

Recent Electricity Tariff Hike

Isn't there a better alternative for subsidy adjustment?

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1. Introduction

Recent decision on tariff hike in the power sector and IMF conditionality

1. Introduction: Recent decision on tariff hike in the power sector and IMF conditionality

- The Ministry of Power Energy and Mineral Resources (MoPEMR) has **recently raised** the electricity tariff (February 27, 2024)
- This upward adjustment of electricity tariff has been done as part of **rationalising subsidy** in the power sector
- The decision **aligns with the IMF's conditions** linked to a \$4.7 billion loan, including the implementation of **an automated pricing formula** for petroleum and **raising electricity and gas prices** to reduce subsidies in the power sector
- Under the IMF conditionality Bangladesh is bound to **rationalise subsidy by FY 2026**
 - By adopting of a periodic formula-based price and implement periodic formula-based pricing for petroleum by FY 2026 **in 6 reviews**
- Through such an adjustment, the **burden has fully passed through** the consumers of electricity – household, agriculture, industry, businesses, services, and other economic activities

1. Introduction: Recent decision on tariff hike in the power sector and IMF conditionality

- The tariff hikes, especially in gas and electricity, are **expected to elevate production costs** significantly leading to higher prices for consumer goods
- The **government claims** that the tariff adjustment is **not a hike** but a necessary step to align with the increased production costs and global energy pricing practices
- At the same time, **by passing** the Bangladesh Energy Regulatory Commission (BERC) and the lack of public consultation **raised concerns** over transparency and the impact on consumers
- The rising subsidy for the power sector over the years is directly related with **substantial amount of capacity payment** provided for unutilised generation capacity of different power plants
 - Which is a reflection of **faulty planning** for power generation in the earlier years
- In this backdrop, the CPD **is examining whether a possible alternative** for subsidy phase out is in hand instead of fully passing through to the consumers
- The **objective is to explore alternative strategies** for subsidy adjustment that could mitigate the financial burden of the BPDB, ensuring its commercial viability in the coming years

2. Overview of Tariff Adjustment

2. Overview of Price Adjustment

- To address the subsidy pressure, the GoB has decided to increase electricity prices starting from March 2024 with adjustments **planned to continue over the next three years**
- The first phase saw an increase of BDT 0.34 to 0.7 per unit (**8.5% tariff hike**)
 - Previously the tariff was increased by 15% in 2023
- Since Jan'23 to Feb'24 a tariff increase of **17.5% has** been faced by the lifeline consumers
 - The rate is **21.5%** for the consumers of 6th slab

Table 1: Category wise tariff structure in last 4 revisions

Sectors	Slabs	February '24	March '23	February '23	January '23
Residence	Life Line	4.63	4.35	4.14	3.94
	1st Slab	5.26	4.85	4.62	4.4
	2nd Slab	7.2	6.63	6.31	6.01
	3rd Slab	7.59	6.95	6.62	6.3
	4th Slab	8.02	7.34	6.99	6.66
	5th Slab	12.67	11.51	10.96	10.44
	6th Slab	14.61	13.26	12.63	12.03
Irrigation		5.25	4.82	4.59	4.37
SME	Flat	10.76	9.88	9.41	8.96
	Off-peak	9.68	8.88	8.46	8.06
	Peak	12.95	11.85	11.29	10.75
Construction		15.15	13.89	13.23	12.6
Educational, Religious and Charity Institutions and Hospitals		7.55	6.97	6.64	6.32
Road Lamps and Water Pumps		9.71	8.91	8.49	8.09
Battery Charging Stations	Flat	9.62	8.84	8.42	8.02
	Off-peak	8.66	7.96	7.58	7.22
	Super off-peak	7.68	7.08	6.74	6.42
	Peak	12.14	11.06	10.53	10.03
Commercial and Offices	Flat	13.01	11.93	11.36	10.82
	Off-peak	11.71	10.73	10.22	9.73
	Peak	15.62	14.31	13.63	12.98
Temporary		20.17	18.52	17.64	16.8

Source: BERC Gazette

2. Overview of Price Adjustment

Table 2: Sectoral tariff structure in last four revisions

Sectors	FY 24 February	FY 23 March	FY 23 February	FY 23 January
Residence	10	9.2	8.7	8.3
Irrigation	5.25	4.82	4.59	4.37
SME	11.13	10.2	9.72	9.26
Industry	11.42	10.39	9.86	9.43
Construction	15.15	13.89	13.23	12.6
Educational, Religious and Charity Institutions and Hospitals	7.55	6.97	6.64	6.32
Road Lamps and Water Pumps	9.71	8.91	8.49	8.09
Battery Charging Stations	9.5	8.7	8.32	7.93
Commercial and Offices	13.45	12.3	11.74	11.18
Temporary	20.17	18.52	17.64	16.8

Source: BERC Gazettes

- The upward tariff revision will have sectoral impacts as well
 - Sectors such as SME, irrigation and other commercial sectors are more vulnerable to the price hike
 - For **irrigation system a 20%** tariff hike has been observed from Jan'23 to Feb'24
 - The change rate is **same for SME** as well
 - In industry the **21% tariff hike** has been done
- Distributional considerations are closer in MOPEMR adjustment compared to that of BERC adjustment
 - BERC Feb'23:** Tariff rate in industry is 1.4% higher than that of SME
 - MoPEMR Feb'24:** Tariff rate in industry is 2.6% higher than that of SME
 - BERC Feb'23:** Tariff rate in industry is 115% higher than that of irrigation
 - MoPEMR Feb'24 :** Tariff rate in industry is 117% higher than that of SME

3. Changing Institutional Process Followed in Tariff Revision

3. Changing Institutional Process Followed in Tariff Revision

3.1 Institutional process followed by MoPEMR pricing mechanism

- The **Bangladesh Energy Regulatory Commission (BERC) Act 2003** was amended in December 2022 to pass the jurisdiction of raising prices through **executive orders to the government**
- Earlier, the Bangladesh Energy Regulatory Commission (BERC) used to adjust the price of power regularly **by organising public hearings** on the basis of the proposal from the concerned companies
- Under the new mechanism, **there is no scope of reviewing the proposals** of raising price or taking opinions from the stakeholders
- **Government has the authority** to determine, redetermine and adjust the power tariff

3. Changing Institutional Process Followed in Tariff Revision

3.2 Weakness in the current process

- The new amendment by the executive orders is a **faulty way to revise and adjust** the electricity tariff as it is passing the whole burden onto consumer's shoulders

Table 3: Comparison between BERC mechanism and MoPEMR mechanism

Issues	BERC Act 2003	MoPEMR New Mechanism 2023
Rationale	Previously the commission used to specify the rationale of the price increase specifying the profit loss, generation cost, transmission and distribution cost of the respective institute	The tariff revision is rationalised based on few factors such as for subsidy rationalisation, for consumers' betterment , demand of agriculture, industry, business and household, for uninterrupted power supply , expansion of transmission and distribution system, storage
Transparency	The generation, transmission and distribution authorities was bound to be transparent about their financial state and reason for the price revision	Under the new mechanism, the public organisations doesn't need to disclose their financial state to justify the price adjustment
Accountability	Through public hearings , the commission was accountable to explain the rationale and necessity of price hike	There is no room for accountability from government's side to explain the reasons for multiple and frequent price hike in details

3. Changing Institutional Process Followed in Tariff Revision

3.2 Weakness in the current process

- The factors mentioned as the reasons for **subsidy rationalisation** seems **vague** as these can often depend on the decision of authority
 - Subsidy rationalisation, **for consumers' betterment**, demand of agriculture, industry, business and household **don't define any specific reasoning** for tariff adjustment
- Another main weakness of the new mechanism is it **doesn't promote the transparency and accountability** when it comes to price setting
- As the new mechanism **excludes public participation** in the tariff adjustment process, the process itself is **not fully transparent**
 - Previously, through the public hearings there **was a provision to disclose the financial state and proposals of different related authorities**. But the new mechanism doesn't include and promote transparency and accountability
- Previously, when public hearings were held, the companies and institutes used to disclose the financials and **a healthy practice of debates** were promoted
 - However, in the new mechanism there is **no scope for public opinions** and debates regarding the tariff revisions

4. Fiscal Rationalisation of Tariff Adjustment

4. Fiscal Rationalisation of Tariff Adjustment

4.1 Background of the tariff adjustment

- The power generation capacity has been increasing **without taking into account** the rise in demand (Figure 1)
 - The generation capacity has **increased disproportionately** compared to rise the number of consumers (Table 4)
 - Growth in the number of BPDB consumers is **much lower compared** to the growth in the power generation capacity **leading to the rise in unutilized generation capacity**
 - As known very widely, the reason for the **unutilised generation capacity is due to the overestimation of power demand** (Figure 1)

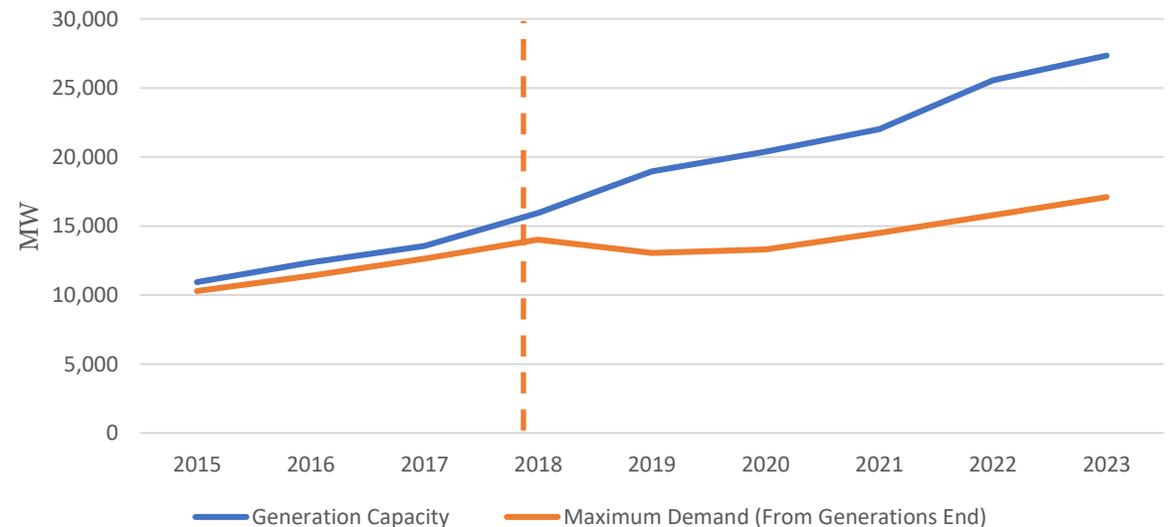
Table 4: Financial Account of BPDB

Year	Change in generation capacity (%)	Change in number of consumers (%)
2015-16	13.04	9.51
2016-17	9.62	-26.92*
2017-18	17.69	10.89
2018-19	18.86	8.72
2019-20	7.50	6.26
2020-21	8.05	6.63
2021-22	16.04	6.35
2022-23	14.07	8.43

Note:* Decrease in consumers number in FY2016-17 is due to the transfer of sizable number of consumers to NESCO

Source: BPDB Annual Report

Figure 1: Power Generation Scenario during FY2015-23



Source: Authors' illustration from BPDB data

4. Fiscal Rationalisation of Tariff Adjustment

4.2 Total financial burden of BPDB

- In the FY 2022-23 BPDB has **incurred a loss of BDT11,765 crore** against the targeted loss of BDT 6,958 crore
 - The comprehensive loss has been increased **more than 3.5 times** from the comprehensive loss of FY 2021-22
- This is mainly due to the **increase in operating expenses** driven by the diesel/ furnace oil used for the electricity generation in rentals and quick rentals as well as significant amount of capacity payment for the IPPs

Table 6: Financial account of BPDB

Particulars	Achieved in 2021-22 (Crore Taka)	Achieved in 2022-23 (Crore Taka)
Operating Revenue	44322	51847
Operating Expenses	71857	95386
Operating Income (Loss)	-27535	-43539
Non- Operating Expenses	3821	5057
Subsidy from Govt.	29658	39535
Tax	1535	2704
Comprehensive Income (Loss)	-3233	-11765

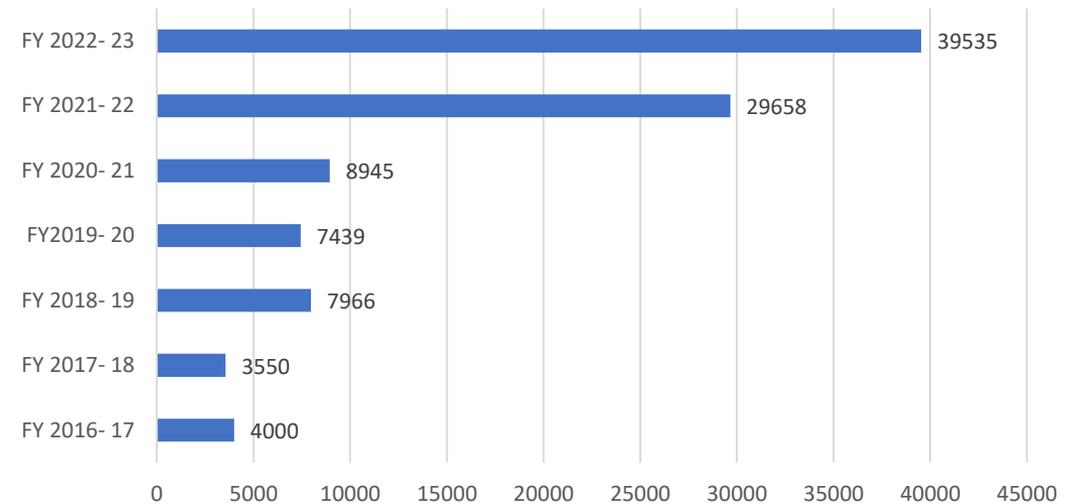
Source: BPDB Annual Report 2022 & 2023

4. Fiscal Rationalisation of Tariff Adjustment

4.3 Total fiscal burden of government

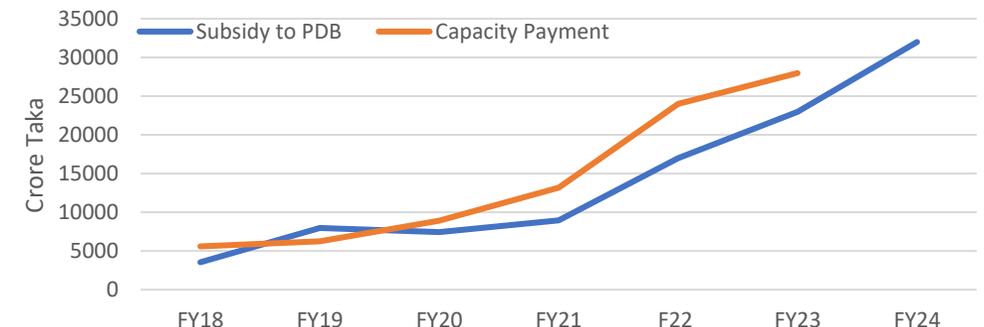
- BPDB's loss has been covering up with the subsidy allocation from the Finance Ministry (Table 3)
- **The loss of BPDB is mainly driven by the cost of electricity purchase** from IPPs, rentals and QRRs
- Over the years it has been found that **there is a positive correlation between** subsidy and capacity payment paid to the rentals and quick rentals (Fig. 2)
- Despite increasing electricity prices from January to March last year, the Power Development Board (PDB) reported a loss of BDT 435.39 billion in fiscal 2022-23, necessitating a subsidy of BDT 395.34 billion (Fig. 3)
- **Despite increasing the electricity tariff for the 4th time in last one year, the subsidy burden is still persistently hovering on the MoPEMR**
- According to the minister, the tariff hike will reduce the amount of subsidy by **BDT3000 crore**
 - About **BDT36, 363 crores** of subsidy will have to be paid

Figure 3: Subsidy to BPDB (Crore Taka)



Source: BPDB Annual Report

Figure 2: Trend of Subsidy and Capacity Payment



Source: BPDB Annual Report & newspaper

4. Fiscal Rationalisation of Tariff Adjustment

4.4 Adjustment of fiscal burden through tariff adjustment

- According to BPDB annual report of FY 2023, the average production cost of electricity is BDT11.33
 - The tariff has been increased to BDT8.95
- In 2020, the average cost of electricity generation was **almost half of the current cost of generation**
- Historically, power generation fuel mix is dominated by the natural gas
 - During FY2020, the share of **gas in fuel mix was 54%**, whereas it is now 45.6%
 - The generation cost has been doubled due to the blend of **expensive imported LNG** in the fuel mix
- The subsidy rationalization could have been done by **reducing generation cost** instead of hiking tariff
- The **excess reserve margin** did not change significantly as **phasing out plan was not implemented**
 - In FY2020 the margin was 35%
 - In FY2023 the reserve margin increased to 37.5%
- **Lack of competitive bidding** due to use of Quick Enhancement of Electricity and Energy Supply (Special Provision) (Amendment) Act, 2010 (called 'emergency power supply act') is also responsible for higher cost of electricity purchase price from the private sector

Figure 3: Current power generation cost and tariff

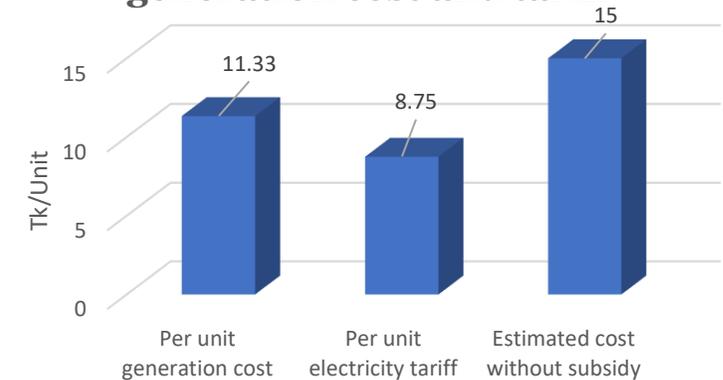


Table 7: Generation cost and tariff

Generation Cost of Electricity		Electricity Tariff	
FY	Average generation cost (Tk/ unit)	FY	Weighted avg. of retail power tariff (Tk/ unit)
2019- 20	5.91	Mar-20	7.13
2020- 21	6.61		
2021- 22	8.84		
2022- 23	11.33	Jan-23	7.49
		Feb-23	7.86
		Mar-23	8.25
		Feb-24	8.95

Source: BPDB Annual Report and government gazettes

5. Impact and Implications of Tariff Adjustment in Economic Activities

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.1 Direct implication of tariff hike

5.1.1 Background

- Primary Survey: 1,000 Households Across Bangladesh
- Survey Timeline: November 2023 (reference period)
- **Electricity bill reflects** the quantity of electricity consumption because the price was last revised in March 2023 from the reference period
- **Electricity consumption behaviour** does not change in the short run
 - Although the behaviour has seasonal patterns: consume less in winter and consume more in summer, the **seasonal pattern of behaviour is inelastic** and hence, does **not change usually in the short run** (Islam et. al., 2020)

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.1 Direct implication of tariff hike

5.1.2 Change in Electricity Bill at the Household Level (constant Electricity consumption)

- Average monthly bill
 - At old price (March 2023): 1,202 BDT
 - At new price (February 2024): at least 1,315 BDT (Estimated)
 - Average change: Increase by **at least 9.4%** (Estimated)

Table 8: Average Monthly Electricity Expenditure

Price Scheme (Average)	Period		
	March to June	July to October	November to February
Old Price (Effective from March 2023)	BDT 1255	BDT 1232	BDT 1120
New Price (Effective from March 2024)	BDT 1373*	BDT 1348*	BDT 1226*
Change (in BDT)	BDT 118	BDT 116	BDT 106

Source: Moazzem and Faisal (upcoming): “Lights Out, Stress In: Assessing Stress Amidst Power and Energy Crisis in Bangladesh”

- The highest increase of average monthly bill can be seen **during summer**, but the difference is insignificant

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.1 Direct implication of tariff hike

5.1.3 Change in Average Consumption at the Household Level (constant Electricity Bill)

- Average monthly consumption
 - At old price (March 2023): 138 Kw-H
 - At new price (February 2024): at best 126 Kw-H (Estimated)
 - Average change: **Decrease by at least 8.6% (Estimated)**
- However, this is not possible!
 - The recent weather and climate forecasts are showing the **temperature is most likely to increase** in 2024 compared to 2023 (even, under month-to-month basis)
 - The **demand for electricity** is supposed to increase compared to the last year
 - Hence, the consumption is supposed **to increase** as well.
 - In the best-case scenario, the **consumption may remain constant** as Bangladesh has not improved much in terms of energy efficiency
- **So, the actual electricity expenditure is likely to go up at a larger extent than our estimation because both price and quantity demanded are more likely to increase in 2024**

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.1 Direct implication of tariff hike

5.1.4 Change in Electricity Bill For Other Consumer Base

- Assumptions
 - Electricity consumption **behaviour does not change** among the other consumer base
 - The **technology** or appliance or machinery employed in electricity consumption **do not change** from 2023 to 2024

Table 9: Change in average monthly expenditure of electricity across various consumer base

Change in Average Monthly Electricity Expenditure (in %)	Consumer Base			
	SME	Business and Office	Industry	Irrigation Pump (Pumping)
	Increase by 9.12%*	Increase by 9.71%*	Increase by 10%*	Increase by 11.02%*

Source: BPDB Pricing Gazette

- The **highest price increase** happened for **the farmers and industry-based consumers** compared to the other class of consumers

* If the consumer base decides to **decrease** the **quantity** of electricity consumption, then the expenditure might **increase** to a **lower** extent than the estimated result or **stay constant**. However, if the consumption **increases**, the expenditure is likely to **increase** at an extent **higher** than the estimated figures.

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.2 Indirect implication of tariff hike

- Energy prices, particularly electricity, significantly impact **inflation**, affecting monetary policy formulation and potentially leading to an **inflationary spiral** without appropriate adjustments in energy and macroeconomic policies (Bednář et al., 2022, Nguyen, 2008)
 - Since electricity is the mostly used energy, increasing price of electricity affects household expenditure, production cost and operational cost of business and service
 - Which in turn, may increase the **overall price level of economy**
 - Nguyen (2008) shows that an increase in electricity price drives up the price of **all other goods and services** in the economy
 - Computable General Equilibrium model supports this idea as well and it predicts that price of **electricity intensive goods** such as **metals and fabricated metals, minerals, fertilizers and chemicals, furniture, glass, paper and pulp, cement** etc. (Timilsna, 2017)

5. Impact and Implications of Tariff Adjustment in Economic Activities

5.2 Indirect implication of tariff hike

- Since the population is likely to experience a higher ambient temperature than that of 2023, the **demand** for electricity will **surge up** and the increasing **financial burden**
- Imposed by an increase of electricity price, may inflict financial constraint which in turn will adversely affect the health
 - Istiaque and Khan (2018) showed that **an increase in 1°C air temperature** increases **electricity demand by 81MW in just Dhaka city**
 - Increasing electricity demand needs to be catered with **increasing electricity expenditure**
- Consumers **may switch towards alternative power sources**, such as, renewable energy sources
- Most importantly, consumers are **not responsible for this rise in electricity tariff** and **should not bear the burden** of this extra expenditure.
- This fiscal burden should solely be **met up through the power generation mechanism**

6. Alternative Mechanism of Subsidy Adjustment

6. Alternative Mechanism of Subsidy Adjustment

6.1 Adjustment with the New Electricity Price Setting Mechanism

- Assuming electricity generation behaviour is constant, based on wholesale price, the subsidy reduction would be around BDT 2,650 crore through the recent tariff hike
- For the current subsidy amount to be BDT 0, average wholesale electricity price has to be **BDT 13.24/unit**
 - It is slightly higher than the price suggested by IMF (**BDT 12.11/unit**)
 - Holding cost, inflation rate, and fiscal deficit constant, the retail price would be **BDT 16.41/unit**
- The government has not published any **phase-wise roadmap of price adjustment**
 - Although free market constitutes an efficient energy market in the long run, **without a proper roadmap of gradual adjustment** the market will be inefficient and volatile
 - The volatility will be influenced by market demand, fuel costs, and renewable energy supply variations

6. Alternative Mechanism of Subsidy Adjustment

6.2 Alternative of Shifting the Entire Subsidy Burden on the Consumers

6.2.1 CPD's Alternative Proposal

- Rather than increasing electricity price, to reduce the subsidized amount paid to the BPDB, and hence shifting the burden on the consumers, CPD proposes a blend approach:
 - Phase-out of fossil fuel-based power plants on time
 - No Electricity No Payment
 - Electricity price increase at a comparatively smaller extent
 - Replacement of fossil fuel-based power plants with the renewable energy plants by the entire capacity (as per the target of 40% of RE by 2041)
- If the fossil fuel-based power plants are phased out in time and No Electricity No Payment is ensured for all the plants, CPD's calculation estimates that by **2028-29**, not only the subsidy will be zero, but also there will be a positive surplus for the BPDB.
- As mentioned previously, IMF's price estimation to reach a zero-subsidy scenario will result in a **12%** price increase **over 5 years**. However, CPD's proposal constitutes only **6.8% rise** over 5 years to reach a zero-subsidy scenario
 - This will significantly reduce fiscal burden from the consumers

6. Alternative Mechanism of Subsidy Adjustment

6.2 Alternative of Shifting the Whole Subsidy Burden on the Consumers

6.2.2 Calculation Method

- To determine the reduction of subsidy through gradual phase out of power plants, the operational cost of each power plant and the subsidy they receive were determined
- All the subsidies of QRs were considered zero at the end of 2024
 - Similarly, all the subsidies at the end of phase-out year for each power plants were considered zero
- **Scenario 1 is considered to be Business-as-Usual/Current case**
- **Scenario 2 is designed considering 5% inflation than the current wholesale price**
- **Scenario 3 is based on 8% inflation from the current wholesale price**
- **Scenario 4 is based on 10% inflation from the current wholesale price**
- **The wholesale price of the current case was calculated from the BPDB Pricing Gazette**

6. Alternative Mechanism of Subsidy Adjustment

Table 10: Subsidy amount in different tariff increments

Year	Business as Usual (crore BDT)	5% Increase per annum (crore BDT)	8% Increase per annum (crore BDT)	10% Increase per annum (crore BDT)
2024	-30,460	-	-	-
2028	-29,690	-14,480	-4502	2887
2029	-29,200	-10,740	1978	11,538

6.2 Alternative of Shifting the Entire Subsidy Burden on the Consumers

- The (-)-ve indicates the amount of subsidy to be paid after the respective years
- The analysis shows that under 10% price increase a positive profit is achievable in 2028
- Under the scenario of 8% increment, a zero-subsidy scenario is achievable
- But it must be ensured that the power plants are phased-out in time or they are renewed on **“No Electricity No Payment”** basis

Source: Authors' analysis based on BPDB Annual Report 2022-23

6. Impact and Implication of Price Adjustment

6.3 Renewable Energy as an Alternative Source

- An on-going study of CPD
- The impact of energy mix: increasing the share of renewable energy
 - Methodology:
 - Calculate a performance score inspired by the Global Competitiveness Index (GCI), a metric commonly used to evaluate a country's economic performance
 - Employ the score to rank and identify the power plants with the least satisfactory performance
 - The rank of the power plants based on the index score was analyzed to phase out the power plants in three stages: (a) top priority (within 2025); (b) medium priority (within 2030); and (c) low priority (after 2030)
 - **The capacity of the phased-out power plants can be replaced by the renewable sources, which, in turn will decrease the fiscal burden faced by the government**
 - **In the analysis, the estimate was calculated using both the contractually binding power plants and the power plants with the urgent score of phasing out, whichever is the earliest (see next slide)**

6. Impact and Implication of Price Adjustment

6.3 Renewable Energy as an Alternative Source

Table 11: Forecast: Renewable Energy Share and Financial Savings

Year	Renewable Energy Share	Financial Savings (in Tk)
2025	19.5%	8,670 Crore
2030	30.3%	4,180 Crore
2041	34.4%	63,000 Crore
Total		75,850 Crore

Source: Analysing the Feasibility of Achieving 40% RE by 2041 through Existing Thermal Plant Phase-Out Strategies

- Osman, et.al. (2023) showed that the levelized cost of electricity from the renewable sources is likely to decrease in future than that of other sources
- Therefore, the **purchasing price** of the electricity from the power plants of **RE** sources will be **less** than that of the **fossil fuel-based** power plants
- It will in turn save more subsidy if the “No electricity, no price” condition is maintained
- If the fossil fuel-based power plants are replaced by the RE plants, then a price increase of only **6.8%** over 5 years results in zero subsidy and generate a profit of **BDT 31.08 Crore** by 2028

7. Conclusion

7. Conclusion

- The **new amendment of BERC ordinance has weakened** the institutional framework of electricity pricing by eliminating the process of public hearing and involvement in the price revision process
 - Such amendment has questioned the transparency and accountability of the regulatory process
- As the result the **whole burden has been passed** on to the consumer's shoulder which is **neither expected nor appreciated**
- The **average expenditure increase for the majority consumer** base is more than the overall average increase of the electricity price
 - The **highest average expenditure increase can be noticed in the irrigation pump (farming base)** and industry, whereas the lowest is noticed in the SME consumer base

7. Conclusion

- **CPD proposes a blend approach** to reduce the subsidized amount paid to the BPDB **without significantly increasing electricity prices** or shifting the financial burden onto consumers
- This approach includes:
 - Phasing out fossil fuel-based power plants on time and implementing a "No Electricity, No Payment" policy
 - According to CPD's calculations, could eliminate subsidies by 2028 and create a positive surplus for the BPDB
 - Limiting the electricity price increase to **only 6.8% over 5 years** to reach a zero-subsidy scenario, **in contrast to the IMF's estimation of a 12% price increase** over 5 years
 - This strategy will significantly reduce the fiscal burden.
- It is important to initiate competitive bidding process in PPA for which abolishment of 'emergency power and energy supply act' is required.
 - This will significantly reduce the purchase price of electricity
- 40% of Renewable energy-based power generation needs to be ensured.

Thank You!