

## BPDB signs 220MW power plant deal

Special Correspondent

Bangladesh Power Development Board (BPDB) has signed an agreement with Nutan Bidyut-Bangladesh Limited - a joint venture of the Mumbai based Shapoorji-Pallangi Group of India and a local company - for setting up a 220 MW dual fuel power plant at Bhola on Monday.

The costly power purchase agreement (PPA) with the Indian company Shapoorji Pallangi group

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# BPDB signs deal

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has fixed the per unit electricity cost at Tk3.19 under an unsolicited deal.

Secretary of BPDB Mina Masud-uz-Zaman and J Sinha Mahapatra director of Nutan Bidyut Bangladesh Limited signed the power purchase agreement (PPA) and an implementation agreement (IA) of this project on behalf of their respective sides at Bidyut Bhaban yesterday.

BPDB chairman Khaled Mahmood chaired the signing ceremony. The State Minister for power and energy Nasrul Hamid, Power Secretary Dr Ahmad Kaikaus, Petrobangla chairman Abul Mansur M Faizullah and Shapoorji Pallangi managing director Mukundan Srinivasan and senior officials concerned also attended the ceremony.

As per the deal, the BPDB will pay Tk 3.19 per unit for generating 220MW electricity from a gas-fired plant while it will pay Tk 16.9621 per unit for electricity produced from a diesel-fired plant for 15 years.

The BPDB is now

spending less than Tk 2.0 for per unit of electricity in other gas-fired plants, reliable sources, said.

According to the deal, the power company would supply electricity to the national grid within December 2019.

While attending the ceremony, the State Minister for Power and Energy, Nasrul Hamid said giant companies across the globe have shown interest to invest in power sector as the government has created a favourable investment environment for both local and foreign investors.

He said the Shapoorji Pallangi group will bear the full cost for implementing the Bhola power project.

He added the electricity demand shot up around 2000MW per year.

Nasrul said, the government is set to import Liquefied Natural Gas (LNG) by April, 2018 to mitigate the growing energy demand in the country.

"It is necessary to generate 2,000-MW more per year to meet the government's target, as the power demand is increasing day by day," he said.

## BD now considered investment-friendly by foreigners

### Nasrul tells deal signing ceremony to procure power from India

**Staff Reporter**

State Minister for Power, Energy and Mineral Resources Nasrul Hamid has said many foreign entrepreneurs are looking to make big investment in different sectors in Bangladesh, a place considered investment-friendly.

"We're trying to make it more investment-friendly for the foreign entrepreneurs. We will put all efforts in mitigating the growing demand for energy the industries here," Nasrul told a function in the capital on Monday, making signing of an agreement to procure electricity from India.

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## BD now considered

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Bangladesh Power Development Board (BPDB) signed the deal with Nutan Bidyut Bangladesh Limited, a newly formed power company by Shapoorji-Pallongi Group of India, for procuring 220 megawatt (MW) electricity.

The government will continue purchasing power from the company at the rate of 3.98 cent per unit for natural gas generation and at 16.96 cent for diesel production for a span of 22 years.

According to the deal, the power company will supply electricity to the national grid from December 2019. The dual fuel power plant having 220 MW capacity of power generation will be set up at Bhola.

Nasru Hamid said the power generation capacity reached 15,775 MW now and over 80 percent people have been brought under electricity coverage.

Mina Masud-uz-Zaman, PDB secretary and Sinha Mahapatra, director of Nutan Bidyut Bangladesh Limited signed the power purchase and implementation agreement, while Power Secretary Dr Ahmed Kaikaus and Chairman of BPDB Khaled Mahmud were present.

# NEWAGE

## Indian co gets 220MW power plant deal sans bidding

Staff Correspondent

INDIAN Shapoorji Pallonji group on Monday struck a 22-year power sales contract with Bangladesh Power Development Board without competitive bidding.

Shapoorji's subsidiary, Nutan Bidyut (Bangladesh) Ltd, will supply electricity from its 220MW power plant at 3.9830 US cents or approximately Tk 3.19 per unit or kilowatt-hour when it would run on natural gas and \$16.9621 US cents or Tk 13.57 per unit when it would run on diesel.

Nutan Bidyut will set up the dual-fuel power plant at Bhola by December 2019, according to a handout distributed at the contract signing ceremony.

The power plant will run at 220MW capacity if gas supply is available and it will run at 212MW capacity if it would run on diesel in case of non-availability of gas supply.

State minister for power, energy and mineral resources Nasrul Hamid, power division secretary Ahmad Kaikaus, power board chair-

man Khaled Mahmud, Petrobangla chairman Abul Mansur Md Faizullah and Shapoorji's top officials were present at the contract signing ceremony.

The power board awarded the contract to the Indian company under the Speedy Supply of Power and Energy (Special Provisions) Act 2010 that indemnified officials concerned against any prosecution for awarding contracts without any tender.

Using the benefit of the much-talked-about 'indemnity' act, the government also awarded contracts to Indian Adani Group to supply electricity from a 1,600MW coal-fired power plant and Reliance to set up a floating re-gasification unit and supply 500 million cubic feet of natural gas per day. Reliance has also been allowed to supply electricity from at least three large power plants with 3,000 MW combined capacity.

Shapoorji was given the chance to have the contract with the power board after an Indian private company

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## Indian co gets

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Lanco Infratech Limited, which won the contract through bidding, failed to install the power plant at Bhola, said Kaikaus.

He also said that the price of electricity was the same as price quoted by Lanco for its power plant.

Nasrul Hamid said that Shapoorji was the first Indian company which came up with 100 per cent investments in a power sector project in Bangladesh.

He said that the government would consider positively about new projects of Shapoorji if it could install the power plant ahead of the schedule.

In 2014, Shapoorji initially planned to relocate

its power plant from Uttarakhand province of India to Bhola as the company was denied supply of natural gas by Indian authorities to the plant after its installation in 2013, said officials.

Following a visit to the power plant in Uttarakhand in 2015, a technical team of the power board reported that the engineering design and specifications of the plant was not suitable for Bangladesh's standards at which gas is supplied to the plant and electricity is supplied to the power grid, they said.

When contacted, the power board chairman said Shapoorji group would set up a new power plant at Bhola.