

● LIVE WEBINAR 

BRAC University proudly presents

BBS REAL TALK: ARE WE GOING AGAINST THE TIDE?

BANGLADESH TO DOUBLE ITS FOSSIL FUEL IMPORTS IN THE COMING DECADE AS RENEWABLES LAG BEHIND.



PANELISTS



Are we going against the tide?

Bangladesh to double its fossil fuel imports in the coming decade as renewables lag behind

"Where taxpayers' money rescues businesses, it must be creating green jobs and sustainable and inclusive growth. It must not be bailing out outdated polluting, carbon-intensive industries",

António Guterres, Secretary General of the United Nations, April 28, 2020.

BRAC University proudly presents you with its next edition of the BBS Real Talk:

Monday, June 8th, at 8.30pm (BST) an online debate featuring

- H.E. Nasrul Hamid, State Minister for the Ministry of Power, Energy and Mineral Resources of the Government of Bangladesh People's Republic of Bangladesh
- Moinuddin Hasan Rashid, Managing Director, United Power Generation & Distribution
- Azadul Haq, CEO (Power) – Max Group, Bangladesh
- Dr. Daniel Kammen, the Class of 1935 Distinguished Professor of Energy at UC Berkeley, US
- Jeffrey Char, Chairman at TRENDE, CEO at SOGO Energy, and Adjunct Professor at IE Business School, Spain
- Dipal Barua, President of Bangladesh Solar and Renewable Energy Association (BSREA)

Moderation: Dr. Sebastian Groh, Associate Professor, BRAC University, CEO of SOLshare

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Covid-19 has turned a spotlight on the dark sides of our world. It forces questions about what sort of future we want, what should be the role of government and what makes a healthy society. It has triggered enormous stimulus packages around the world but will probably lead to more budget constraints in the upcoming years. It has unearthed several unsustainable business models, among them South Asia's distribution companies. Under normal conditions last month's news on the opening of a new power plant and a successful financing round of the country's largest independent power producer have raised a few eyebrows. The commercial commissioning of the first unit of Bangladesh's largest coal-fired Payra Power



Plant project (660MW) in Patuakhali has officially started at 5.30pm on Thursday, May 14.¹ With this, the country's power generation capacity reached to 19,630 megawatts (excluding captive power). Increased power generation capacity has now become a problem for the power sector as electricity demand reportedly dropped by 30%. Therefore, the plant is likely to become an economic burden for the Bangladesh Power Development Board (BPDB) as it will need to pay about BDT 160 crore (~US\$ 18.5M) in capacity charge per month apart from the energy purchase cost. Bangladesh is projected to double its fossil fuel imports in the coming decade amid a supply crunch of domestic coal and natural gas.² Meanwhile, the country is set to miss its 2020 target of generating 10% power from renewable sources, with clean energy to make up only a little over 2% of total power generation this year.. *"We don't have alternatives but coal and gas. We are emphasizing on gas because considering the efficiency and environmental aspects, gas is better. Land is the main limitation in harnessing renewable energy in Bangladesh. Also, the latest technologies are not that prospective here"*, commented **H.E. Nasrul Hamid**, State Minister for the Ministry of Power, Energy and Mineral Resources the reports. This is backed by Wood Mackenzie Asia Pacific Head of Markets and Transitions, Prakash Sharma, who underlined: *"Bangladesh needs a reliable base load capacity for its electrification needs. Coal and LNG imports are thus important to support this as domestic coal struggles with the economics of quality production, while domestic gas is on a steep decline."* Apart from the country's burgeoning population, rising income levels and ongoing rapid urbanization –which are driving some of the growth in demand for electricity –it is the nation's export-driven textile, jute and fertilizer industries which are gaining ground in the country's primarily agriculture-based economy that will account for most of the increase. **Mr. Moinuddin Hasan Rashid**, Managing Director, United Power Generation & Distribution, remarks: *"We have put all our eggs in one basket. Over the past decades we have only focused on generating electricity, whatever the quality of it may have been. Quality power that can sufficiently meet the needs of emerging and existing industries while also improving the distribution and transmission sector, which has gone unnoticed for some time, should be our aim for boosting the progress of our country. We are the most densely populated country in the world with a very promising economic growth; our per capita electricity consumption is evidence that we are nowhere near to fulfilling our electricity demand yet. We need to go big –generation, quality, transmission, distribution - at all fronts.* But what should the dominating source of this generation, and is central generation the only option? **Mr. Azadul Haq**, CEO (Power) of Max Group argues *"there is no capacity payment for renewable energy. So, the rates are not enough. The ROI on investment simply doesn't add up."* Electricity demand in Bangladesh has risen by 6% annually in the last decade, and this trend is expected to continue in the coming years. This is due to the country's relatively low power consumption per capita, with 12% of the population of 160 million still lacking access to electricity.

Bangladesh has had remarkable success with its domestic off-grid Solar Home System (SHS) program with close to 6 million SHS installations generating over 250 MW of electricity (SREDA 2019). However, **Dipal Barua**, President of BSREA and an instrumental agent in the IDCOL managed roll-out through his capacities at two of the key partner organizations of IDCOL, Grameen Shakti and the Bright Green Energy Foundation, argues that *"those installations have lost momentum in the last two years as the appetite for the cleaner electricity fell in the face of fast-expanding electricity connections in off-grid areas by public agencies"*.³ Questions remain what will become of those six million SHS once the grid arrives, and is it

¹ <http://energybangla.com/payra-power-plant-unit-1-starts-commercial-operation/>, May 15, 2020

² <https://tbsnews.net/bangladesh/energy/bangladesh-double-its-fossil-fuel-imports-decade-81778>, May 15, 2020.

³ <https://www.thedailystar.net/business/news/solar-energy-prospects-getting-dimmer-1849615>, Jan 5, 2020.



really advisable to connect every household in the country to a national grid? Bangladesh's development and operation of utility-scale renewable energy (RE) has remained very limited. **Prof. Daniel Kammen**, who shared the Nobel Peace Prize in 2007 with the Intergovernmental Panel on Climate Change (IPCC), as coordinating lead author, ran a study on Bangladesh's clean energy opportunities with rather encouraging results. He stresses that inadequate geospatial and economic information on clean energy resources is often a significant barrier to policy makers considering socially equitable, environmentally friendly and cost-effective energy development. Dr. Kammen argues to meet the Bangladeshi 2030 RE (20%) targets only 0.17% of total land area was required and even with a conservative land use program there is enough RE capacity to support growth, and on top of that more cost-effective than with fossil fuels. In a response to the coal power plants, he simply stated: "*Coal doesn't benefit the poor.*" On top of that **Jeffrey Char**, Co-founder & Chairman at TRENDE from Japan states that "*fossil fuels are no longer tenable. He advocates against building any new coal fired power plants given the availability of cheaper, faster, cleaner and more sustainable alternatives. Moreover, he believes customers and taxpayers should have a bigger say in deciding matters since they are the ones who will ultimately have to pay for these stranded assets after they are displaced by cheaper and cleaner renewables.*" Wood Mackenzie expects renewables to make up 6% of Bangladesh's power mix by 2030, and 16% by 2040. And yet, in 2016, HPM Sheikh Hasina has committed to striving to meet 100% domestic renewable energy needs as rapidly as possible, but latest by 2050 (Climate Vulnerable Forum 2016). It is clear the challenges are daunting.

Program

Brac Business School, Brac University, proudly presents you with a high-profile debate that will take on the question whether Bangladesh's energy sector is going against the tide and will soon face rough waters or whether the focus on fossil fuels is the prudent approach of the time and secures the country's ambition to become an upper middle-income country by 2030 and high-income country by 2041 (Vision 2041)?

Against the motion (No, doubling down on fossil fuels is the most prudent approach to reach Bangladesh's goals)

- H.E. Nasrul Hamid, State Minister for the Ministry of Power, Energy and Mineral Resources of the Government of Bangladesh People's Republic of Bangladesh
- Moinuddin Hasan Rashid, Managing Director, United Power Generation & Distribution
- Azadul Haq, CEO (Power) – Max Group, Bangladesh

In favor of the motion (Yes, Bangladesh is going against the tide which will create regrettable lock-ins):

- Dipal Barua, President of Bangladesh Solar and Renewable Energy Association (BSREA)
- Dr. Daniel Kammen, the Class of 1935 Distinguished Professor of Energy at UC Berkeley, USA
- Jeffrey Char, Chairman at TRENDE, CEO at SOGO Energy, and Adjunct Professor at IE Business School, Spain

Moderation: Dr. Sebastian Groh, Associate Professor, BRAC University, CEO of SOLshare



Date and time: Monday, June 8th, at 8.30pm (Bangladesh Standard Time)

The webinar seats are limited and will be filled on a rolling basis. To join, please sign up here: <https://forms.gle/w5dSYqP81G91tyWf9>

Alternatively, the webinar will be broadcast live on the BRACU Facebook Page: <https://www.facebook.com/BRACUniversity/>

Debate Rules

The debate will be a high-level informed policy analysis. The following will be the format and features of this session:

- There will be two debate teams, one in favor and one against the motion.
- Each team will consist of three members.
- The debate will be firmly moderated.
- Debaters will avoid making unnecessary personal or political statements.
- Debaters will be requested to make timed and on-topic statements.
- There will be no keynote or power-point presentation.
- An initial poll will be taken to show the in favor and against the motion split of the audience.
- A final poll measuring the new in favor or against the motion split will be taken after the debate.
- The team which sways the most minds will be the winner.

During the debate, our audience is given a chance to have their say. Members of the audience can challenge points that have been made when the debate is opened up to the floor, which may very well swing the debate.