

Campaign for Just & Equitable Transition in Bangladesh



Integrated Energy and Power Master Plan (IEPMP) 2023

Supported by Japan International Cooperation Agency (JICA) The Institute of Energy Economics, Japan (IEEJ)

Ministry of Power, Energy and Mineral Resources Government of the People's Republic of Bangladesh

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Why **Bangladeshi** Civil Society challenged JICA-Proposed "**Decarbonization**" Plans?

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Coastal Livelihood and Environmental Action Network (CLEAN)

# **IEPMP: BACKGROUND**



#### **JAPAN & BANGLADESH**

Japan is the largest bilateral partner of Bangladesh which provided <u>USD 23.8</u> <u>billion</u> in the last 50 years in the sectors of agriculture, education, energy, health, transport, trade etc..

On 14 March 2021, the <u>Japan</u> International Cooperation Agency (JICA) and the Energy and Mineral Resources Division (EMRD) of Bangladesh Government signed an agreement to formulate the <u>Integrated Energy and</u> <u>Power Master Plan (IEPMP)</u>.

## **GOAL OF IEPMP**

A <u>low/zero carbon energy demand/supply</u> <u>system</u> will be established based on the premise of ensuring energy security and economic viability.

## **PURPOSE**

To establish a <u>low/zero carbon energy</u> <u>demand/supply system</u>, with energy security and economic viability, by introduction of policy and technologies for low carbon/carbon neutral society, <u>towards</u> <u>sustainable development</u> of Bangladesh.



## **COUNTRY OWNERSHIP**

JICA, not Bangladesh <u>Government</u>, appointed the Institute of Energy Economics, Japan (IEEJ) as the consultant to formulate the IEPMP, without any participation of the recipient country, which is a violation of the country-ownership policy.

## TRANSPARENCY

JICA never published the actual budget of the project. It kept silent even when the civil society asked to disclosed the budget for formulation of the IEPMP, which is against the basic norms of transparency and accountability.

#### **PARTICIPATION**

JICA and IEEJ involved 47 experts in the **IEPMP formulation** process and all are Japanese nationals, and none of them are Bangladeshi. The IFPMP mentioned that Bangladeshi citizens were there in the process, but no name is mentioned in the document.

## **RETALIATION RISK**

We several times requested to organize dedicated consultations with the civil society due to the risk of retaliation. However, JICA denied our request and invited the former Minister and PM's Energy Adviser in the same meeting. So, we had to be tamed in the meetings.

# RISK OF OVERCAPACITY



The IEPMP estimated the demand for electricity may reach 72 GW (108 GW) by 2050 based on GDP projection. However, it may reach maximum 56 GW as per the current rate of demand.

**Example:** IEPMP estimated a generation capacity of <u>43 GW by</u> <u>2025</u>. However, the <u>maximum</u> <u>demand was only 16.7 GW in 2024</u> <u>which may increased to 18 GW in</u> <u>2025</u>. Current installed capacity in the power sector of is 27.8 GW

and overcapacity is more than 60% of the demand.

If the government followed IEPMP, the overcapacity might reach 140% of the demand in this year.

## **FUTURE RISK**

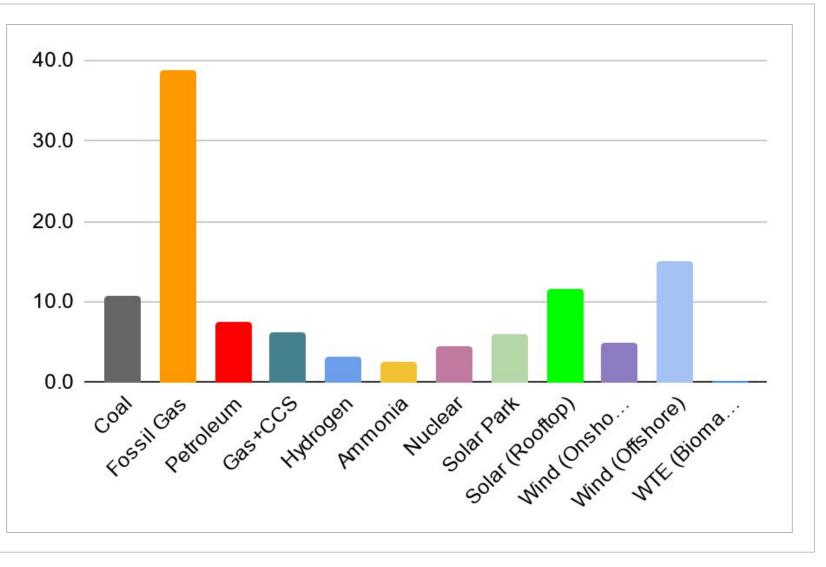
If government follows the IEPMP in future, the overcapacity and stranded asset will reach around 100% by 2050, and the <u>government</u> <u>may pay around USD 10 billion</u> <u>per year as the capacity</u> <u>charges</u> of the idle power plants.

As the capacity charges are to pay in US Dollar, <u>it will severely</u> <u>affect the foreign currency</u> <u>reserve and economy of</u> <u>Bangladesh</u>.

# DIRTY PATHWAYS

The IEPMP suggested 30% of fossil gas (LNG) and 30% coal in the energy mix by 2050, which is contradictory with the Paris Agreement and decarbonization targets of Bangladesh.

Currently, Bangladesh has to spend USD 6 billion for importing fossil fuels for the power generation only. Importing additional fossil fuels is beyond the capacity of Bangladesh.

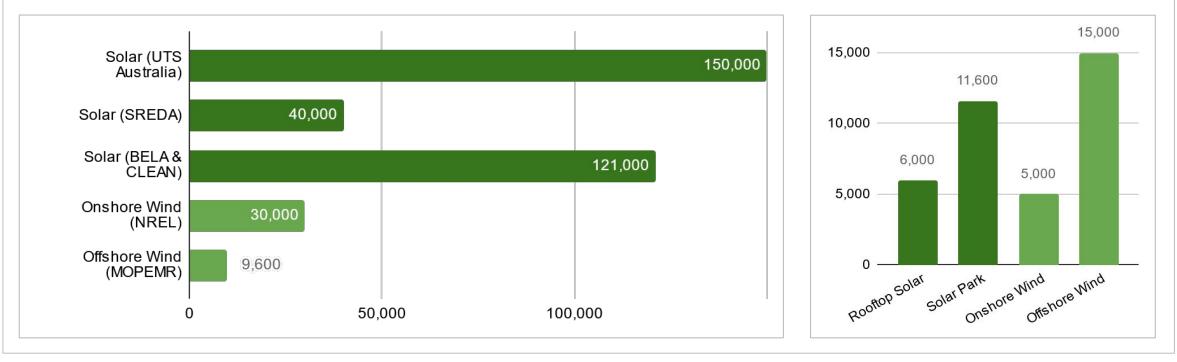




# UNDERMINING RE CAPACITY



Draft National Solar Energy Road Map and different independent studies proved that Bangladesh has enough space and potential to ensure 100% RE by 2050, especially from solar and wind power. But the IEPMP proposed to install only 17.6 GW of solar power and 20 GW of wind power by 2050. it is only 13% of the total installed capacity in 2050, which clearly undermines the capacity of Bangladesh and denial to the Paris Agreement.



# FALSE SOLUTIONS





The IEPMP proposed to include Carbon Capture and Storage (CCS), Liquid Hydrogen and Ammonia, in addition to Nuclear and Waste-to-Energy (WTE) in the name of 'Advanced Technologies' to reduce carbon emission from the energy sector.

These technologies are <u>widely</u> <u>known as the 'False Solutions'</u> because they play no role in emission reduction, rather increase emission in some cases.

The IEPMP also suggests to implement a Hydrogen Combustion system in Bangladesh by 2025. Bangladesh does not have any source of liquid hydrogen now. It will fully depend on import, which will further create pressure on the national economy.

The fixed costs of the these technologies are really high. So, JICA ignored the fixed costs of the assets in the budget.



The Article 18(A) of the Constitution of Bangladesh establishes the protection and improvement of <u>environment</u> <u>and biodiversity for present</u> <u>and future generations</u>.

Accordingly, the Mujib Climate Prosperity Plan 2021 (MCPP) commits to implement 3<u>0%</u> <u>Renewable Energy (RE) by</u> 2030, 40% by 2041 and 100% by 2050.

The statement of Bangladesh

in the COP26 of the United Nations Framework Convention on Climate Change (UNFCCC) also <u>committed to</u> <u>ensure 40% RE by 2041</u>.

In 2016, Bangladesh committed to the Climate Vulnerable Forum (CVF) that the country <u>will strive to</u> <u>achieve 100% RE as early as</u> <u>possible before 2050</u>.

The Advisor of the Ministry of Environment, Forest and

Climate Change (MOEFCC) of this interim government also committed to implement the same goals.

Based on the policy targets and international commitments, <u>the Integrated</u> <u>Energy and Power Master Plan</u> (IEPMP) violates all of the <u>fundamental laws and</u> <u>multilateral agreements of</u> <u>Bangladesh</u>.

## **OPINIONS**



Why the energy and power master plan must be reviewed

## Integrated Power Master Plan economically unviable: Speakers

The plan has been designed to ensure benefits for Japanese compare

Country » Draft energy master plan ignores key issues: expert



# MOVEMENTS





# WRIT PETITION



When all requests, appeals and peoples mobilizations were ignored, the Lawyers for Energy, Environment and Development (LEED), a member of the Bangladesh Working Group on Ecology and Development (BWGED), filed a Writ Petition to the High Court Division of the Bangladesh Supreme Court.

After eight months of hearing, <u>the High Court given a Stay</u> <u>Order on the implementation</u> of IEPMP and issued a show-cause to the Government asking why the IEPMP will not declare illegal and why it is not ordered to be reviewed in consultation with the civil society.



## **POLICY RESPONSE**

Participating in the 2nd Conference on Bangladesh

Energy Prosperity 2050 (BEP2050), both the Adviser of the MOPEMR, Mr. Fouzul Kabir Khan, and the Chief Representative of JICA, Mr. Ichiguchi Tomohide, agreed that the IEPMP should be reviewed immediately. Mr. Ichiguchi also said that, <u>Japan</u> will not support in formulation of Energy Master Plans in future as Bangladesh is capable to formulate it. We have been saying it for a long.





# MATARBARI COAL: A CORRUPTION SAGA



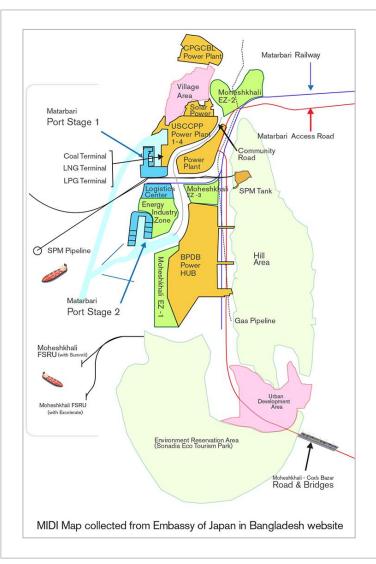


The initial budget of the Matarbari 1200 MW Coal Power Plant was USD 3.0 billion which is 200% higher than similar other projects. The budget raised to 3.9 billion when Sumitomo, Toshiba and IHI Corporation got the EPC contract in 2017. The budget further increased 40% in 2021 without any rational or explanation. It could be asked that whether JICA is involved in the inflated project budget.

In April 2024, the Coal Power Generation Company Bangladesh Limited (CPGCBL) bought some tools worth USD 140 million at more than 600% higher rates without proper approvals. The Project Director, Mr. Abul Kalam Azad, was arrested by the Anti-corruption Commission (ACC) in September 2024. However, JICA has not taken any action against this corruption till date. Is anybody from JICA involved with the corruption?

# MIDI: FURTHER PROMOTING FOSSILS





JICA is also formulating the Moheshkhali-Matarbari Integrated Infrastructure Development Initiative (MIDI) for Bangladesh.

<u>JICA proposed to install</u> <u>imported LNG power plants</u> <u>with Solar in this power hub</u>.

It is a totally suicidal move for Japan. because, when electricity price goes up due to the cost of imported coal or LNG, people will find an alternative source. It is to mention that, Bangladesh Government could not purchase any LNG from spot market for 10 months last year, due to market volatility. The electricity generation cost is also increasing every year due to dependence on imported coal and LNG. In this case, the alternative might be rooftop solar. So, there is a risk of Chinese <u>influence over energy market if</u> JICA proposes LNG in MIDI area

## DEMANDS



1.

Stop promoting fossil

fuels (i.e., Coal & LNG) in Bangladesh. It will go against the Paris Agreement and economic interest of the country as well. Bangladesh <u>does not need</u>
<u>and cannot afford the</u>
<u>"advanced technologies"</u>
such as Carbon Capture
and Storage (CCS),
Ammonia (co)firing or
Hydrogen.

Support Bangladesh with finance and technology for achieving 100% renewables by 2050 in line with its long-term goals and to save the humankind on earth.

3.

4.

Disclose budget and other information in a timely manner so that the civil society and communities can express their opinions directly to the Japan Government. 5. Ensure effective participation of the respective communities and civil society members without any fear of retaliation and political consequences. Stop supporting non-democratic and oppressive governments in Bangladesh and all over the world.

# ACRONYMS



- BWGED Bangladesh Working Group on Ecology and Development
- CCS Carbon Capture and Storage
- COP Conference of Parties
- CPGCBL Coal Power Generation Company Bangladesh Limited
- CVF Climate Vulnerable Forum
- EMRD Energy and Mineral Resources DivisionGOB Government of Japan
- IEEJ Institute of Energy Economics, Japan
- IEPMP Integrated Energy and Power Master Plan
- JICA Japan International Cooperation Agency
- LEED Lawyers for Energy, Environment and Development

| LNG    | Liquefied Natural Gas                                                     |
|--------|---------------------------------------------------------------------------|
| MCPP   | Mujib Climate Prosperity Plan                                             |
| MIDI   | Moheshkhali-Matarbari Integrated<br>Infrastructure Development Initiative |
| MOEFCC | Ministry of Environment, Forest and<br>Climate Change                     |
| MOPEMR | Ministry of Power, Energy and Mineral<br>Resources                        |
| RE     | Renewable Energy                                                          |
| UNFCCC | United Nations Framework Convention<br>on Climate Change                  |
| WTE    | Waste-to-Energy                                                           |

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# THANK YOU

Your comments, opinions and queries are highly solicited.