imports on the spot market after a two-month pause. A change in procurement rules aims to ensure greater transparency in the supplier selection process.

The interim government of Bangladesh has decided to resume imports of liquefied

natural gas (LNG) on the spot market.

This measure comes after a two-month interruption, and is accompanied by a change in the regulatory framework to ensure transparent and competitive bidding procedures.

The Economic Affairs Committee approved a proposal from the Energy and Mineral Resources Division under the Ministry of Power, Energy and Mineral Resources, allowing 23 pre-selected companies to bid for LNG supply contracts. **EP**

## United Group Power Plants Get Gas at Concessional Rate, Sell Power at Commercial Rate



**T**wo private power plants have been receiving gas supply from the two subsidiaries of the state-owned Petrobangla at the public power plants' rate, but after producing electricity, selling it at a commercial rate to two export processing zones.

According to official sources, these two power plants belong to United Group and those were set up in 2008 under its commercial venture of United Power Gener-

ation and Distribution Company Limited.

The 86 MW plant was set up for Dhaka EPZ and getting gas from Titas Gas Transmission and Distribution Company while 72 MW was installed to supply power to Chattogram EPZ and receive gas from Karnaphuli Gas Distribution Co Ltd.

Officials of the state-owned Bangladesh Power Development alleged that such a business by the United Group is totally unethical and also contrary to the existing law which does not allow a private firm to receive gas from Petrobangla at the power plant rate, but sell the produced electricity to consumers at commercial rate. **EP**

## Petrobangla to Extend Submission Time for Int'l Offshore Bidding by 3 Months

**P**etrobangla is going to extend the submission date of the international offshore block bidding round by three months to get a better response.

"We have moved to extend the bid submission time by 3 more months", Petrobangla Chairman Zanendra Nath Sarker said recently.

He also informed reporters that so far, 7 international companies purchased the bid documents showing keen interest to invest in oil and gas exploration in the country's maritime area in the Bay of Bengal.

Sources said the multinational oil and gas companies, which purchased the bids, include US companies ExxonMobil and Chevron, Malaysia's Petronas, Norway and France's joint venture TGS and Schlumberger, Japan's Inpex Corporation and Jogmac, China National



Offshore Oil Corporation (CNOOC), Italy's Eni SPA, Singapore's Chris Energy and India's ONGC.

Petrobangla, the oil, gas and mineral corporation, floated the offshore bidding on March 10 this year and set a September 9 deadline for submission of bids by the interested companies.

Officials said now the bid submission date will be set anytime in December.

The tender, named "Oil and Natural Gas Exploration Under Bangladesh Offshore Bidding Round 2024", was published in local newspapers and websites of concerned government entities including Bangladeshi missions abroad. **EP**

## Oil Volatility Increases

**O**il volatility has increased at the front of the curve, with 30-day realized annualized front-month Brent volatility gaining 2.1 percentage points week on week to 31.7 percent.

That's what analysts at Standard Chartered Bank, including Commodities Research Head Paul Horsnell, noted in a report sent to Rigzone by Horsnell recently.

The analysts highlighted the volatility percentage was the highest since January 9.

"While current volatility is high relative to the rest of 2024, it is in the middle of its 10-year distribution and in only the 58th percentile of the all-time (i.e. since 1988) distribution of Brent futures price volatility," the analysts pointed out in the report. **EP**

## Titas Staff Vandalizes Petrobangla Office Protesting Appointment of New MD



A section of officers and employees of the Titas Gas Transmission and Distribution PLC recently attacked the Petro Centre, the headquarters of the state-owned oil gas and mineral corporation Petrobangla, protesting the appointment of its new managing director.

They ransacked the reception counter of Petrobangla on

the ground floor with sticks. The glass partition of the reception counter was broken by the attackers. They also demanded the appointment of Titas MD from within their officers.

There was a scuffle between the security guards and the attackers, but no one was seriously injured.

Shahnewaz Parvez, a former general manager of Petrobangla, has been made the managing director of Titas Gas Transmission and Distribution Company Ltd with the current charge. **EP**

## China to Spearhead Global Propylene Capacity Additions Through 2028: GlobalData



China is expected to register the highest propylene capacity additions globally by 2028, contributing about 49% of the total capacity additions from 38 upcoming projects, says GlobalData, a leading data and analytics company.

GlobalData's latest report, "Propylene Industry Capacity and Capital Expenditure Forecasts with Details of All Active and Planned Plants to 2028" reveals that

China is likely to witness a propylene capacity additions of 26.98 million tonnes per annum (mtpa) during 2024 to 2028 from 33 planned and five announced projects.

In China, the major capacity addition is expected from the planned project, Shandong Yulong Petrochemical Longkou Propylene Plant 1, with a capacity of 2.30 mtpa.

Shandong Yulong Petrochemical is the operator, with a 90% equity stake in the project. Currently under commissioning stage, it is likely to come on stream in 2024. **EP**

## Energy Sector Graft to Reflect in White Paper

The White Paper Preparation

Committee is expected to find out the irregularities and corruption committed in the energy and power sector during the tenure of the immediate-past government, committee head Dr Debapriya Bhattacharya has said.

"If necessary, we would review the agreements with foreign companies and parties in the sector," he told journalists, following the second meeting of the committee in the capital recently.

Dr Debapriya, also a distinguished fellow of the Centre for Policy Dialogue (CPD), said that the reasons for and extent of the capital flight from Bangladesh would also be reflected in the paper.



"We have selected some areas and sectors to prepare the paper," he said. These are: the macro-economy, energy sector, health and education, and some institutional issues like the banking sector, tax administration, capital flight, mega projects, poverty, inequality, and regional disparity will be reflected there.

"In today's meeting, we have assigned our members specific areas of coverage. The method of writing reports has also been determined," he added. **EP**

## Petrobangla Grapples with Tk24,293cr dues

The state-run Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) is grappling with substantial outstanding dues amounting to over Tk24,293 crore, including \$722 million (around Tk8,664 crore) owed to foreign companies for the purchase of natural gas and the import of liquefied natural gas (LNG), according to sources within the company.

Of this total, Petrobangla has accrued around Tk15,629.40 crore in dues to the Chattogram Cus-

toms House as of August 2024 due to unpaid duties and VAT related to LNG imports.

Meanwhile, as of June 2024, local power generation plants, fertilizer factories, and various public and private institutions owe Petrobangla around Tk28,707 crore.

Officials indicate that the company cannot settle its outstanding debts to foreign companies because the Finance Division has not released the necessary funds, worsened by a dollar shortage in the domestic market. **EP**





# Green page

## Beximco Urges CA to Protect Country's Largest Solar Plant



**B**eximco Group has requested Chief Adviser Muhammad Yunus to protect Teesta Solar Limited – the country's largest solar power plant and a subsidiary of the business giant – from potential mob attacks.

The group, owned by businessman Salman F Rahman who served deposed Prime Minister Sheikh Hasina as her private industry and investment adviser, stated that if the plant is damaged, it will not be possible for the company to repay the loan installments taken through Sukuk bonds.

Salman was arrested last month and has since been held on remand multiple

times in several cases related to the deaths during the student-led uprising that led to the fall of the Hasina government on 5 August.

"We earnestly request immediate support from the Chief Adviser's Office and other relevant offices or departments to protect

the solar park from any untoward incident and to issue necessary instructions to law enforcement to strengthen security," Osman Kaiser Chowdhury, director of Group Finance and Corporate Affairs at Beximco Group, said in a letter to the relevant government departments, including the chief adviser and finance adviser.

Chowdhury wrote the letter for support, saying a group of people gathered and attempted to attack the 200MW solar power plant on 7 September.

"We alone will not be able to contain such an attack," the letter added. **EP**

## Norway's Electric Car Sales Set New World Record

**E**lectric car sales in Norway took a 94-percent share of the market in August — a new world record — statistics showed recently, as sales in the rest of Europe stagnate.

Boosted by the Tesla Model Y, which accounted for 18.8 percent of sales, and to a lesser extent Hyundai's Kona and Nissan's Leaf, electric vehicles made up 94.3 percent of new car registrations, the Norwegian Road Federation (OFV) said.

Norwegians bought 10,480 new EVs in August, bringing the total to 68,435 since the start of the year.

Elsewhere in Europe high prices and insufficient infrastructure have



hampered sales of EVs, whereas sales of hybrid models, which combine fossil fuel engines with electric batteries, have increased.

The Scandinavian country, a major oil and gas producer, has set a target to sell only zero-emission vehicles by 2025, 10 years ahead of the EU goal. The country offers generous tax benefits which make electric models competitively priced.

'No country in the world comes close to Norway in the electric car race,' OFV director Oyvind Solberg Thorsen said in a statement. **EP**

## Global EV Charging Infrastructure Needs to Grow 500% by 2030

**K**ey markets in the electric vehicle (EV) transition are falling behind in their stated goals for public charging infrastructure, according to the latest figures on World EV Day™.

The data reveals that the US, Europe, and the UK are more than six times behind the number of plugs needed to meet growing EV demand by 2030.

The US, the world's second-largest EV

market, has under 200,000 publicly available charging ports, with over one million more needed by 2030, according to McKinsey, representing a 550% increase.

Europe needs a 5.5-fold increase to the 630,000 public charge points currently available across the continent to meet European Commission 2030 targets. The UK requires a near 350% increase to scale its charge points from just under 70,000 to 300,000 by the end of the decade. **EP**



# North-West Power Generation Company Limited

(An Enterprise of Bangladesh Power Development Board)

## Market Share

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

09  
Power Plants,  
Total: 3063 MW

## Start of Electricity Sales

- ✓ COD of 1<sup>st</sup> Power Plant

2012

2023

Contributed 14% of Country's total Generation in FY 2021-22

## Commencement of Business

- ✓ Started with 02 development projects.

2009

2007



## Registration & Incorporation

**NWPGCL**  
Enlightening Life  
Enlightening Bangladesh

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified

ISO



Power Plants of NWPGCL & its JVC



## Solar is Not Only Option for RE: Fouzul Kabir



**P**ower, Energy and Mineral Resources Adviser Muhammad Fouzul Kabir Khan has emphasized coming out of the idea that renewable energy means only 'solar'.

"We should move beyond the notion that renewable energy means only solar," he recently told a views-exchanging meeting with Bangladesh Solar and Renewable Energy Association (BSREA) representatives at his ministry's conference room.

Due to land scarcity, the adviser said that the possibility of adopting a floating solar system should be

considered due to land scarcity.

Emphasizing on exploring new innovative technologies to develop sustainable solar cells, Fouzul Kabir suggested considering the possibility of developing solar systems in tea gardens.

Simultaneously, it is essential to modernize the solar capacity system, he said. He mentioned that there is a lot of criticism centering on the energy sector, and it is necessary to move forward with collective efforts to overcome this bad reputation.

The adviser said the private sector should be encouraged to get work in this sector through competition.

At the meeting, BSREA leaders placed some demands while the adviser instructed them to form a committee to resolve the problems. **EP**

## TotalEnergies to Invest \$444m in Solar Venture with Adani



**I**ndia's Adani Group will set up a joint venture with TotalEnergies to manage a 1,150-megawatt portfolio of solar projects in the western state of Gujarat, the company said recently.

The deal, which will expand business ties between Indian billionaire Gautam Adani's conglomerate and the French firm, will see Adani Green Energy (AGEL) contribute its "current assets" to the new joint venture.

TotalEnergies will invest \$444 million

to "accelerate the development of these projects".

A separate exchange filing said that AGEL and TotalEnergies would hold an equal stake in the tie-up. AGEL is 19.75 percent owned by TotalEnergies.

"The projects are located at the world's largest renewable energy plant in Khavda, Gujarat,"

AGEL said in a statement.

The Khavda site will extend over 538 square kilometers (207 square miles) -- five times the size of Paris -- and is aimed to produce solar and wind capacity of 30 GW, with 2GW already being produced by AGEL, TotalEnergies said in a statement.

The electricity generated from the projects will be sold through purchase agreements with the Solar Energy Corporation of India and sales on the wholesale market. **EP**



## Lightweight Mobility with Vehicle-Integrated PV

**A** European consortium of commercial and research groups is developing lighter weight, solar-powered, cost-conscious, three and four-wheel prototype vehicles for passengers and cargo.

The \$13.4 million project aims for a platform that has standardized components, including the battery, powertrain, and solar PV parts, as well as support for end-of-life, maintenance, and refurbishment.



The Green Intelligent Affordable Nano Transport Solutions (GIANTS) is a €12 million, 42-month project with 23 partners from industry and research institutes.

The group is designing a platform to enable three types of lighter-weight, cost-conscious, solar-powered electric vehicle prototypes for passengers and cargo.

The platform includes battery technology, powertrains and solar PV components that will be standardized.

Small fleets of the GIANTS' LEV prototypes will be demonstrated in the European cities of Stockholm and Bruges, plus demonstration sites in Kisumu, Kenya, Delhi, India, and Manila, Philippines.

In the study the three light electric vehicle (LEV) types are designed for either people or cargo: a three-wheel vehicle with a top speed of 50 km/h, the L5 type, and two four-wheel types, the L6 with up to two seats, top speed of 28 mph, 350 kg, and 6 kW rated power, plus the L7 type, weighing up to 550 kg, with 15 kW rated power. **EP**

## Wärtsilä Joins 5MWh Club with Latest BESS Product



System integrator Wärtsilä has launched a 5MWh, 20-foot container battery energy storage system (BESS) product.

The firm said its latest grid-scale solution, the Quantum3, has new safety, cybersecurity, energy density, and sustainability design features in a 20-foot ISO container form factor.

It is an AC block solution, meaning string-based power conversion systems (PCS) are integrated, enhancing the

availability, efficiency, and reliability of the system, it claimed. The BESS is designed to achieve an optimal balance between energy density and weight, the company added.

Wärtsilä's announcement did not reveal the energy storage capacity of the product, but a company spokesperson told a news outlet it is 5MWh. That is in line with most other grid-scale BESS solutions, including one launched last month by Canada-based EVLO.

The company's comment about balancing energy density and weight comes in light of concerns about the very most energy-dense 20-foot products potentially being too heavy for some roads and adding to shipping costs, expressed by Wärtsilä VP energy storage & optimization Andy Tang in an interview in June (Premium access). **EP**

## Biden Announces \$7.3b for Clean Energy in Rural America



Today the U.S. Department of Agriculture announced that 16 rural electric cooperatives have been selected to receive up to \$7.3 billion in clean energy financing through the USDA's Empowering Rural America (New ERA) program, funded through the Inflation Reduction Act. The investment is being touted as the largest in rural electrification since the New Deal.

The funding will help rural electric cooperatives transition to clean energy, benefitting about 5 million rural residents across 23 states- representing about 20% of rural households, farms, businesses, and schools- in Alaska, Arizona, California,

Colorado, Florida, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Montana, Nebraska, New Jersey, New Mexico, Nevada, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Wisconsin, and Wyoming.

The Biden Administration says these investments will lower energy costs by up to hundreds of dollars per year for millions of homes and businesses, tackle the climate crisis by reducing greenhouse gas emissions, and create thousands of jobs and new economic opportunities in rural America.

These first 16 co-ops will leverage \$7.3 billion from the Inflation Reduction Act into a total investment of more than \$29 billion in rural communities.

The New ERA program, will allow co-ops to build or purchase more than 10 GW of clean energy and will enable investment in transmission, substation upgrades, and distributed energy resource management software that will lower energy costs for rural Americans and enhance grid performance, resiliency, and reliability. **EP**



## China Coal Plant Approvals Plunge as Green Power Grows: Study

China approved the building of nine gigawatts (GW) of coal power generation in the first half of 2024, down by more than 80 per cent compared with a year earlier as the nation adds renewable energy capacity in record amounts, according to a study published on Aug 22.

China is the world's top renewable energy investor and has been adding ever-growing amounts of wind and solar capacity.

It added 134.5GW of renewable



energy capacity in the first six months of 2024, a 25 per cent year-on-year increase, according to Australian think-tank Climate Energy Finance and China's National Bureau of Statistics. Wind and solar comprised 128GW of this total.

In 2023, China accounted for more than half of the world's new wind and solar installations.

And as at end-June 2024, China's installed solar power capacity totaled 714GW, accounting for 23 per cent of the nation's total installed power generation capacity, compared with about 200GW of solar capacity for the United States. **EP**



## St Martin, Kuakata and Sundarbans to Be Made Plastic-Free: Rizwana



Environment, Forest and Climate Change Adviser Syeda Rizwana Hasan recently said an initiative will be taken on an urgent basis to make the country's lone coral island Saint Martin, Kuakata beach and mangrove forest Sundarbans free from single-use plastic and polythene.

Apart from the government's measures, she said, the participation of non-governmental organizations and young society is necessary. "Only

collective efforts of all can give a clean environment," she added.

The environment adviser made the comments while speaking at a meeting with various environmental organizations at the Bangladesh Secretariat here.

She said the proposal to add the required number of wildlife officers to the organogram of the Forest Department will be considered for the sake of wildlife conservation and safety.

Rizwana said initiatives will also be taken to strengthen the proper management of the country's safari parks and wildlife crime prevention units. **EP**

## Wildfires Push Canada into Top Four CO2 Emitters in 2023



Record wildfires in 2023 bumped Canada into the top four greenhouse gas-emitting countries in the world that year, according to a recent study that also cast doubt on its forests' future ability to capture and store significant amounts of CO<sub>2</sub>.

Last year saw a catastrophic number of wildfires across the country, with 15 million hectares -- some 58,000 square miles, or about four

percent of Canada's total forest area -- burned and more than 200,000 people displaced.

Looking at satellite data of smoke plumes from fires that burned from May to September of last year, researchers determined that 2,371 megatonnes of carbon dioxide and monoxide were released, pushing Canada's ranking up from eleventh to fourth among the world's top carbon emitters. It put the country behind only China, the United States and India for 2023.

The research was published in the journal Nature. **EP**

## Coastal Cities Alarming Slow to Adapt to Climate Change: Study

Coastal cities are not doing enough to adapt to climate change, taking too long and implementing insufficient measures, according to a major study published recently.



While flood barriers and pumping systems are a step in the right direction, "across all regions and income groups, scientifically reported adaptation in coastal cities remains at rather low depth, scope and speed," said the study published in Nature Cities, which looked at 199 cities worldwide.

Given the high exposure and vulnerability of many coastal cities, "this finding is alarming as adaptation to future climate change will require many cities to go beyond business as usual risk man-

agement," it said.

Short- and mid-term solutions, as many cities are implementing, could even have an adverse effect, the study warned, leading to a "lock-in and maladaptive path dependency in the long-term."

Instead, adaptation must aim at "transformation" of cities - a change both of infrastructure and at the institutional level.

Positive models cited in the report include Singapore, Hong Kong and several Swedish cities.

## MOL Started Production in Green Hydrogen Plant

At the Sz6zhalombatta refinery of MOL, a 10 megawatt capacity green hydrogen plant, the largest in Central and Eastern Europe has started producing.



The facility produces 1,600 tonnes of clean, carbon-neutral green hydrogen per year which is used for fuel production reducing the Danube Refinery's carbon dioxide emissions by 25 000 tonnes, as much as the annual carbon dioxide emissions of roughly 5400 typical cars. The step is in line with MOL Group's SHAPE TOMORROW corporate strategy to make the region more sustainable, competitive and self-sufficient.

MOL Group handed over its new Sz6zhalombatta plant in

April, where it produces around 1,600 tonnes of clean, carbon-neutral green hydrogen per year with a 10 megawatt electrolysis unit created by Plug Power.

Necessary tasks to start production were carried out, including necessary pressure tests, inspection of the process control system, insertion and connection of the electrolytic cells into the system, and the water treatment system was put into operation as well. **EP**

## Rizwana for Integration of Sustainable Practices in Agriculture at IUCN Forum



**E**nvironmental, Forest, and Climate Change Adviser Syeda Rizwana Hasan emphasized the need for integrating environmental policies into agri-food systems during her address at the 8th IUCN Regional Conservation Forum.

The forum, held in Bangkok recently, brought together experts from across Asia to discuss pressing environmental issues, according to a press release.

She called for the promotion of sustainable agricultural practices, including organic food production and reduced use of pesticides and chemi-

cal fertilizers and support of local farming, and traditional farming by forest-dependent Indigenous communities.

Speaking at a session titled "Transforming Agri-Food Systems: Integration of Environmental Policies into Agri-Food Systems - Challenges and Opportunities," Rizwana highlighted the critical importance of aligning agricultural practices with environmental sustainability.

She pointed out that the current agri-food systems are one of the major contributors to environmental degradation, including deforestation, soil depletion, and water scarcity.

"Integrating environmental policies into our agri-food systems is not just a necessity but a responsibility we must embrace," she said. **EP**

## MAN Energy Solutions to Supply World's Largest Air-to-Water Heat Pump



**F**innish energy company Helen Oy has commissioned MAN Energy Solutions to supply an air-to-water heat pump as part of its Patola heating plant complex in Helsinki. The new heating

plant, which includes the industrial-scale heat pump and two 50 MW electric boilers, is projected to reduce CO<sub>2</sub> emissions by a total of 56,000 tons.

The air-to-water heat pump plant will be the largest in the world, with a full heating production capacity ranging from 20 to 33 MW, depending on the air temperature. The

## Latest UN Pact Commits to 'Transition Away from Fossil Fuels'

**G**overnments have listened to growing calls for the UN Summit of the Future to explicitly address the threat of coal, oil and gas by explicitly adding that Heads of States "decide to (...) transition away from fossil fuels" in the latest draft outcome, made public recently.

The third revision of the Pact for the Future, the outcome of the upcoming landmark summit in September, brings in strengthened text explicitly addressing fossil fuels.

The critical revision comes after a bloc of nation-states, hundreds of civil society organizations, 77 world leaders and Nobel laureates, and over 45,000 individuals united to express their grave concerns that earlier drafts of the Pact did not even mention "fossil fuels", despite the significant risk they pose to our future.

Jody Williams, International Campaign to Ban Landmines, Nobel Peace Prize 1997, said: "We welcome governments committing to transitioning



away from fossil fuels in the Pact for the Future, and call on them to match these words with action, starting with ending the expansion of new oil, gas and coal projects. When faced with other global threats like landmines, nuclear weapons or an ozone in crisis, nations have come together – not just with declarations, but with binding treaties and multilateral frameworks. We must now join forces once again to address one of the greatest threats of our time: the extraction and burning of fossil fuels."

After decades of efforts from civil society, scientists, and the world's most vulnerable nations, fossil fuels finally took center stage in the UN COP28 climate talks in Dubai last year, and have now been pushed back onto the agenda for the UN Summit for the Future. **EP**

unit can operate at outdoor temperatures as low as -20° Celsius, using CO<sub>2</sub> as the natural refrigerant in a closed loop system.

Powered by electricity from renewable-energy sources, the heat pump will utilize ambient air as a thermal energy source to increase the water temperature and meet the requirements of the district heating network. Annually, it will supply around 200 GWh of heat to around 30,000 households

in Helsinki, reducing CO<sub>2</sub> emissions by 26,000 tons.

Uwe Lauber, CEO of MAN Energy Solutions, said: "We are very proud to support Helen in their efforts to achieve carbon neutrality in Helsinki. Our heat pump technology provides an economically competitive and efficient way to harness climate-neutral heat from ambient air, even at cold temperatures of -20° Celsius. **EP**



## Rizwana for Constructing Eco-Friendly Buildings



**A**dviser for Environment, Forest and Climate Change Syeda Rizwana Hasan has stressed the need for constructing eco-friendly buildings.

She said building designs should allow work to be done during the day time using natural sunlight without electric lighting.

"The buildings must also be designed to ensure adequate airflow. In addition, environment-friendly construction

materials, such as block bricks, should be used," the environment adviser said while speaking at a meeting here.

The meeting was held at the ministry's conference room to review the progress of the Annual Development Program for fiscal 2024-25, said a ministry press release.

Addressing as the chief guest, Rizwana also directed the Director General of the Department of Environment (DoE) to create public awareness on river pollution, noise pollution and plastic pollution.

She underscored the need for taking effective measures to stop the use of plastic banners. **EP**

## Nearly 200 Land, Environment Defenders Killed in 2023, says NGO



The annual report found Latin America remains the most dangerous part of the world for environmental and land defenders, accounting for 85 percent of the 196 murders documented last year.

**N**early 200 environmental and land defenders around the world were murdered in 2023, with Colombia once again the deadliest place for activists, watchdog Global Witness said in a recent report.

The report also sounds the alarm on a "crackdown on environmental activists across the UK, Europe and the US", warning "laws are increasingly being weaponized against defenders".

The majority were concentrated in just four countries: Colombia, Brazil, Honduras and Mexico. The group documented 79 murders in Colombia alone -- the highest figure recorded in any country since Global Witness began its annual review in 2012.

Most occurred in several of the country's southwestern regions, and organised crime groups are suspected of carrying out at least half of the murders. **EP**

## Methane Rising Faster Than Other Greenhouse Gases: Researchers

**C**oncentrations of the powerful greenhouse gas methane in the atmosphere are rising at an accelerating pace, threatening efforts by countries to meet their climate targets, researchers warned recently.

"Methane is rising faster in relative terms than any major greenhouse gas and is now 2.6-fold higher than in pre-industrial times," said an international group of researchers under the aegis of the Global Carbon Project in a study published in Environmental Research Letters.

Methane is the second-largest greenhouse gas produced by human activity after carbon dioxide, with agriculture, energy produc-



tion and organic waste rotting in landfills the major sources.

In the first 20 years its impact on the atmosphere is about 80 times that of carbon dioxide, but it breaks down quicker.

That opens a possibility to sharply reduce climate impact in the short term, but the researchers found that despite efforts to cut methane emissions that atmospheric concentrations of the gas are still rising. **EP**

## Polythene Bags Banned at Supermarkets from Oct 1

**P**olythene shopping bags and polypropylene shopping bags will no longer be available at supermarkets and cannot be handed out to customers from Oct 1, says

Syeda Rizwana Hasan, the advisor for environment, forests, and climate change.

Supermarkets will instead offer jute or cloth bags for customers to purchase, she said. Young people and students will be involved in the process, she said.

This ban on shopping bags will be widely publicized in print and electronic media from Sept 15, with public notices published in newspapers.



The advisor's remarks came after a meeting with stakeholders on how to formulate an action plan for the program to implement the polythene bag ban at the ministry recently.

The Ministry of Textiles and Jute will meet with all the supermarkets within a week to take the necessary measures to ensure the supply of jute shopping bags. **EP**

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# Streamline Energy Sector Taking Advantage Of Lean Winter Demand

The power demand in Bangladesh will drastically fall from November 2024 to February 2025 when the interim government should not have much problem ensuring uninterrupted supply and should have leeway to mitigate the financial burden emanating from the energy sector. However, from March 2025 onwards, power demand will rise again. The government should have a plan by this lean winter demand period and execute it for the summer of 2025. Bangladesh should now have an immediate plan to ensure that industries do not suffer from electricity and energy supply shortages. Meanwhile, as a mid-term plan, the government must design a strategy to phase out some of the most expensive plants.

Shafiqul Alam, Lead Energy Analyst for Bangladesh at the Institute for Energy Economics and Financial Analysis (IEEFA), made the observation in an exclusive interview with Energy & Power Editor **Mollah Amzad Hossain**.

**Bangladesh has an installed power generation capacity of 27,791MW. The average generation is 14,000MW. What are the impacts of such high capacity?**

A closer inspection of BPDB's data shows that the maximum power generation by the country's power system was 16,477MW in April 2024. Likewise, the maximum demand recorded in the country's

history was 17,200MW in April 2024. A simple calculation substantiates that the country's reserve margin remains between 38.11% and 40.71% during the summer. However, the reserve margin will cross 70% during the winter. There is no economic sense of having such a high capacity when we do not have enough demand. Surprisingly enough, we need to operate power plants even at lower capacities due to fuel shortages.

Based on available data, most power plants, excluding renewable energy-based units and those owned by BPDB, are entitled to receive capacity payments. As such, the average power generation cost increased in recent years, leading to a high revenue shortfall for BPDB. To minimize this revenue shortfall, the government raised power tariffs in quick succession in the last two years. Yet, the government's subsidy burden swelled.

On the other hand, upward adjustments of power tariffs caused inflationary pressure in the country and affected the business competitiveness of export-oriented industries.

**Industries have a captive generation capacity of 3,000MW; the demand for grid power is not increasing in the industries. What should be done?**

Our households have mostly driven the power demand growth. Demand for grid power in the residential



**Shafiqul Alam**

*Bangladesh should now accelerate the deployment of renewable energy. While doing so, the country should also take advantage of highly feasible rooftop solar systems. Additionally, it should invest in the grid to make it more resilient as variable renewable energy will likely increase in the foreseeable future.*

sector increased by more than double compared with the industry sector during the last seven or eight years. A tepid growth in grid power demand in the industry sector has eventually resulted in the surplus power capacity problem.

There is another challenge. When the country's power system capacity remains underutilized, most industries rely on captive power generation due to a lack of reliable grid electricity. Insufficient investment in grid infrastructure is one of the reasons behind such a dismal situation where industries combinedly operate around

3,000MW of gas-fired captive systems instead of using grid power. If half of this 3,000MW demand is met by grid power, Bangladesh will not have such a high surplus power capacity.

With nuclear power plants and a couple of fossil-based power plants coming online soon, Bangladesh must invest in grid modernization to supply reliable electricity to industries. Else the surplus power capacity will increase, exacerbating BPDB's revenue shortfall and raising the need for subsidy.

***People say that a high reserve margin affects the cost of power generation. The cost of power generation in 2022-23 was Taka 12.13 per kilowatt-hour. The estimated cost of power in 2023-24 is Taka 10.5 per kilowatt-hour. What's your opinion on that?***

An average power generation cost of Tk10.5/kWh for FY2023-24 is reasonable as our currency depreciated significantly against the US Dollar. However, less import dependence, more renewable energy, and higher capacity utilization of the power system would have reduced the average generation cost.

***Taka 40,000 crore has been kept as a subsidy for the power sector. BPDB's payment backlog is taka 4 billion. What are the ways to reduce the payment backlog?***

There is no immediate solution. Bangladesh needs to maximize the use of economic power plants. It may design a plan to reduce the expensive power purchase from oil-fired power plants at least during the daytime. This will be possible with greater integration of renewable energy. This will also help reduce the average power generation costs of BPDB. The country may devise a plan to use plants in a way that will help reduce capacity payments. A

reduction in transmission and distribution losses by 2% can help limit costs significantly.

However, it is all-important to ensure that demand for grid power increases in the foreseeable future so that the reserve margin comes down.

***Economists and experts want the BPDB to renegotiate tariffs on IPPs. Do you think it is possible to do so?***

This is a tricky thing. Legal experts will be able to comment on this. However, the government may initiate discussions with different parties regarding the power sector's weak financial health.

***The power sector is in dire straits due to financial challenges. What can be done to improve the situation?***

There is no quick-fix strategy. Bangladesh should now have an immediate plan to ensure that industries do not suffer from electricity and energy supply shortages. From November 2024 to February 2025, power demand will drastically fall and as such, the government should not have much problem to ensure uninterrupted supply. However, from March 2025 onwards, power demand will rise again. The government should have a leeway from November 2024 to February 2025 to execute a plan for the summer of 2025.

As a mid-term plan, the government must design a strategy to phase out some of the most expensive plants, ramp up renewable energy, harness its own gas and invest in grid modernization, encourage industries to shift to the national grid electricity, and reduce transmission and distribution losses.

The government may revisit the power demand growth trajectory and limit adding new fossil fuel-based power plants until 2030.

Additionally, as different power

projects are very costly in Bangladesh, BPDB may work on benchmarking the costs to reduce tariffs.

***Many people think that building power plants without ensuring energy supply is the main cause of the power sector's problems. Your comment?***

Unfortunately, we could not work much on enhancing national energy security. There was a strong focus on shoring up installed generation capacity to ensure power security. As a result, our energy model has become increasingly import-dependent and fragile. Despite having a surplus capacity, load-shedding also persists.

Going forward, Bangladesh must work on enhancing energy security and increasing the resilience of the power system to deal with sudden supply and price changes in the global energy market.

A recent report reiterates that Bhola has a quite significant gas reserve. Although much more assessment is required to know the exact potential, it is high time the country frontloaded efforts to harness this gas to limit highly volatile LNG imports.

***The government may cancel 31 renewable energy projects approved during the past government. What is your opinion?***

The government may consider whether such a decision will affect the investors' confidence. With the growing burden of fossil fuel imports and the associated subsidy burden, Bangladesh should now accelerate the deployment of renewable energy. While doing so, the country should also take advantage of highly feasible rooftop solar systems. Additionally, it should invest in the grid to make it more resilient as variable renewable energy will likely increase in the foreseeable future.

EP





Farid Hossain

# POWER SECTOR HAS MORE THAN ENOUGH TO REFORM

According to some Indian media reports the Adani Group has recently written to the head of Bangladesh's interim government about an outstanding dues of US\$800 million for the sale of electricity from its Godda thermal plant since the start of the power supply in April last year. Some other media reports have, however, put the figure at \$500 million. Bangladesh Power Development Board, the state-owned company that imports the Adani electricity under an agreement that has been deep in controversy since it was done, is figuring out ways to deal with the request for payment of the dues. The request has come at a time when Bangladesh's interim government is facing an inherited problem in foreign exchange reserve. It sure wants to pay the dues but it needs time to deal with the dues. A staggered payment system will be preferred by BPDB. Information gathered from some sources suggests a part of the payment may have been made.

Since the fall of Hasina government Bangladesh's relationship with India, its closest neighbour, has become cold. Former Prime Minister Sheikh Hasina had been the closest ally of India until

her authoritarian government collapsed on August 5 in the face of a student-led upsurge. India's providing shelter to the ousted prime minister is being seen as a non-friendly gesture by some quarters in Bangladesh, especially Bangladesh Nationalist Party which suffered heavily under Hasina's rule. The critics want Hasina to be extradited to face trial for the hundreds of deaths that happened during the July protests. Interim government chief adviser Prof Muhammad Yunus in a recent interview with India's PTI news agency has asked India to ensure that Hasina does not make any noise about Bangladesh from her "safe house" in India. He also described the current Indo-Bangla relationship as low. An anti-India passion is running high in Bangladesh and it has been evident in Dhaka's strong protest to New Delhi against the killings two Bangladeshi teenagers along the border. The social media campaign of blaming India's Dumbur Dam for the recent massive floods in eastern Bangladesh (even though without any concrete evidence) reflects that the Dhaka-Delhi ties are hitting the nadir.

The Adani Group's letter asking for pay-

ment of the dues has come at a wrong time considering the current state of the relationship. Hasina's critics have always viewed the Adani power deal with suspicion. Its economic merit has been under scrutiny since the start. Was it done to buy political support from Indian Prime Minister Narendra Modi? Modi and Gautam Adani are known to be good friends. When the Bangladesh signed the Adani deal the country's installed capacity on power generation was far higher than its peak-hour demand. With a generation capacity of nearly 27,000 MW and a peak-hour demand of not exceeding 16,000 MW why would a country struggling with dwindling foreign exchange reserve go for such an agreement unless it had a different motive? Hasina and her power policy advisers had no answer to convince the critics who generally echoed the public sentiments.

The immediate past government has committed similar policy mistakes in continuing with the private power producers and their quick rentals long after these were needed. True, they came handy when the country, plagued by frequent power outages, needed them for a short-term solution. But Hasina government failed to get rid of these plants for some inexplicable reasons. Critics and not wrongly find a political and economic nexus between the handful of power producers and her Awami League government. Little did her government hesitate to resort to unforgivable malpractices and corruption to allow an oligarch to thrive on taxpayers' money. With Hasina gone her legacy could have been her government's success in increasing power generation capacity and reducing load-sheddings. Alas, that's not the case. She has left for her successors more than enough to repair and reform. **EP**



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