

Legal, Regulatory & Policy Issues on Cross Border Trade: Bangladesh Perspective



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Dhaka
24 July 2013



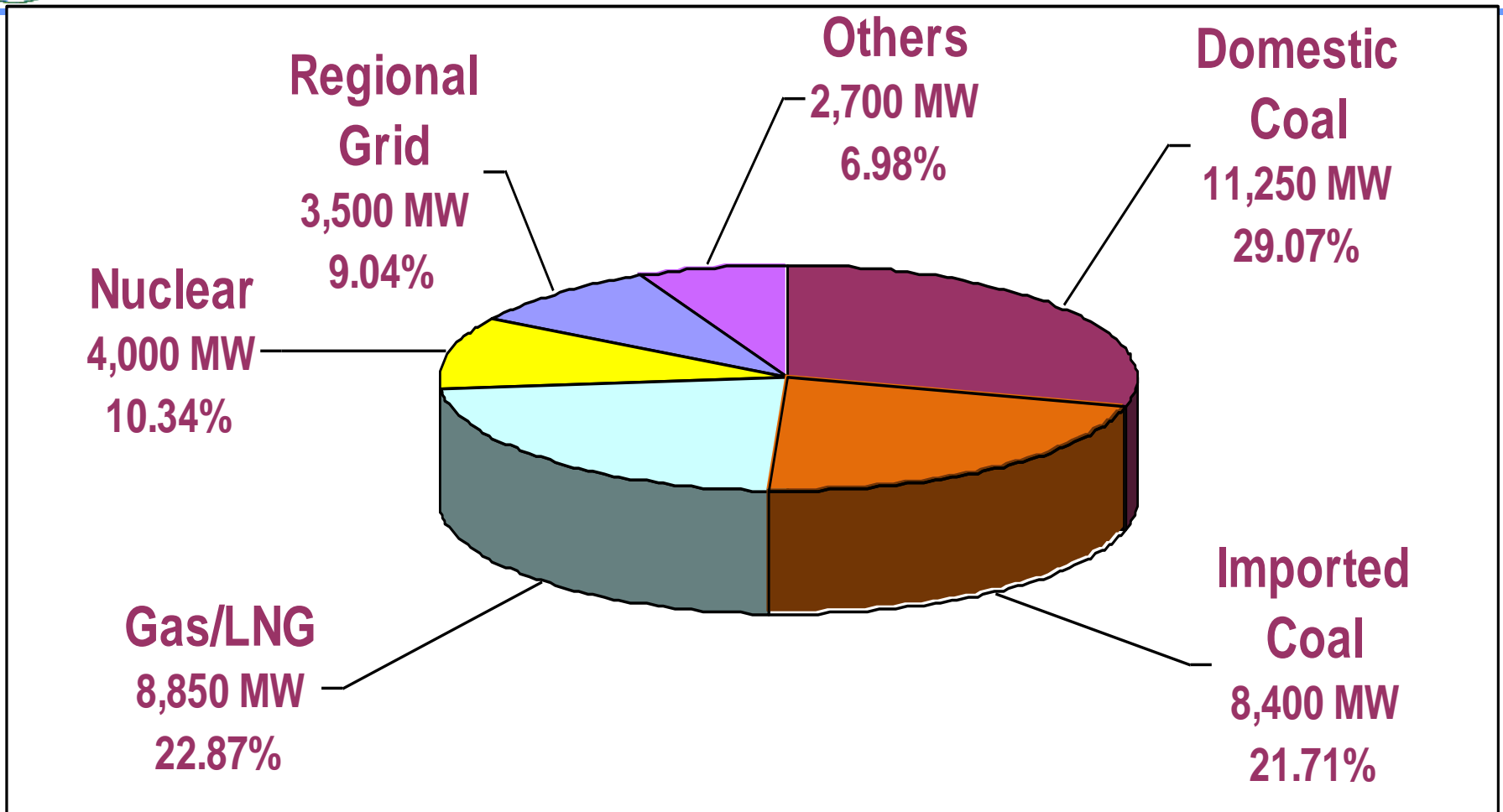
Vision for Bangladesh

- Bangladesh has set its vision to provide electricity to all by the year 2021 at an affordable price
- Private sector has been given due importance for power generation
- Policy and regulatory framework have been enacted accordingly
- A sustainable fuel mix has been considered in generation planning
- Contribution from Cross border trade has also been considered

Bangladesh Power Sector at a Glance

- **Generation Capacity** : 8537 MW
- **Present Demand** : 6800 MW
- **Present Generation** : 6500-7000 MW
- **Highest Generation** : 6675 MW (July 12, 2013)
- **Load shedding** : 700 MW (June 2013)
- **Per Capita Generation** : 292 kWh (incl. Captive)
- **Transmission line** : 9150 KM
- **Distribution Line** : 2,83,000 KM
- **Total consumers** : 14.50 Million
- **Access to Electricity** : 60 % (Incl. Renewable Energy)
- **Electricity Growth** : 12 % (Since 2011)

Probable Power Generation: Primary Fuel Sources by 2030



Total Generation Capacity in 2030: 38,700 MW

Regional Cooperation



✓ Regional Power Trade

- Infrastructure between Bangladesh and India being developed
- First power trade starts from Sept 2013
- Discussion going on for trade between Bangladesh-Nepal and Bangladesh -Bhutan

✓ Joint Investment

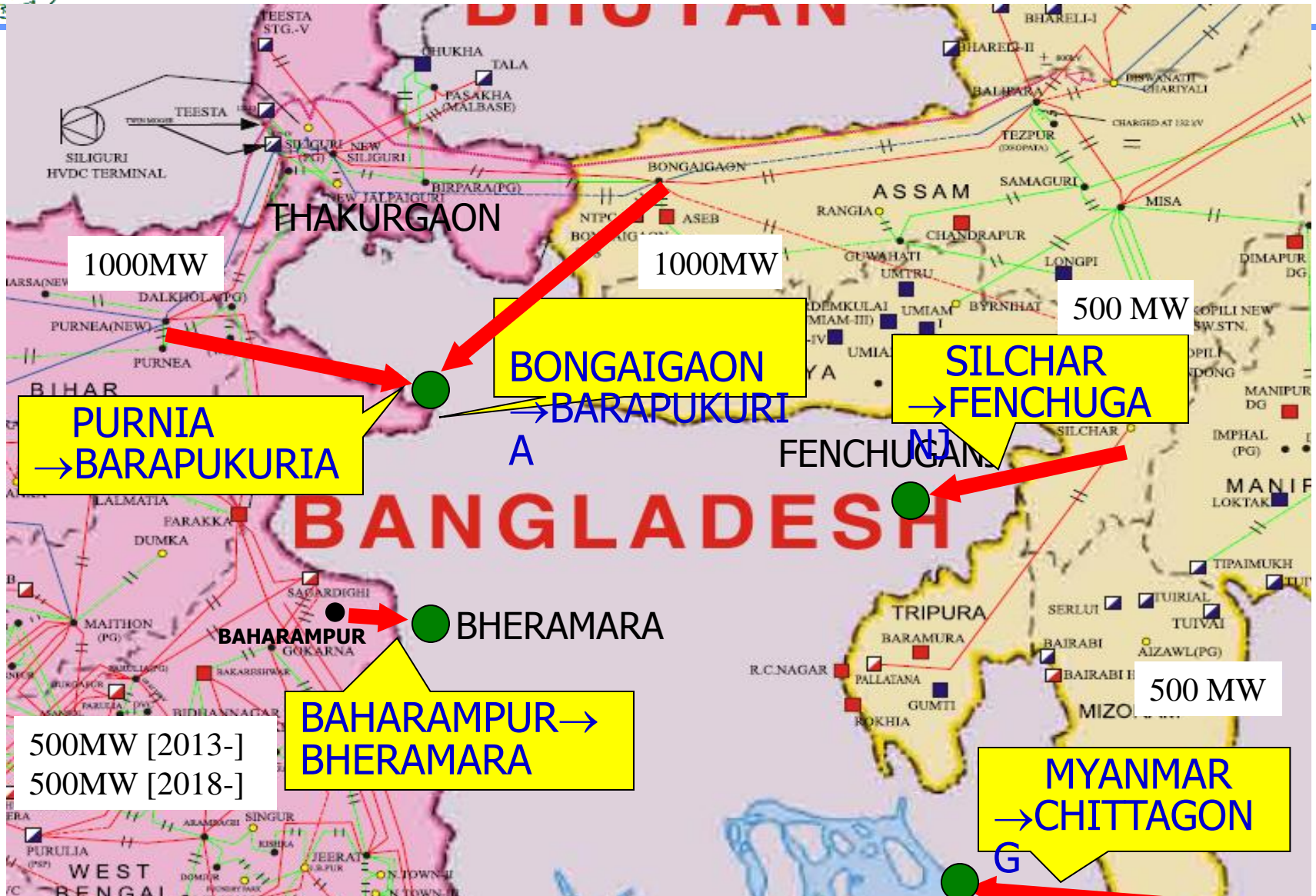
- Joint investment between Bangladesh –India started
- Discussion going on for more hydro projects
- Joint invest investment being explored between Bangladesh-India-Nepal and Bangladesh- India-Bhutan for hydro projects
- Huge investment requirement for harnessing hydro potential of Nepal and Bhutan



Prospective Areas of Cooperation

- Cross Border Trade
 - Opportunity to make a combined and diverse approach
- Energy Market Formation
 - Enable flow of foreign investment
- Clean Energy Development
 - Bangladesh-India has a JWG under an MOU for working together
- Infrastructure Development
 - Joint venture investment may facilitate development
- Sharing of experience and good practices
 - Bangladesh-India are working together for capacity development and HRD

Regional Power Exchange: Possibilities



Proposed Trade Opportunities



Four multi-lateral trade and cooperation options:

1. Electricity Market: Short to long term

- Initiatives have been taken and preliminary actions are taken

2. Regional Refinery : Medium term

- Will enable the countries in the region to have a common modern refinery

3. LNG Terminal: Medium term

- An LNG terminal is very much necessary to run the existing gas based installations with the depleting condition of domestic natural gas

4. Regional Power Plant: Medium term

- Will facilitate investment from the multilateral development partners

Updates on Policy, Legal and Regulatory Issues



- Bangladesh already addressed in the cross border trade in its PSMP-2010
- The new Electricity Act has been finalised incorporating cross border trade
- A policy has been adopted facilitating the 'Open Access Grid'
- BERC reviewed the tariff reflecting the cost of the supply



Way Forward

Bangladesh is a strong believer of regional cooperation. Bangladesh strongly believes that an Integrated Energy Market through transnational trade of electricity through Win-Win options removing unnecessary conflicts can ensure the Energy Security in the Region



Thank You All