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POLICY GUIDELINE FOR SMALL POWER PLANT (SPP) IN PRIVATE SECTOR

1. Background

The Government of Bangladesh has decided to allow private sector investor to establish Small Power Plants (SPP) on a fast track basis for generation of electricity -- use and sell the surplus to other users. The plant size could be in the order MW, which could be built up in stages as necessary, and depending on the potential market and load grown. The SPPs will be developed on a Build-Own-Operate basis.

2. Plant Location and Type

The SPPs can be located in any part of Bangladesh. The type of plant is open and the sponsor will be allowed to select of any configuration provided to the electrical characteristics of the plant match that of the power system in Bangladesh.

3. Fuel Supply

Where available, a subsidiary of Petrobangla may supply natural gas to the sponsor on a commercial basis. The price of gas to be charged will be the same as for other SPPs in Bangladesh i.e. US\$ 2.40 per G on H.V at present. The sponsor may be required to pay additional costs to the fuel supplier if the SPP is far from the gas supply reticulation. Alternatively, the sponsor may arrange his own fuel.

4. Power Offtake

It will be the responsibility of the sponsor to find customers for electricity. Sponsor will have direct contract with the customers for the sale of electricity on terms mutually agreed upon. The distribution system required for the supply of electricity to the contracted customers may be built by the sponsors themselves or they can use the existing transmission and distribution systems, if there is adequate capacity. The sponsor will require to pay a wheeling charge to the owner of transmission/distribution facilities. The wheeling charges and other terms and conditions will be mutually agreed upon between the sponsor and the owner of the transmission/distribution facilities.

5. Price Regulation

In areas covered by BPDB/DESA/REB, the tariff announced by GOB from time to time shall apply. In other areas GOB will not regulate the price of electricity which shall be negotiated between the sponsor and the consumers.

6. License Requirement

As per Electricity Act, 1910, the sponsors will be required to obtain license from GOB. The SSP will need to comply with all laws of Bangladesh including Environmental Standards.

7. GOB Support

GOB support will be provided on “First Come First Serve” basis. Necessary advice and other assistance will be provided by the Power Cell for the establishment of SPPs. The address of Power Cell, Ministry of Energy and Mineral Resources is given below:

Director, Private Power, Power cell,
Ministry of Energy and Mineral Resources
Government of the People’s Republic of Bangladesh
BTMC Bhaban (8th Level), 7-9 Kawran Bazar, Dhaka-1215
Telephone: 880-2-822440/9130914-18
Fax: 880-2-9121673/818941
Email: dgpcmemr @citechco

প্রজ্ঞাপন
তারিখ, ৬ই ডিসেম্বর ২০০০

নং বিজ্ঞাপন/বিঃউঃ-১/বেসরকারীকরণ-৫/২০০০/১০৫০-বিদ্যুৎ, জ্বালানী ও খনিজ সম্পদ মন্ত্রণালয়ের বিদ্যুৎ বিভাগ কর্তৃক বেসরকারী খাতে ক্ষুদ্র বিদ্যুৎ কেন্দ্র স্থাপন নীতিমালা প্রণয়নের নিমিত্ত সরকার অনুমোদিত চুক্তিগত শর্তাবলি এটোউউখওঘউ ঋওজ বাগঅখখ চওডউজ চখঅঘএও (বাচচ) ওঘ চজওঠঅএওউ বাউঈএওজচ শীর্ষক পলিসি নিরূপ সংশোধন করা হইলঃ-

১। উপরিউক্ত চড়ষরপু এর ১ম অনুচ্ছেদ (ইধপশমৎড়হফ) নিরূপভাবে প্রতিস্থাপিত হইবেঃ- -----investors to establish Small Power Plants (SPP) on a fast track basis, for generation of electricity for own use and sell the surplus to other users. The Plant size could be in the order of 10 MW, which could be built up in stages as necessary and depending on the potential market and load growth. However, if required, permission may be accorded by the government for setting up higher size Plant. The SPPs will be developed on a Build.

২. উপরিউক্ত চড়ষরপু এর ৩য় অনুচ্ছেদ (Fuel Supply) নিরূপভাবে প্রতিস্থাপিত হইবেঃ-

3. Fuel Supply: Where available, a subsidiary of Petrobangla may supply natural gas to the sponsor on a commercial basis. The price of gas to be charged shall be same as applicable for supply of gas for captive power generation which may be changed from time to time by the Government or the Energy Regulatory commission. The

sponsor may be required to pay additional costs to the fuel supplier if the SPP is far from the gas supply reticulation. Alternatively, the sponsor may arrange his own fuel.

৩। উপরিউক্ত Policy এর ৮ম অনুচ্ছেদ (Fiscal Incentives and Benefits) নতুভাবে সংযোজিত হইবেঃ-

4। Fiscal Incentives and Benefits: The sponsors under this policy including the Captive Independent Power Producer and the sponsors of Captive Power Generation who will set up power plants within a period of three years from the date of its statutory notification under this policy will enjoy the “Fiscal Incentives” and “Other Facilities and Incentives for Foreign Investors” provided under section 5.0 and 6.0 respectively of the “Private Sector Power Generation Policy of Bangladesh” and any subsequent amendments made thereunder.

Provided that in case of captive power generation, it should be incorporated as a separate, it should be incorporated as a separate entity under the Companies Act, 1994.

4। উপরিউক্ত Policy এর শেষে ৯ম অনুচ্ছেদ নতুনভাবে সংযোজিত হইবে-

The Government will have no obligation to Purchase power from the plants installed under this Policy.

এ এস এম রশিদুল হাই
উপ-সচিব (উন্নয়ন)