

Press Conference

Cancellation of 10 Coal Power Plants: the Future Pathway

28 June 2021, Monday | 3:30 PM (Bangladesh time)



Thanks for listening to the Call of time

- ▶ Last few days, we have been listening to different media that approval of **10 coal fired power plants** are going to be cancelled.
- ▶ The State Minister for Power, Energy & Mineral Resources **formally declared** the cancellation through a press conference organized yesterday (27 June 2021)
- ▶ It is also mentioned in different media that **fuel of 5 power plants** will be shifted from coal to liquefied natural gas (LNG).
- ▶ The total capacity of cancelled power plants was **8,711 MW** while **5,175 MW** is to be converted from Coal to LNG. In that case, only 3,536 MW fossil fuel power is reduced.
- ▶ The State Minister also mentioned that **40%** of total power will come from Renewables by 2041. It is a significant progress from previous plan of **8-10%** RE in the Energy Mix.

The Power Plants Cancelled

SL #	Name of the Power Plant	Sponsor	Capacity (MW)
01.	Patuakhali 2X660 MW Coal-fired Power Plant	APSCL	1,320
02.	North Bengal 1200 MW Super Thermal Power Plant	APSCL	1,200
03.	Mawa 522 MW Coal-fired Power Plant	Orion Group	522
04.	Dhaka 282 MW Coal-fired Power Plant	Orion Group	282
05.	Chattogram (Chittagong) 282 MW Coal Power Plant	Orion Group	282
06.	Khulna 565 MW Coal-fired Power Plant	Orion Group	565
07.	Maheshkhali 1320 MW Coal-fired Power Plant-1	BPDB-SEPCO	1,320
08.	Maheshkhali 1320 MW Coal-fired Power Plant-2	BPDB-TNB	1,320
09.	Bangladesh-Singapore 700 MW USC Coal Power Plant	CPGCBL-Sembcorp	700
10.	CPGCBL-Sumitomo 1200 MW Coal Power Plant	CPGCBL-Sumitomo	1,200
		Total:	8,711

Causes behind Cancelling the Approval

As the Ministry of Power, Energy and Mineral Resources (MOPEMR) said in the Press Release:

- The sponsors could not meet the **deadline** of Financial Closure Date (FCD)
- **Global opinion** against Coal Power Plant
- Mandate of the **Paris Agreement** to keep the temperature rise below 1.5 degree Celsius
- Responsibilities of Bangladesh as the Prime Minister is the **Chair of the Climate Vulnerable Forum (CVF)**
 - But the actual cause maybe the lack of **export credits**. More than 100 financial institutions including Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), Citi Bank, European Investment Bank (EIB), HSBC, Japan Bank for International Cooperation (JBIC), Korea Development Bank (KDB), Mitsubishi UFJ Financial Group (MUFG), Sumitomo Mitsui Banking Corporation (SMBC) and World Bank already have taken decision for not financing coal.
- But after all, it is a positive change... We pay our hearty thanks for that

Planned Coal Power Plants

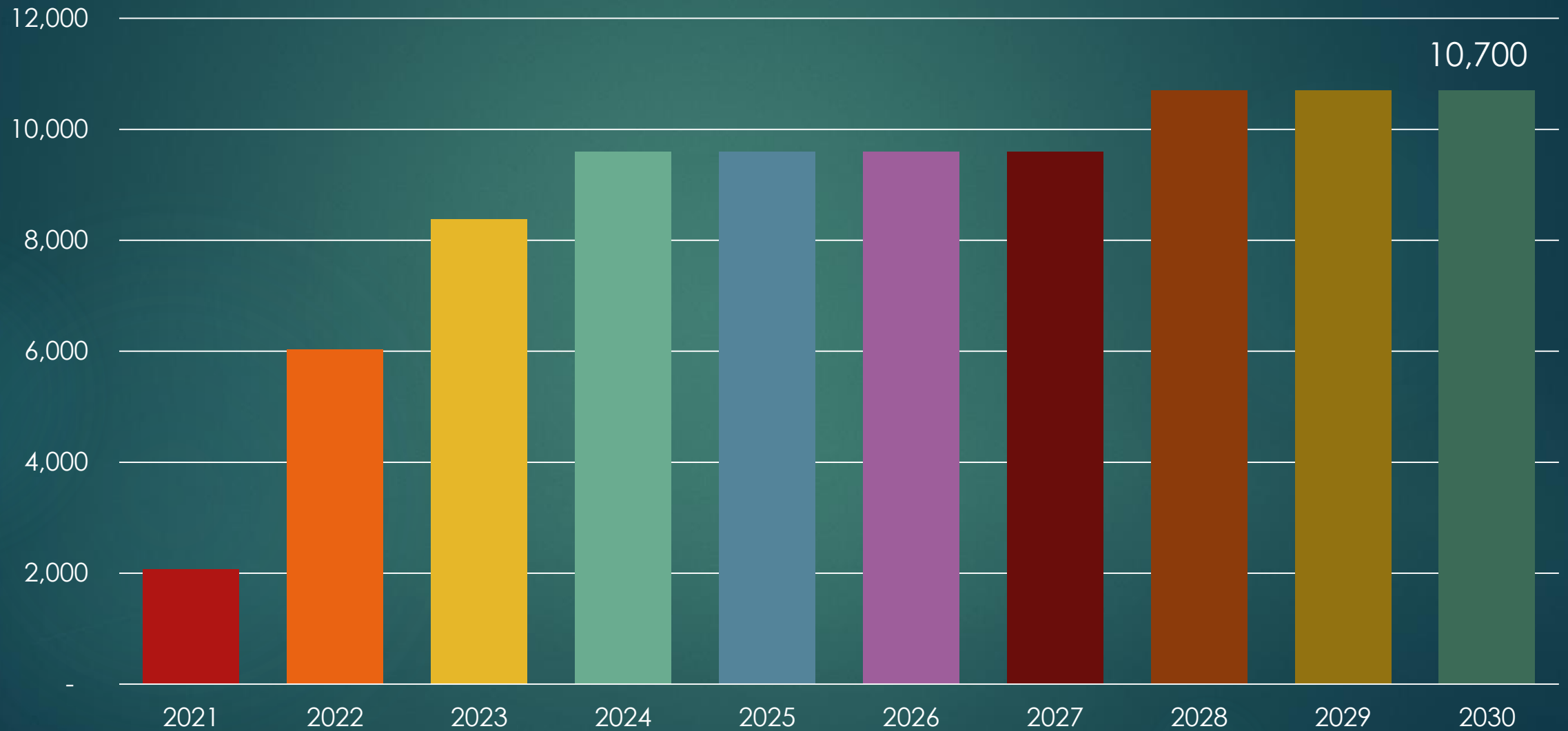
PSMP 2016 (Revisited 2018):	34 Coal Power Plants:	34,429 MW
Unsolicited MOU Signed:	14 Coal Power Plants:	13,727 MW

Total:	46 Coal Power Plants	48,156 MW
Approved by the Cabinet Committee:	18 Coal Power Plants	20,240 MW

Coal Power Plants in Progress

SL #	Power Plant	Status	Progress	Capacity (MW)	Expected COD
1.	Barishal 350 MW (ISO Tech)	Construction	35%	307	Dec 2021
2.	Rampal 1320 MW (BIFPCL)	Construction	70%	1,224	Mar 2022
3.	Godda 1600 MW (Adani)	Construction	65%	1,492	Jun 2022
4.	Banshkhali 1320 MW (S. Alam)	Construction	40%	1,240	Dec 2022
5.	Matarbari 1200 MW (CPGCBL): Phase-1	Construction	45%	1,104	Dec 2023
6.	Payra 1320 MW (BCPCL): Phase-2	Construction	12%	1,240	Dec 2023
7.	Patuakhali 1320 MW (RNPL): Phase-1	Construction	23%	1,224	Dec 2024
8.	Matarbari 1200 MW (CPGCBL): Phase-2	Pre-construction	---	1,104	Dec 2028
Total:				8,935	

Cumulative Electricity Generation from Coal



Now the Loopholes are...

1. Some of the **cancelled coal power plants** have already been shelved or cancelled by the sponsors. i.e. Chittagong 282 MW, Khulna 565 MW
2. Some of the coal power plants which have **already been shelved** or cancelled by the sponsors but **not included** in this cancellation list. There is a chance of revitalizing those power plants. i.e. Pekua (EGCBL), Gazaria (RPCL)
3. Some of the coal power plants are **in the plan but neither signed** any agreement nor cancelled. Patuakhali (RNPL) Phase-2, Dighipara (NWPGCL)
4. The GCM resources has signed several agreement with PowerChina for 6000 MW **Phulbari Mine-mouth coal power plants**. There was no clear direction about the deals.
5. Only Payra Power Plant (Phase-1) is taking BDT **150 crore** as capacity charge without supplying a single unit of electricity.
6. According to BPDB, we will have **15,750 MW idle** power plant in 2025. That means capacity charge of **BDT 14,500 crore**. There is no mention of economic burden of these power plants.
7. **What is the signal? There should be clear picture on the all power plants planned under PSMP.**

Proposed to be converted from Coal to LNG

SL #	Name of the Power Plant	Sponsor	Capacity (MW)
01.	Patuakhali 2X660 MW Coal-fired Power Plant	APSCCL	1,320
02.	Maheshkhali 1320 MW Coal-fired Power Plant-1	BPDB-SEPCO	1,320
03.	Bangladesh-Singapore 700 MW USC Coal Power Plant	CPGCBL-Sembcorp	700
04.	CPGCBL-Sumitomo 1200 MW Coal Power Plant	CPGCBL-Sumitomo	1,200
05.	Gazaria 635 MW (Orion) Coal Power Plant	Orion Group	635
Total:			5,175

Danger of LNG Based Infrastructure & Power Plants

- **Market Volatility:** Price of LNG fluctuated 1000% at spot markets in 2020 only. The Oman Trading International stopped supplying LNG several times in 2020 although Bangladesh had a long-term agreement with them. Per unit LNG price increased 200% in last two months.
- **Expenditure of Infrastructures:** LNG infrastructures, including Terminal and pipeline, are highly expensive that translates as a burden on the end consumers. Capacity charge of the Terminals are also a burden on the economy.
- **Price of Power:** Per kWh power from LNG costs BDT 11-15 while DFG costs BDT 2.30-3.10. Price reduced to BDT 5.5 - 6.5 through mixing DFG with LNG.
- **Pressure on National Economy:** Currently LNG import takes around BDT 6,300 crore a year for 4.2 Million Tons. 30 Million tons by 2030 will cost around BDT 45 thousand crore.
- **Emission:** LNG is not as clean as said by the authorities. LNG based power plants emit **585.6** kg per mWh where coal emits **962.1** kg. Transportation and transmission of LNG will emit more.
- **Heat:** LNG contains 85-90% Methane which absorbs 10 times more heat than carbon di-oxide.

Demands

- Cancel all coal based power plants to ensure the targets of Paris Agreement
- No extension of the required COD of coal power plants. Cancel the agreement according to the options given in the PPA and IA.
- Don't go for suicidal LNG from Coal
- Plan and necessary institutional arrangements for 100% renewables by 2050
- Start subsidy for community based and distributed renewables

THANK YOU!