

# CAPACITY CHARGE AL-era power deals costing \$1.5b a year

Finds probe committee for power, energy sector

ASIFUR RAHMAN

Inflated capacity charges in power sector deals have been costing Bangladesh up to \$1.5 billion a year, according to the national committee formed to review unsolicited power contracts signed during the Awami League regime.

The committee also warned that if contracts, with at least 41 power plants under its jurisdiction, are not renegotiated, the country could face about \$7.2 billion in excess payments over the remaining life of the deals.

The sector's potential for excess profits has created strong incentives for collusion,

corruption and political influence over contract allocation, said the report titled "Bangladesh's Power Generation: Trapped Costly Contracts: Governance Failures and the Mechanics of Rent Extraction".

The now repealed Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, enacted in 2010, made procurement processes more opaque and more open to corruption in designing the contracts, the report said.

The act was enacted in response to an acute electricity crisis and granted extraordinary powers to accelerate project approval and procurement.

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## ANOMALIES IN POWER SECTOR DURING AL RULE

### FROM FY15 TO FY25

PDB's annual loss increased to Tk **50,565** cr from Tk **5,468** cr

Annual subsidy increased to Tk **59,600** cr from Tk **8,978** cr

■ PDB's loss was largely due to overpriced contracts awarded without competition and due diligence, and without adhering to a consistent plan aligning energy availability to power generation, resulting in idle capacity and unjustified capacity charges.

### THE COST OF GOVERNANCE FAILURES

● Payments to power producers increased more than 11-fold between FY11 and FY24. But electricity generation only increased by four-fold over the same period.

● Capacity payments increased nearly 20-fold, becoming the dominant component of payments to producers.

● For the Adani Godda imported power contract, estimated overpricing was between 4-5 cents per kWh, means the price being paid is roughly 50% higher than what it should be.



**GG** The wrong decisions were not mistakes, rather a systematic collusion between businesses, politicians and bureaucrats.

### RECOMMENDATIONS

Technical and legal capabilities with BPDB and the Power Division have to be improved.

More effective checks and balances are required, including strengthening the BERC and need to form a new Energy Oversight Commission.

PDB and govt should cancel contracts where direct evidence of corruption is found and there must be renegotiation of prices and terms with all private parties to reduce prices to market-competitive levels. This is essential to save the power sector.

PDB paying Adani 50% more than it should

ASIFUR RAHMAN

Bangladesh has been paying around \$400-500 million a year to India's Adani Power, roughly 50 percent more than it should for electricity purchase, found the national committee to review power sector deals.

The prices for electricity from the plants increased over time, and the rise in costs was much higher than in similar contracts with other local coal-based power plants.

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## 17 DAYS TO VOTE

# 'Won't allow graft to ruin BNP's plan'

Tarique says no party leader, activist will escape punishment for wrongdoings



BNP organises a rally at the port city's Railway Polo ground yesterday.

SAJJAD HOSSAIN, from Ctg

thronging the field by 10:00am and spilling onto surrounding roads.

Taking the stage around noon, he spoke of his emotional ties to the city, recalling that his father, late president Ziaur Rahman, declared independence from Chattogram in 1971, and that his mother, Khaleda Zia, was recognised there as a national leader.

Introducing BNP candidates, he sought votes for them and said, "If we cannot control law and order, none of our plans will succeed, no matter how many plans we take. To implement these plans, we must strictly focus on two issues -- corruption and security.

"An offender is an offender in the eyes of the law, whoever they are. Action will be taken under the country's laws."

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'We left as they strayed from Islamist principles'

Says IAB ameer about Jamaat

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Barishal

Charmonai  
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Rezaul Karim yesterday said they had sought to build unity in favour of Islamist values with great hope, but were compelled to take a separate political path in the interest of Islam after observing that Jamaat-e-Islami was deviating from its commitment to Islamist principles and ideology.

"However, by the grace of Allah, we are not alone. People from all walks of life and the alem-ulemas are with us," he said at an election rally held in support of IAB candidates in Mymensingh-6 and Mymensingh-4 constituencies in Mymensingh city.

Rezaul added that BNP and Jamaat governed the country in the past but failed to meet the people's expectations. "Instead, the country became a champion in corruption."

"If, by the grace of Allah, the people entrust us with the responsibility

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# 'Fearing defeat, some may take crooked paths'

Jamaat ameer tells Dhaka rally, vows to secure win for 'yes' in referendum



Supporters attend Jamaat's rally at Dhupkhola field in Old Dhaka yesterday afternoon.

STAFF CORRESPONDENT

Jamaat-e-Islami Ameer Shafiqur Rahman yesterday said some quarters, fearing defeat [in the national election], may choose crooked paths. We are not naming any specific party or individual.

Shafiqur, addressing a series of rallies in the capital, said his party would "enter a battle" to secure a "yes" vote in the referendum.

He also urged young voters, long denied the right to vote, to take charge of the country and vowed to protect their ballots. The Jamaat chief pledged to ensure children's basic rights and the safety of working women. He also reiterated his commitment to curb corruption and extortion to build an inclusive Bangladesh.

The first rally, organised by the party's election

committees for Dhaka-4 and Dhaka-5, was held at Kajla Par in Jatrabari.

Addressing the gathering, Shafiqur said, "We are hearing that some people, fearing defeat [in the national election], may choose crooked paths. We are not naming any specific party or individual. We hope they will step back from such actions by realising the spirit of July. If they do not, remember -- July fighters are not asleep. They have completed their first task and are now ready for the second."

He further said, "A new profession is thriving in the country now -- extortion. Those involved should return to the right path. Arrangements will be made for their halal livelihood. If they do not abandon this path, Jamaat will show them the red card."

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# Ecneec clears Tk 45,191cr spending just before polls

REJAUL KARIM BYRON and  
TUHIN SHUBHRA ADHIKARY

Just 17 days before the national election, the interim administration yesterday cleared a massive wave of infrastructure and social spending, authorising 25 new and revised projects with a combined price tag of Tk 45,191 crore.

The decision was taken during a meeting of the Executive Committee of the National Economic Council (Ecneec) chaired by Chief Adviser Muhammad Yunus.

The timing of such commitments has raised questions over the necessity of major spending approvals by a transitional administration so close to a change in power. This move effectively locks in long-term financial obligations for the incoming elected administration.

However, the current leadership argues that administrative backlogs and the need to maintain economic momentum require these approvals.

A key driver of the spending surge is the first formal revision of the Rooppur Nuclear Power Plant project. The Ecneec increased the project's cost by Tk 25,592 crore, bringing the total to Tk 138,685 crore. Alongside the cost hike, the

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As the February 12 national election approaches, this craftsman is seen spending busy time preparing campaign posters and festoons for MP candidates. The photo was taken in front of the Mohsin Hall on the Dhaka University campus yesterday.

Dhaka slams Delhi for allowing Hasina to deliver speech  
Accuses her of inciting terror to derail polls

DIPLOMATIC CORRESPONDENT

Dhaka has expressed surprise and shock that deposed prime minister Sheikh Hasina, who has been convicted by the International Crimes Tribunal in a case related to the July uprising, was allowed to make a statement at a public event in New Delhi on Friday.

During the event, she openly called for the removal of Bangladesh government and issued blatant incitements to her party loyalists and general public to carry out acts of terror in order to derail the upcoming general election in Bangladesh, said the foreign ministry in a statement yesterday.

"Bangladesh is deeply aggrieved that while India is yet to act on her obligations to hand Sheikh Hasina over to Bangladesh under the bilateral extradition agreement despite repeated requests by the Bangladesh government, she has instead been allowed to make such inciteful pronouncements from its own soil," the statement said.

"This clearly endangers Bangladesh's democratic transition and peace and security."

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