

Regulatory Issues: Bangladesh Energy Sector Perspective



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Bangladesh Energy Regulatory Commission (B E R C)



- ❖ Bangladesh Energy Regulatory Commission Act, 2003
 - March 13, 2003
- ❖ Established
 - April 27, 2004

Objectives

- ❖ Create an environment conducive to private investment
- ❖ Promote transparency in management, operation & tariff setting
- ❖ Promote competition
- ❖ Protect consumer's interest

Basic Characteristics

- **Independence**
- **Neutrality**
- **Quasi-Judicial Authority**

Salient Features of the BEREC Act 2003

- Legal mandate for Liberalization of the Sector**
- Overriding Effect**
- Public Participation**
- Dispute Settlement through ADR**

Salient Features of the BEREC Act 2003 (contd)

- **Government as Policy Framers**
- **Autonomy for Regulation Making**
- **BEREC as Last Forum for Consumer**

Complaints

Major Functions

- ❖ **To ensure efficient use, quality services, determine tariff and safety enhancement**
- ❖ **To issue, cancel, amend and determine conditions of licenses, exemption of licenses**
- ❖ **To frame codes and standards for ensuring quality of service**
- ❖ **To promote competition amongst the licensees**
- ❖ **To develop uniform system of accounts for all licensees**

Major Functions (contd)

- ❖ **To ensure appropriate remedy for dishonest business practices or monopoly**
- ❖ **To ensure control of environmental standard under existing laws**
- ❖ **To collect, review, maintain and publish statistics of energy**
- ❖ **To perform any incidental functions if considered appropriate by the Commission for the fulfillment of the objectives of this Act**

Tariff Determination

- ❖ **BERC determines price of Electricity, Gas and Petroleum in bulk and retail**
- ❖ **Rate of Return based Pricing**
 - ❖ **Public hearing of licensees and stakeholders**
 - ❖ **Revenue requirement after prudent analysis of one year costs i.e. test year costs**
 - ❖ **Identification of true costs (also cost rationalization) and rate of return**

Achievements: Licensing

Licenses Issued by BEREC:

Details of electricity generation licenses
(Private Sector)

Sector	License issued (Public & Private)
Power	1004
Gas	185
Petroleum	92
Total	1281

Categories of Licenses	No. of license issued	Generation Capacity
Government owned utility	02	3468 MW
IPP	22	1749.77 MW
RPP	17	1102 MW
SPP	06	95 MW
CPP	960	1370 MW
Total	1007	7785 MW

Achievements: Regulation Making

- BERC Licensing Regulation 2006
- BERC Electricity Generation Tariff Regulation 2008
- BERC Gas Transmission Tariff Regulation 2010
- BERC Gas Distribution Tariff Regulation 2010
- BERC Electricity Transmission Tariff Regulation 2010
(waiting to be published)
- BERC Electricity Distribution Tariff Regulation 2010
(waiting to be published)

Achievements: Codes and Standards

- BERC Technical Quality Standards (Electricity)
- Power Grid Code (waiting to be published)
- Power Distribution Code (waiting to be published)
- Uniform System of Accounts (waiting to be published)
- CNG Codes and Standards (waiting to be published)

The background features a dense pattern of light blue water droplets of various sizes. At the top, there are stylized blue waves in shades of cyan and blue, with a thin white line separating them from the droplet pattern.

Thanking you all