



# Bangladesh: Legal Framework & current solar pv development

**Mohammad Alauddin**  
Additional Secretary  
Power Division

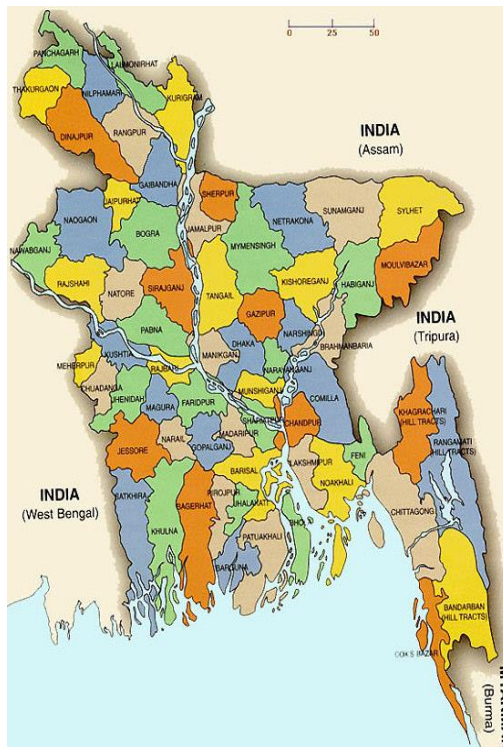
**Ministry of Power, Energy & Mineral Resources**

**28 January 2020**



# Country Profile : Bangladesh

- ❖ **Latitude : 20°34' & 26°38' N**  
**Longitude: 88°01' & 92°41' E**
- ❖ **Total Area: 147,570 km<sup>2</sup>**
- ❖ **Population :163.7 Million**
- ❖ **Per Capita National Income:**  
**\$ 1909 (FY 2018-19 )**
- ❖ **GDP Growth Rate:**  
**8.13 % (FY 2018-19 )**



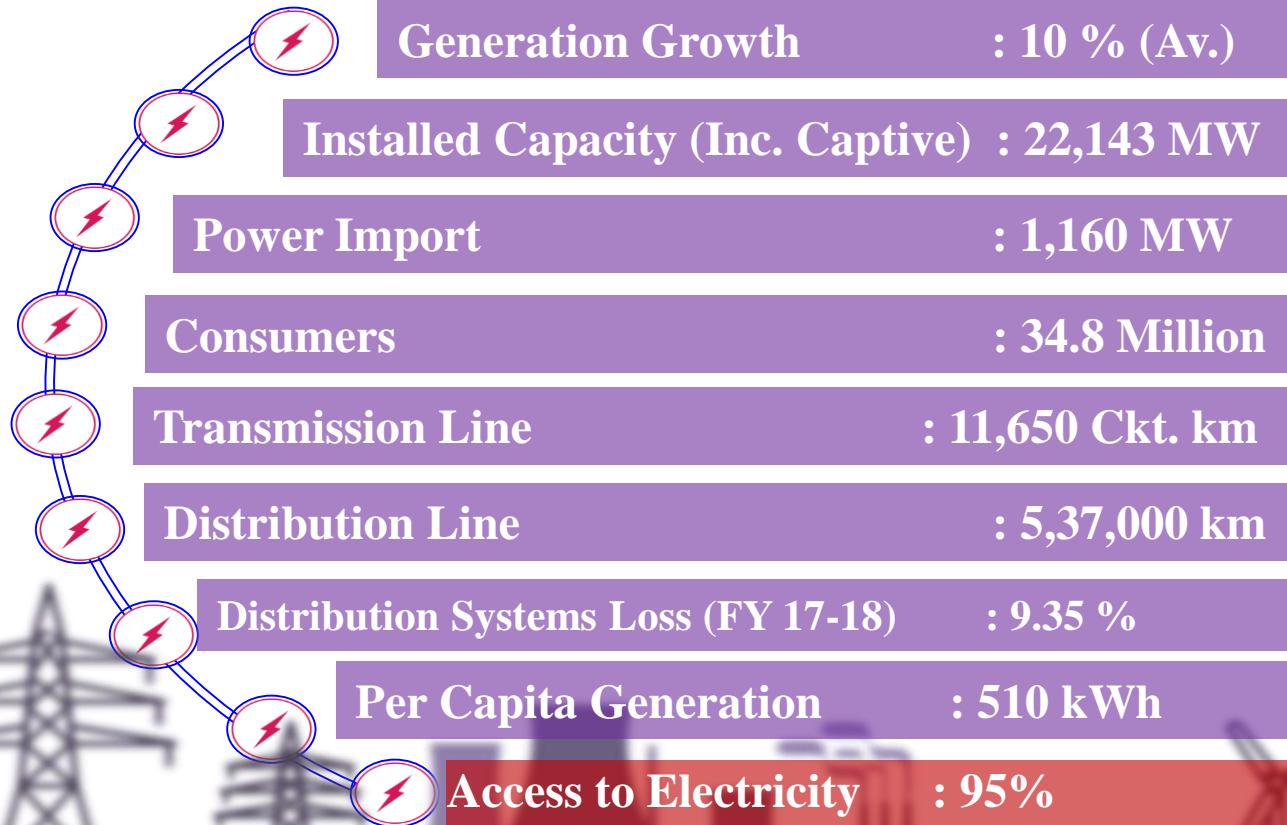
**Sundarban : World's  
Largest Mangrove Forest**



**Cox's Bazar : World's  
Largest Sandy Sea Beach**



# Power Sector : At a Glance



# Share of Renewable Electricity

Fuel/Resource	Installed Capacity (MW)	Share
Coal	524	2.37%
Gas	10628	48%
HFO	5208	23.52%
HSD	1795	8.11%
Import	1160	5.44%
<b>Renewable</b>	<b>627.91</b>	<b>02.84%</b>
Captive	2200	9.94%
Total	22143	

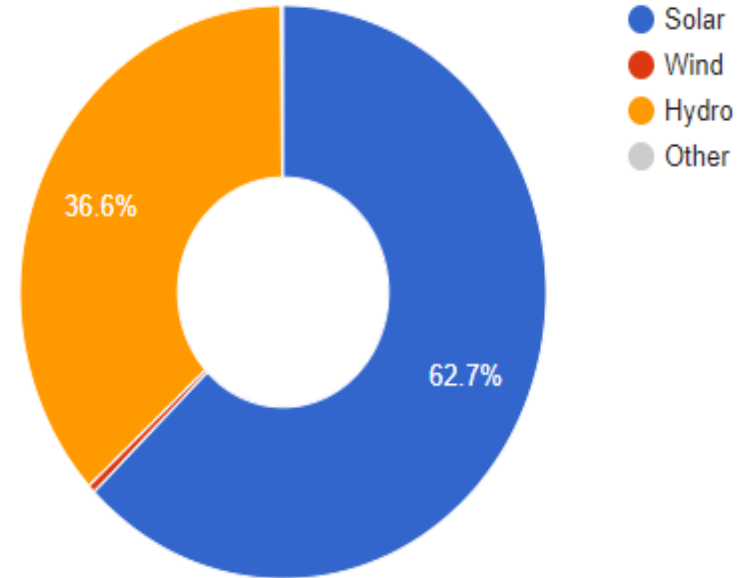
Source: [www.renewableenergy.gov.bd](http://www.renewableenergy.gov.bd), accessed on 26-01-2020

# Electricity Generation from RE

**Table:** Electricity Generation from Renewables

Technology	Off-grid (MW)	On-grid (MW)	Total (MW)
Solar	313.55	80.43	393.98
Wind	2	0.9	2.9
Hydro		230	230
Biogas to Electricity	0.63	0	0.63
Biomass to Electricity	0.40	0	0.4
Total	316.58	311.33	627.91

**Table:** Share of Renewables



**Source:** [www.renewableenergy.gov.bd](http://www.renewableenergy.gov.bd), accessed on 25-01-20

# Legal framework

---

**Article 18A , The Constitution of the People's Republic of Bangladesh**

**Electricity Act 2018 (Act No. VII of 2018)**

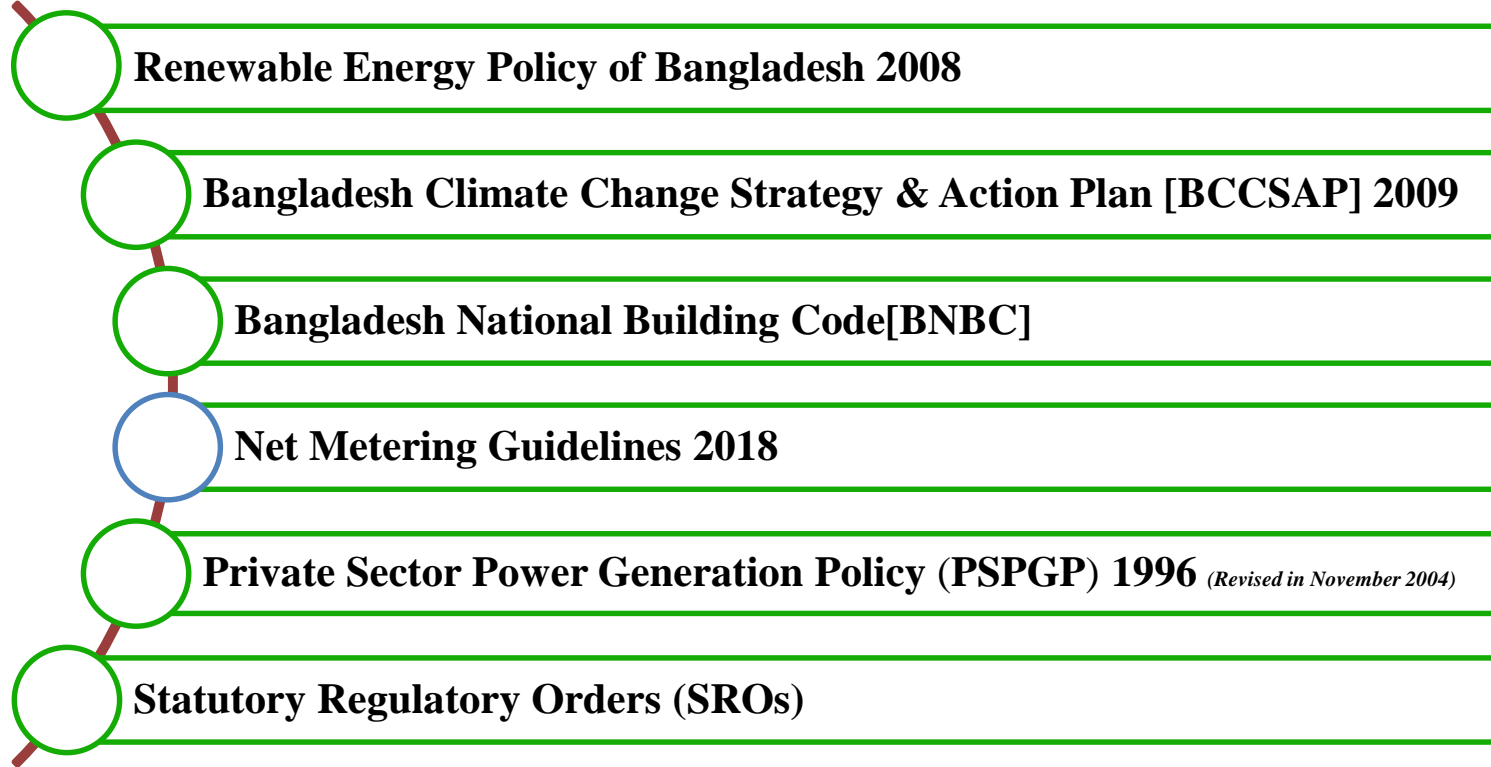
**Sustainable & Renewable Energy Development Authority Act 2012  
(Act No. 48 of 2012)**

**Quick Enhancement of Electricity & Energy Supply (Special Provisions) Act 2010 (Act No. 54 of 2010)**

**Bangladesh Energy Regulatory Commission Act 2003 (Act No. of 2003)**

# Legal framework

---



# Dedicated Agency for RE Promotion

---





# Dedicated Financing for RE

---

- ❖ **BB's revolving fund of Taka 2(Two billion)**
- ❖ **Bangladesh Climate Change Trust Fund (BCCTF). Tk.3500 Core has been allocated during FY10-FY 19.**
- ❖ **Bangladesh Climate Change Resilience Fund (BCCRF)**
- ❖ **Infrastructure Development Company Limited (IDCOL)**
- ❖ **Bangladesh Infrastructure Finance Fund Limited (BIFFL)**
- ❖ **50% allocation of Taka for Work (KABITA) and Test Relief (TR) has been allocated each year for solar system installation( in FY 2018-19 a total of tk. 1179 crore was allocated).**

# Incentives for RE

---

- ❖ Exemption from payment of corporate **income tax** for **15** years from commencement of commercial operation.
- ❖ **Foreigners** employed in those companies are exempted from income tax for **3** years.
- ❖ Tax exemption on interest on foreign **loans**.
- ❖ Tax exemption on **Royalties, Technical know-how & Technical Assistance Fees**.
- ❖ Tax exemption on **capital gains** from **transfer** of shares.

**Source:** SRO NO.211-Law/Income-tax/2013, *the Bangladesh Gazette Extraordinary*, (July 1, 2013). (Amended vide SRO No. 254/Law/2013 dated November 18, 2013 & SRO No. 246/Law/2016 dated July 26, 2016)

# Incentives for RE

---

- ❖ Private power companies are allowed to import plant & equipment imported on a permanent basis & erection materials, machinery and equipment on a temporary basis without payment of custom duties, VAT & supplementary duties<sup>1</sup>.
- ❖ Spare parts up to 10% of the original value of total plant and equipment within 12 years of commercial operation without payment of customs duties, VAT, supplementary duties & any other surcharges.<sup>2</sup>
- ❖ **Exemption of import tax, VAT & supplementary duties (if any) on 16 items (mentioning HS Code) of solar panel.**<sup>3</sup>

**Source:** <sup>1</sup> SRO NO.73-Law/1997/1700/Duty, Dated 19/03/1997, *the Bangladesh Gazette Extraordinary*, (March 20, 1997).

<sup>2</sup> SRO NO.100-Law/2000/1832/Duty, Dated 18/04/2000, *the Bangladesh Gazette Extraordinary*, (April 20, 2000).

<sup>3</sup> **SRO NO.155-Law/2004/2047/Duty, Dated 10/06/2004.**

# Current Solar PV Development

---

- ❖ Solar home system (5.8 million)
- ❖ Solar mini-grid (26)
- ❖ Solar irrigation {(1514) 40 MW}
- ❖ Solar charging station {(12)0.253 MW}
- ❖ Solar drinking water systems (152)
- ❖ Solar street light (20,000 )
- ❖ Rooftop solar under NEM (12MW)
- ❖ Floating solar (10kW)
- ❖ Solar park {(4) 38 MW}
- ❖ Solar telecom towers ( 1,933)

# Unsolicited Offers for Setting up Solar Parks

SL #	Status	Number of Projects	Capacity (MW)
1	PPA signed	11	685
2	LoI issued	13	810.77
3	Tariff Negotiation Stage	02	75
4	Total	26	1570.77
5	Cancelled	03	350
<b>6</b>	<b>Implemented</b>	<b>3</b>	<b>35.4</b>
7	Total under construction	20	1185.37

# Current Solar PV Development

---

- ❖ Currently **95%** of Bangladesh's population has access to electricity with 12% contribution SHSs & solar mini-grid;
- ❖ As of now, 4 **solar parks** with aggregated capacity of **38MW** are feeding electricity to the grid;
- ❖ **Thirteen solar parks with aggregated capacity of 950MW is under tendering process;**
- ❖ Feasibility study for 50 MW floating solar is going on and setting up of 10 MW floating solar is underway.

# Current Solar PV Development

---

- ❖ Per kWh. electricity generated from rooftop solar in Bangladesh has now come down to the range of Tk. 5 to 6 (**5 US Cents**) depending on solar insolation, equipment used & mode of investment.
- ❖ Price of grid electricity for industrial consumers is now in the range of Tk 7.25 to 10.19 (**6.5 -12.5 US Cents**) per unit (kWh) depending on voltage level & time of use.
- ❖ Thus, it makes sense for industrial consumers to set up rooftop solar and that too without further incentive.

---

*Thank you*  
*I am now open*  
*to*  
*Questions*