left the country with the following projects:

- AES Meghnaghat 450 mw (commissioned in October 2002)
- AES Haripur 360 mw (already commissioned)
- KPCL 114 mw barge-mount plant, Khulna (already commissioned)
- NEPC Haripur 100 mw barge-mount (already commissioned)
- Westmont Baghabari 100 mw (already commission)
- RPCL Mymensingh-1 and 2 140 mw (already commissioned)

This comfortable situation apparently made the government so relaxed that it forgot that demand was sharply rising every year, and that efforts to increase power generation should be a continuous process. Instead, the government succumbed to the ploys of a section of unscrupulous bureaucrats and experts, and an emerging young leader of the ruling party, who started taking hefty "commissions" for project approval.

Within 100 days of coming to power, the new government published a white paper on the corruption of the immediate past Awami League government. Consequently it suspended all power project related activities.

Then the government floated the second re-tender for the 80 mw Tongi peaking power plant project to be financed by PDB. An unfit Chinese company named Harbin was chosen as the lowest bidder as it was being backed by the young politician. The company was supposed to install and commission the plant in 2004 -- but brought it online on test in May 2005, and started commercial operations in September.

However, the Tongi plant turned out to be a grossly flawed project. The plant is highly unreliable and it tripped more than 75 times between May 2005 and May 2006. Internal investigations revealed, literally, hundreds of flaws in the machinery and sub-standard equipment.

The Tongi plant is the only project the BNP-led alliance government could present to the country during its five year regime.

Initially perceiving the Tongi plant deal as a grand success the young leader of the alternative powerhouse of the government intervened with all other power projects in the pipeline and started awarding power projects on the basis of the political affiliation of the contractors or their ability to offer "commissions."

For instance, the government abruptly cancelled the Sirajganj 450 mw private power bid in early 2004. The bid was being awarded to the local Summit Power group that was previously involved with the KPCL 114 mw barge-mount power project. The Summit bid was approved by the cabinet's purchase committee, and the company had ensured finances from the Asian Development Bank and the World Bank when the Prime Minister's Office (PMO) arbitrarily cancelled the bid. The reason for this cancellation is that the chief of the Summit group is the brother of a parliamentarian in the opposition. If the bid had been okayed, this plant would have started partial power generation from 2006.

Instead, the government went ahead and awarded two other public sector power projects to Harbin, violating various rules and regulations. The physical works of these plants could not start till August. The other public sector power project is the 250 mw coal-fired power plant in Barapukuria at an inflated cost of 260 million dollars under a Chinese supplier's credit. The beneficiary of this project, which has been over-priced by at least $100 million, is the brother of a 4-party alliance MP.

In private power, the government awarded the Meghnaghat-2 450 mw power project to Orion-Belhasa consortium in severe violation of rules and regulation. The government was also busy bending rules to award the Meghnaghat-3 450 mw power project to an inexperienced and unknown consortium named Cadogan-Manning on the basis of unsolicited negotiation.

Other than these bids, the government allowed the Rural Power Company Ltd (RPCL) -- a company of the Rural Electrification Board (REB) with shares held by various rural power cooperatives -- to install a 70 mw third phase combined cycle power plant in Mymensingh at a staggering cost of $120 million.



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In contrast, the PDB Shahjibazar 70 mw plant in the late nineties required only $30 million, and the 450 mw AES Meghnaghat plant needed less than $200 million (minus the cost of various supporting infrastructure needed for the first phase of the plant there).

In public forums, the state minister for power spoke against private power saying that it was "draining out" money from the country.

The six private power units were annually charging the nation Tk 2,000 crore for power supply. Of them, the KPCL in Khulna operates on subsidized petroleum. This subsidy cost Tk 50 crore to 60 crore a month.